Value Based Selling as Fair Treatment Practice
Dealing with Privacy Concerns in Product-service System Selling

Nijssen, Edwin J.; Van der Borgh, Michel; Totzek, Dirk

2020 AMA Winter Academic Conference

Consumers and Firms in a Global World

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Foreword

We are delighted that you have decided to attend the 2020 AMA Winter Conference in San Diego, California. This conference has a special meaning to us. O.C. co-chaired the very first Winter AMA Marketing Educators conference 41 years ago, and Bryan started his academic career in San Diego 23 years ago. Now we are back—together with you.

As conference theme, we selected "Consumers and Firms in a Global World." Understanding consumers and the global forces shaping their decisions is central to understanding businesses' consumer needs. We see a renewed sense of endeavor with the new decade, but we also see global challenges stemming from dynamic political, economic, and environmental change, creating new research opportunities and the confidence to be inquisitive. This proceeding represents cutting edge research and insights that should help leverage such opportunities and guide our discipline into this new decade.

Many of the papers in the proceedings focus on how technology is changing the marketing environment and affecting the way organizations interface with consumers. High-tech disrupters are changing how marketing is strategically developed and implemented. Artificial intelligence, driverless vehicles, drones, and predictive analytics are creating new challenges and amazing opportunities (in the last three months, Tesla stock has risen from $325 to over $900/share). Automated surveillance, online retailing, and social media are creating needs for more security and consumer protection. Also important is the role of marketing from societal and stakeholder perspectives; topics such as social justice and consumer welfare, as well as shareholder rights and product promises, need ongoing research attention so that marketing can contribute to the ethics and social responsibility of the firm. Against this background, we specified our conference tracks and identified our track chairs. The objective was clear: To produce a proceeding that helps the marketing discipline stay relevant and contribute to the welfare of consumers in a global world and, in that vein, to approach all topics from a variety of perspectives.

Without our track chairs, this proceeding would not have been possible. Reviewers and special session organizers were vital, too. We must also thank all those who submitted their research to us—your ongoing research is the motivation for this conference edition. Last but not least, we are deeply grateful to Monica Gerhardt and Matt Weingarden at the AMA, who have executed this conference expertly. And we acknowledge the AMA academic council, which is the guiding hand behind our many wonderful AMA academic conferences.

O.C. Ferrell, Auburn University

Bryan A. Lukas, University of Manchester

Awards

Marketing Strategy and Implementation

The Effects of Sustainable Innovations on Financial Performance
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Sundar Bharadwaj, University of Georgia

Marketing Performance and Metrics

Marketing Background of CEOs and Corporate Social Performance (CSP)
Saeed Janani, Arizona State University
Ranjit M. Christopher, University of Missouri – Kansas City
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Michael A. Wiles, Arizona State University
Saurabh Mishra, George Mason University

International and Cross-Cultural Marketing

Culturally Motivated Pricing
Preethika Sainam, Thunderbird School of Global Management at ASU

Sustainability, Social Responsibility, and Ethics

Correct, Compensate, Cultivate: A Framework of Firm Responsibility
Dionne A. Nickerson, Indiana University
Michael Lowe, Georgia Institute of Technology
Adithya Pattabhiramaiah, Georgia Institute of Technology

Public Policy and Macromarketing

The Rise and Fall of Collaborative Consumption Based Social Enterprises: The Swedish Clothing Libraries
Pia A. Albinsson, Appalachian State University
B. Yasanthi Perera, Brock University

Customer Engagement and CRM

Customer Experience Dynamics: Building a Hidden Markov Model using Repeat Customers' Verbatim Textual Review
Hsiu-Yu Hung, Warwick Business School
Nick Lee, Warwick Business School
Yansong Hu, Warwick Business School

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B2B Buyers Breaking Bad: Aggression in the Name of Rationality
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Ove Jensen, WHU—Otto Beisheim School of Management
Marcel Hering, WHU—Otto Beisheim School of Management

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An Analysis of Sales Self-Efficacy Change: Drivers and Outcomes
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Belinda. Dewsnap, Loughborough University
John W. Cadogan, Loughborough University
Nick Lee, University of Warwick

Advertising, Promotion, and Marketing Communications

Do Product Testing Programs Lead to More Favorable Online Reviews? A Comparison Between Reviews Written by Product
Testers and Other Reviewers
Ina Garnefeld, University of Wuppertal
Tabea Krah, University of Wuppertal
Eva Böhm, University of Paderborn
Dwayne D. Gremler, Bowling Green State University

Consumer Psychology and Behavior

I Am Too Good to Be True: How Self-Enhancement Motivations Shape Prosocial Behavior of Entitled Individuals
Alexandra Polyakova,University of Sussex

Social Media, AI, and Digital Marketing

Brands on Social Media: A Meta-Synthesis on the Social Media Value Chain
Georgia Liadeli, Vrije Universiteit Amsterdam
Francesca Sotgiu, Vrije Universiteit Amsterdam
Peeter W.J. Verlegh, Vrije Universiteit Amsterdam

Market Research

How to Enhance Online Hotel Ad Effectiveness Based on Real-World Data: Mobile Eye-Tracking and Machine Learning Tell
Wen Xie, University of Houston
Ming Chen, University of North Carolina at Charlotte
Zhu Han, University of Houston

Marketing Analytics and Big Data

From Algorithm Aversion to Appreciation? Optimizing Algorithm Recommendation Disclosure with Dynamic Field
Experiments and Deep Reinforcement Learning
Han Chen, Temple University
Xueming Luo, Temple University
Hanbing Xue, University of Science and Technology of China
Yongjun Li, University of Science and Technology of China

Product Development and Innovation

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Types on Exploitative and Explorative Innovations
Hyeyeon Yuk, Korea University Business School
Tony Garrett, Korea University Business School

Strategic Branding and Brand Management

Indeed, Consumers' Impressions of Firm's Warmth and Competence Matter! But How Do They Come About?
Petar Gidakovic, School of Economics and Business University of Ljubljana
Vesna Zabkar, School of Economics and Business University of Ljubljana

Service Science and Retailing

When Apology Is Not the Best Policy: The Negative Impact of Apologies on Consumer Judgment and Behavior
Mason R. Jenkins, Northeastern University
Paul W. Fombelle, Northeastern University
Mary L. Steffel, Northeastern University
Vesna Zabkar, School of Economics and Business University of Ljubljana

Best Paper in Conference

The Rise and Fall of Collaborative Consumption Based Social Enterprises: The Swedish Clothing Libraries
Pia A. Albinsson, Appalachian State University a
B. Yasanthi Perera, Brock University

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Advertising, Promotion, and Marketing Communications

The Triumph and Troubles of Community Branding According to Levels of Community Consensus

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ABSTRACT

Sponsorship-based community branding assumes that community members feel normative pressures to conform to standard expressions of membership. In the current research, we show that community members do prefer sponsorship-based community branding when they believe they belong to a high consensus community, but not when community members believe they belong to a community characterized by individuality.

Keywords: *community branding, sponsorship, group marketing, targeted advertising*

Description: *This research investigates how the effectiveness of community sponsorship in brand advertising (e.g., utilizing a sports team's logo on a credit card) depends on the extent to which community members believe their community acts according to consensus norms (vs norms of nonconformity and individuality).*

Introduction

With a decline in previously dominant social institutions, such as religions, and an accompanying rise in loneliness, people increasingly turn to brands for a sense of affiliation and expression (Shachar et al. 2011; Thomas et al. 2013). Belonging to a consumer community entails a shared commitment, along with other customers, to the brand 's mission and values. Google Trends offers evidence of the current industry shift in the United States; as seen by the fact that searches for "customer community" have increased 700% since 2004 (11 to 88) compared to "customer loyalty" which has slightly declined (63 to 45).

Accordingly, community branding is becoming increasingly prevalent across a diverse array of companies and strategies. Some brands directly facilitate communal interactions, such as SoulCycle fitness studios which credibly proclaims, "we are a fitness community raising the roof at our own cardio party" (SoulCycle Inc. 2019). Other brands simply evoke a sense of community, such as SoulCycle's internet rival Peloton, which lacks the in-person classes yet still refers to its 1.4 million customers as members of a loyal community. Peloton mentions "community" 41 times in its S1 IPO prospectus, including in its statement of purpose. On the other hand, other sets of brands simply aim to latch onto another brand's established community, such as Chevrolet's $560 million sponsorship of Manchester United Football Club (Mazodier et al. 2018).

This latter community branding strategy, sponsorship, is the most tenuous because it relies on another brand's community members signaling their allegiance to the community by adopting shared symbols and supporting all ingroup members, including brand sponsors (Henderson et al. 2019). In essence, an assumption of normative pressure underlies sponsorship-based community branding. The current research contributes to the community branding literature by challenging this assumption and showing that normative pressures can actually undermine sponsorship-based community branding. Specifically, we propose that the effectiveness of this type of community branding depends on the degree of community consensus, defined as the extent to which community members conform to a uniform set of communal practices and symbolic expressions of commit-

ment to shared values and identity. Among communities characterized by high degrees of consensus (e.g., gang members all with the same tattoos or sports fans all dressed in the same colors), members should eagerly adopt sponsor's products to avoid potentially violating a norm of conformity and risk being seen as not fully affirming their community identity. But among communities characterized by low degrees of consensus (e.g., hipsters who all have tattoos, albeit unique, and wear varying shades of grey), the norm of nonconformity pressures consumers to seek highly individual expressions of membership and forsake any branding that would put forth a uniform symbolic expression of their community. When targeting low consensus community members, a sponsor brand may be better off using its original branding strategy as opposed to adopting a community branding approach.

In the remaining sections of this paper, we first build out the conceptual background and the arguments underlying our central proposition. Then, after establishing our formal hypothesis we describe our experiment and results providing empirical support for the proposed conditional effectiveness of community branding according to vary degrees of community consensus. Finally, we explain how additional planned studies will seek external validation of the findings and provide evidence of the proposed underlying process.

Conceptual Background

Brand Communities and Community Consensus

Muniz and O'Guinn define brand community as, "a specialized, nongeographically bound community, based on a structured set of social relationships among admirers of a brand" (2001, p. 412). Each brand community has a distinct culture with rituals and traditions that anchor the group to a shared past. While shared identity is a keystone of communities, they also rely on compliance with a set of shared norms which are both formally and informally established while also continuously evolving. These behavioral commitments explicitly and implicitly communicate expectations for incoming members as well as provide a measure for existing community members. Community norms can be characterized by a high degree of consensus and uniformity or individuality and, paradoxically, nonconformity. Muñiz and O'Guinn (2001) note vast differences in cultures of consensus among more conformist Saab drivers compared with Macintosh customers who embrace open-mindedness and rebelliousness.

Community consensus is a construct to characterize this spectrum of uniformity of normative expressions of group membership. Within larger communities, there are subgroups, or microcommunities, that can emphasize individualism and self-expression even while other microcommuni-

ties prefer a greater degree of uniformity (Gelfand et al. 2011). Therefore, community consensus can be measured at the individual level to compare variation in compliance behavior across members or at the more aggregate community level to compare across groups.

Community Identity Branding

Identity-based motivation is an effective and powerful driver of consumer behavior (Oyserman 2009; Shavitt et al. 2009). The identity-based motivation model predicts that individuals strive to increase perceived similarity with the group they identify with, and then construe themselves more positively when perceived as more similar with the group. Identity branding aims to situate a brand in a way that individuals seamlessly connect with the larger community by uniting a group through similar consumption (Mercurio and Forehand 2011). However, for microcommunities characterized by low community consensus, alignment and association with the group might be achieved by rejecting any stereotypical representation of the community as offered by a brand. Using the existing literature to establish the theoretical foundations, we formally hypothesize the following:

H_1: There is a community branding strategy × community consensus interaction effect on brand attitudes, such that (a) at high levels of community consensus, community-based branding increases consumers' brand attitudes while (b) at low levels of community consensus, community-based branding decreases consumers' brand attitudes.

Empirical Investigation

Procedure

We examined our hypothesis using an a 2 (sponsorship-based community branding: present vs. not present) × continuous (perceived community consensus) experimental design. We recruited 148 undergraduate students (41.9% female; average age 20.91) to participate in the study in exchange for course credit. Participants were first asked to complete a writing task in which they were instructed to describe the ways they were involved in their University community. Next, they completed measures of community consensus for the University community. Community consensus was measured using a six-item scale and rated on a seven-point scale (1 = "strongly disagree," and 7 = "strongly agree"). The scale was adapted from the Theory of Tightness-Looseness (Gelfand et al. 2011). Example items include: "In this community, there are very clear expectations for how people should act in most situations," "People agree upon what behaviors are appropriate versus inappropriate in most situations in this community," and "People in this community have a great deal of freedom in deciding

how they want to behave in most situations." Then, participants were asked to proceed to an ostensibly separate study. Following an established procedure to surreptitiously expose participants to branding content (Henderson, Mazodier, and Sundar 2019, study 3), the respondents were instructed to review a webpage in order to share their opinion on the visual layout and design. The webpage included three brand advertisements with two of the three brands either visibly supporting the University community (e.g., featuring the University logo and colors) or all of the three brands not visibly supporting the University community. Community branding was manipulated at random between subjects. After providing feedback on the visual design of the website, participants were asked to indicate their attitude towards the three advertised brands as well as the focal, sponsorship-based community branding brands' close competitors (i.e., Mastercard for Visa and Panera for Chipotle) on a seven-point scale from "extremely negative" to "extremely positive." Finally, respondents provided demographic information. See Figure 1 for Stimuli and results.

Discussion

In support of H1, there is a significant interaction of community branding and community consensus on brand attitudes towards community sponsored advertisements. The primary significant interaction was between community consensus and community-based branding ($F(8,139) = 11.4340$, $p < .001$). The final model controlled for gender, age, and participant's attitudes towards the control brand, as well as their attitude towards the direct competitors of the two brands that were included the manipulation. Both community consensus and community branding exhibit negative effects on brand attitudes (community consensus $b = -.3201$, $p = .0517$; community branding $b = -3.6276$, $p = .0039$). A floodlight analysis identifies that the interaction between community branding and community consensus is statistically significant ($p < .05$) at consensus levels less than 4.28 and at levels greater than 5.22. More specifically, within our sample, 23.78% of respondents reported a community consensus level of less than 4.28 and 29.37% of the sample reported levels higher than 5.22. In support of H1a, at relatively higher levels of community consensus, identity branding is significantly more effective than noncommunity branding. Furthermore, in support of H1b, at lower levels of community consensus, noncommunity branding is more effective. More interestingly, at low levels of community consensus, community branding backfires at low levels of community consensus.

The current research contributes to the extant community branding literature by challenging the assumption that high consensus is an essential attribute of communities. It does so by providing evidence that shows that normative pressures

Figure 1. Experimental Stimuli and Results for the Effect of Community Branding × Community Consensus on Brand Attitudes

Modifications by condition:
In the non-community branding condition, the University of Oregon logo was removed from both the Visa and Chipotle advertisements and was changed to a plain, non-sponsored Visa card and World Wildlife Fund logo in the Chipotle advertisement.
Community consensus is measured with a six-item scale adapted from Gelfand et al. (2011).
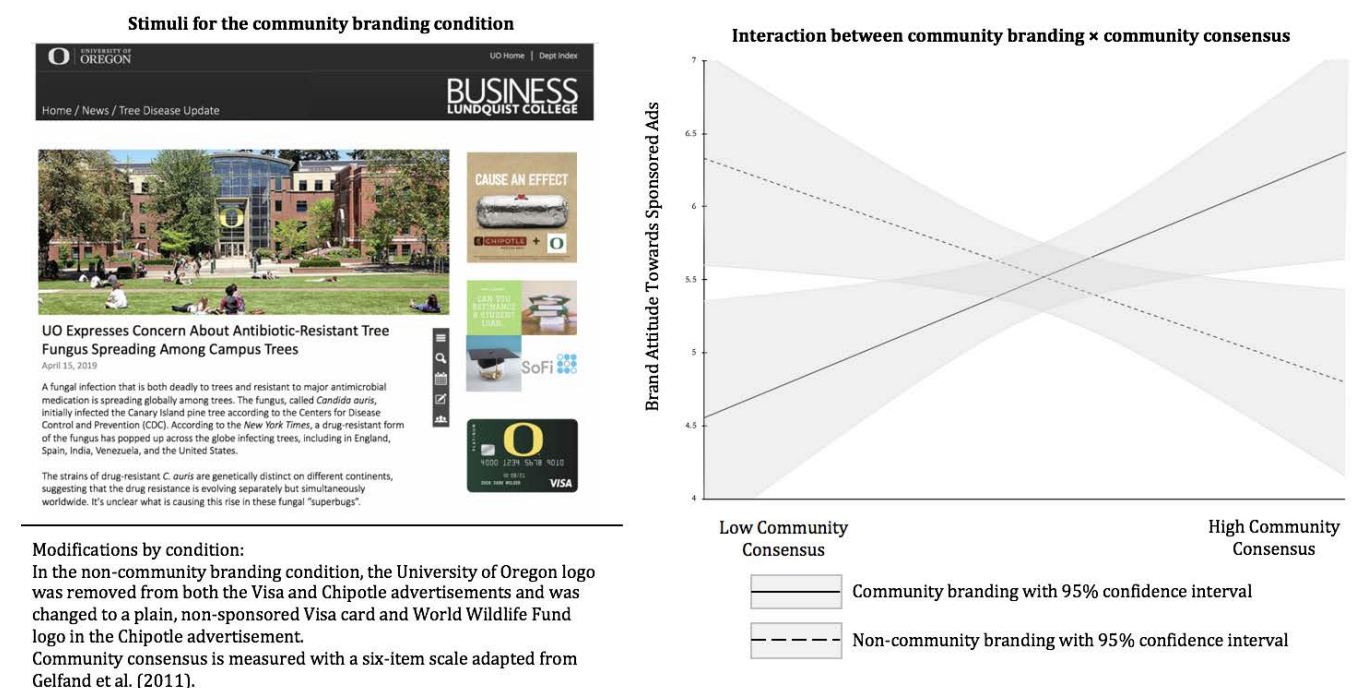
can not only stagnate, but actually undermine sponsorship-based community branding. To mitigate this finding, when targeting low consensus community members, one approach that would be received more favorably would be for a sponsor brand to use its original branding strategy instead of automatically adopting a community branding approach and demonstrating the community characteristics they actively seek to avoid embodying.

Limitations and Future Research Directions

In the current research we provide evidence that community branding is not a universally effective approach that is favorably received by all communities, but in fact should be employed cautiously based on community-specific factors. By focusing on a community where membership was known to be established, this research tested an initial boundary condition for community branding by introducing a new construct—community consensus—to account for the spectrum of uniform normative expressions expected of community members. Community consensus provides an initial example that community characteristics influence the effectiveness of community branding; however, identifying other community-relevant factors that influence brand attitudes remains an opportunity for future research that is relevant for determining where employing community branding as a branding strategy is most appropriate, effective, and worthwhile. Following the current experiment, next steps will include conducting more studies across communities with greater variation in consensus levels to replicate the initial findings in addition to further identifying the underlying process model.

While we have identified that in low consensus communities sponsor brands may be viewed more favorably if they convey a similar focus on individual expression, this potential resolution remains hypothetical at this stage. Provided that low consensus communities value individual expression and greater freedom within a normative framework, there is variation within these communities specifically that alludes to the fact that there are multiple strategic approaches that could be employed with positive effects on outcomes of interest besides the singular resolution specified.

Along the same line, University communities exemplify the presence and power of microcommunities. An individual may technically identify as belonging to the larger community; however, their outward expressions and signals of association are more closely aligned with a smaller sub-group that may or may not have equivalent levels of community consensus. While the current investigation isolated membership to one specific community, understanding how subgroups operate within a larger framework provides an opportunity for future related studies.

Tension between sub-communities is similarly epitomized within groups in which there is a set of established members that connect with the history of a brand and also express discontent with new members who, while crucial to membership growth, are often perceived as "bandwagoners," lacking true longstanding commitment like the established members. Given the continually changing and complex nature of communities, in conjunction with the increased popularity of community branding, creating a more dynamic understanding of the interplay between community members as well as between members and marketers is necessary to more precisely identify effective strategies.

Another question to consider is the impact of brand-specific factors, including brand familiarity (Campbell and Keller 2003). In the current study, consumers were exposed to three advertisements in the surreptitious webpage review task. However, brand attitude was the measured brand-specific outcome. Identifying how consumers react to brands with conflicting norms would help unpack the mechanism behind our observed patterns of brand attitudes. Lastly, community consensus is only one factor that differs between communities; identifying other salient community characteristics that influence the effectiveness of group identity branding would allow for a more holistic targeting approach that fully captures the dynamic and complex nature of consumer communities. Understanding how different types of community affiliation expressions are perceived is important to understand and identify the most efficacious approach to advertising to both low and high consensus communities.

The current research contributes to the community branding literature by challenging this assumption that high consensus characterizes communities by showing that normative pressures can actually undermine sponsorship-based community branding. Ultimately, while community branding is effective at high levels of community consensus, this same does not hold true across all communities. As a result, when targeting low consensus community members, a sponsor brand may benefit from retaining its original branding strategy, demonstrating a commitment to unique attributes, as opposed to adopting a community branding approach.

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Word-of-Mouth That Consumers Do Not Share and Why

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Description: *In contrast to the extensive word-of-mouth literature that primarily answers the questions, "Why do people share word-of-mouth?" and "What do people share?" (e.g., Berger 2014), we reframe the questions to "Why do people choose not to share word-of-mouth?" and "What things do people not share?"*

EXTENDED ABSTRACT

Consumers often have opinions, knowledge, experience and information they choose not to share with others, or at least not at certain times, in certain places and/or with certain people. They keep critiques of restaurants, politicians, commercials, movies, and people to themselves. They swallow their opinions on religion, divert discussions away from talking about their salaries, avoid bragging about their accomplishments and stay quiet when things feel awkward or unsafe. Between offline encounters and online audiences, it seems for one reason or another, a considerable portion of what would have been word-of-mouth goes undelivered.

In contrast to the extensive word-of-mouth literature that primarily answers the questions, "Why do people share word-of-mouth?" and "What do people share?" (e.g., Berger 2014), we reframe the questions to "Why do people choose not to share word-of-mouth?" and "What things do people not share?" Consumers may not share product related thoughts (e.g., the Red Sox are a great baseball team) or thoughts about product-related content (e.g., this Nike commercial is inspiring). They may not share quick, snap-judgments (e.g., this restaurant is a dump) and long, thorough realizations that come to mind over time (e.g., Southwest Airlines consistently offers a pleasant experience).

Not sharing word-of-mouth is incredibly common. At least half the people in a typical offline conversation are not communicating in a given moment and, for a variety of reasons (e.g., turn-taking rules; Grice 1975), may not have or take the opportunity to share what they are thinking. It may seem consumers share thoughts more often online where turn-tak-

ing rules are less apparent. Evidence suggests the opposite is true. In social media like Twitter, Instagram, Snapchat, or Facebook, consumers can post at will, but most do not. In the course of a month, the average Facebook user spends 600 minutes on the site but "likes" only 10 posts and makes only four comments (Smith 2019). Popular opinion and empirical evidence suggests 90% of users of an Internet community rarely share their thoughts, while 9% contribute periodically and 1% contribute the overwhelming majority (i.e., The 1% Rule; Van Mierlo 2014). Since there are nearly 3.5 billion social media users worldwide (Kemp 2019), it seems a large number of consumers have the opportunity to deliver word-of-mouth at any hour of the day, but choose against it.

The broad objective of this research is to provide a better understanding of how word-of-mouth "works" for the sender. A better understanding of the entire process should help explain why people do not share and what people do not share. Specifically, we create a conceptual model/theory of the steps for delivering word-of-mouth, provide an updated definition of word-of-mouth derived from a review of the literature, and develop under-researched steps in the process. The definitions and review form the basis for the model. As stated, a key intended contribution is to identify a prevalent outcome of word-of-mouth that is often overlooked—non-delivery.

Research Questions

Although it is apparent not delivering word-of-mouth is prevalent, very little is understood about its underlying pro-

cesses. What causes word-of-mouth to go undelivered? Why are opinions about some articles, brands or experiences left unsaid? Could consumers be reaching the same goals through delivering word of mouth or not delivering word-of-mouth? What are the consequences?

We offer a response to each of these and some additional questions as we integrate prior work in marketing, management, psychology and communication literature to uncover the underlying influences of not delivering word-of-mouth. In line with prior work suggesting silence is not simply the opposite of speech (Acheson 2008; Dyne, Ang and Botero 2003; Eng 2002; Jaworski and Sachdev 1998; Zembylas and Michaelides 2004), we suggest not delivering word-of-mouth is an alternative rather than the opposite of word-of-mouth. As an alternative, not delivering word-of-mouth may be another path for consumers to reach the same goals they may reach through word-of-mouth. In this vein, we use a Goal Systems approach (Huang and Bargh 2014; Van Osselaer and Jansizewski 2012) in investigating why consumers may not deliver word-of-mouth and what things tend to go undelivered.

Summary of Findings

The current literature on word-of-mouth is very extensive. We know a lot about what is shared and why (e.g., Berger 2014). However, we know very little about what is not shared and why. To better understand this difference it is important to have an updated definition of word-of-mouth: "Word-of-mouth is a created or adopted message with ties to a commercial entity delivered by a consumer to an audience in order to reach one or more objectives." We also suggest the steps consumers may experience to deliver word-of-mouth, including having an opportunity to communicate, being motivated, considering the context, estimating the audience, evaluating the brand/product, creating or adopting content and delivering the content. At any step, a consumer may choose not deliver. We suggest consumers may not deliver word-of-mouth to reach some similar and some unique goals: impression management, information acquisition, social bonding, emotion regulation, efficiency and privacy. In order to reach these goals, a number of things are less likely to be shared: questions, advice, criticism, extremely negative things, risky things, sentimental things, complex things, truths, disappointment or disagreement, a minority opinion, aspirational things, controversial things and small talk. This potentially has a number of interesting implications.

Key Contributions

We offer three key contributions to the literature on word-of-mouth. First, we redefine word-of-mouth to better encompass the various communication channels and descriptions of word-of-mouth content used in today's modern communication environment. Prior descriptors (e.g., oral, informal) and content descriptions (e.g., referrals, endorsements) are too limiting. Two, we model the entire word-of-mouth process for the sender. Although much research has suggested each of these steps, none have synthesized them or brought them together. Doing so helps to not only better understand how word-of-mouth occurs, but, interestingly, it also suggests how it does not. Three, we identify the goals and components of why consumers do not share word-of-mouth. We also go on to suggest what topics and subjects consumers are less likely to share as a result.

References are available on request.

Effects of Brand Placement Repetition on Cognitive Outcomes

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Keywords: *brand placement, advertising repetition, memory effects*

EXTENDED ABSTRACT

Research Question

High level of media segmentation, growing ad clutter, adoption of ad skipping devices and rising costs negatively affect the efficiency of traditional advertising methods. As such, contemporary marketers are in search of more cost-effective channels for their promotions. Inclusion of brands in the content of mass media programming, a practice known as a brand placement, is becoming a popular promotional format. Despite the growing popularity of brand placements, the question of optimal number of exposures needed to achieve peak results remains an understudied area. This study investigates the effects of brand placement repetition on cognitive outcomes and explores the effective frequency needed to achieve optimal results.

Method and Data

Three hundred eighty-two subjects were recruited from various undergraduate classes at a major southwestern university and were asked to participate in the study. Subjects in the study were randomly assigned to one of the four treatment groups and were asked to watch a total of eight music videos (8 × 4 min). Depending on their assigned group, subjects were exposed to different number of placements of the brand tested in this research. Group 1 (n = 96) was exposed to the focal brand one time, group 2 (n = 94) three times, group 3 (n = 96) five times and group 4 (n = 94) seven times. There were no significant differences ($p > .05$) between groups in terms of five demographic variables (gender, age, ethnicity, income and education). After watching the videos, respondents were asked to complete a questionnaire designed to measure their aided and unaided recall, and recognition.

Summary of Findings

A logistic regression analysis was conducted to predict different memory measures using repetition as a predictor. Results of the analysis suggest linear effects of repetition on both recall and recognition. The pairwise comparison of memory measures for different exposure levels suggests the possibility of a logarithmic relationship between repetition and memory at the higher levels of repetition (i.e., above 5). Thus, the analysis infers that the influence of repetition on memory decreases at the high levels of repetition. Specifically, for aided recall and recognition the ceiling effect may be achieved after 3 exposures, while for unaided recall about 5 exposures are needed.

Key Contributions

The current research is one of the first attempts to examine the effects of brand placement repetition across several video episodes. Reported findings contribute to the long-lasting debate between two camps of marketing academicians, the minimalists and the repetitionists. Findings indicate that for some measures (e.g., aided recall, recognition) three exposures might be enough to achieve a ceiling effect, thus supporting the arguments of the minimalists. On the other hand, for other measures (e.g., unaided recall) repetition of brand placements produces positive results even after three exposures, thus supporting the arguments of the repetitionists.

Moreover, the findings of this study provide useful guidelines for marketing professionals by demonstrating that when executed correctly, brand placements in music videos can heighten consumers' brand memory, however, the number of optimal exposures depends on the objectives of the promotional campaign.

References are available on request.

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Investigating Marketing Antecedents of Purchase Intention on Consumer Responses

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EXTENDED ABSTRACT

Research Question

Purchase Intention has proved to be a potential antecedent in the consumer decision-making process. studying the consequences of marketing dimensions i.e word of mouth, a channel of media, brand equity, brand association and past experiences especially through social media on consumers' behavioral and attitudinal brand evaluations. The proposed model is analyzed by mediation via SEM exploring the relationships among independent variables on the consumer decision making with purchase intention acting as a mediator.

Method and Data

The population of the study consists of those 500 consumers belonging from public sector platform who use social media channels to purchase the products. Moreover, the nonprobability convenience sampling technique is applied to gather the data from users via electronic survey method. Only those consumers were selected who used electronic media to purchase any item. Well established scales are adapted to define the proposed model and measure it. Data is collected through personally administered surveys and floating the questionnaire online using social media channels like Facebook, Instagram, Twitter, Etc. Furthermore, Pearson correlation coefficient, Reliability Analysis, Andrew F. Hayes analysis are applied to test the proposed hypothesis as proposed by Heir et al., (2013).

Summary of Findings

The findings of the current study reveal that (1) The viral social media usage by the brand managers helped in understanding the impact of social interactions between consumers and brand managers in increasing purchase intention in realm of brand management (2) The comprehensive model of consumer decision making mediated positively by purchase intention in the development of purchase intention antecedent's influences consumer's decision powers.

Key Contributions

The key findings of the study significantly contribute to the existing literature by identifying purchase intention as a mediator between word of mouth, a channel of media, brand equity, brand association and past experiences. Findings suggest that social media platforms will continue to be influential mediums for transferring marketing communications. Interestingly, this study found that social media platforms entailing the deployment of various firm-generated content along with dynamic branding strategies are unarguably compelling for improving purchase intention and evoking promising decisions from consumers in a lively market. They will lead to development of purchase intention which can finally lead to consumer decision making.

References are available on request.

"Environment vs. Myself?" The Influence of Message Framing for Green Products

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Ilgim Dara Benoit, Appalachian State University

EXTENDED ABSTRACT

Research Question

The current study focuses on the effect of using different types of green message framing (self-benefit vs. other-benefit) on consumers' perception of the company's social responsibility, which is known as perceived social responsibility. We hypothesize that the effect depends on whether consumers believe that their actions can make a difference (perceived consumer effectiveness (PCE)).

Method and Data

Two studies were conducted to test the research hypotheses. In both studies, subjects were hired from Amazon MTurk. In the first study PCE was measured and in the second study it was manipulated. Hypotheses were tested with moderated mediation analysis by using PROCESS Model 7 (Hayes, 2017).

Summary of findings

The results show that consumers perceive the company to be more socially responsible and have a higher tendency to like the advertised brand and purchase the product when they are presented with other-benefit or self-benefit oriented messages depending on their PCE levels.

Key Contributions

The current research aims to extend prior research by examining the role of how consumer's belief on whether their efforts can make a difference influence the message framing effectiveness. We showed that message framing for green claims matter, and individual differences among consumers can explain why consumers react differently to ad campaigns. Specifically, the different levels of perceived consumer effectiveness influence how consumers perceive the ad's self vs other-benefit appeal, and consequently how they respond (i.e. attitude toward brand and purchase intentions).

References are available on request.

How Online Shopping Behavior Informs Positioning Strategies in Search Engine Advertising

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Keywords: *search engine advertising, online shopping behavior, retargeting, position effects*

Description: *The current paper investigates how the effectiveness of ad positions in search engine advertising varies with consumers' previous online shopping behavior.*

EXTENDED ABSTRACT

Research Question

How does consumers' prior online shopping behavior influence their response to different positions of ads on search engine results pages?

Method and Data

We employ data from a field experiment and an observational study to answer our research question. We obtain data for both studies from the Google AdWords system of an international multibrand fashion retailer. The data comprise keyword information (clicks, impressions, conversions, average position, quality score among others) from one of the retailer's national markets, grouped by four distinct stages of consumers' buying process. To analyze our data, we use a difference-in-differences approach for the field experiment and a hierarchical Bayesian model for the observational data, estimated with rstan.

Summary of Findings

Consumers in early stages of the buying process are more susceptible to the influence of ad positions (as per their click and conversion behavior) in search engine advertising than consumers in later stages. However, conditional on click, consumers in later stages are more likely to convert. Firms thus need to balance the effects of ad positions and consumers' stages in the buying process in order to maximize overall clicks and conversions.

Key Contributions

As our core substantive contribution to extant literature, we show that the effectiveness of different ad positions in search ads hinges on a consumer's current stage in the buying process. In this way, we extend previous research on search engine advertising (SEA) by introducing the particular stages of the buying process as a new boundary condition for position effects. From a theoretical perspective, we join the important research streams on SEA and online shopping behavior and provide several avenues for further research in a new domain we label "SEA retargeting." For practitioners, we outline a need to balance the effects of ad positions on consumers' click and conversion response depending on their current stage in the buying process in order to maximize overall clicks and conversions.

References are available on request.

Geofencing Advertisements: Decreasing the Negative Effects of Perceived Intrusiveness

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ABSTRACT

A geofencing advertisement provides retailers with an increasingly powerful tool to attract consumers into stores and provide them with relevant offers. Although these ads are intended to provide promotional offers that benefit both consumers and retailers, an unintended consequence is that consumers may perceive these ads as intrusive. Therefore, these location-based ads (LBA) have received much attention from consumers, advertisers, policymakers, and scholars. This paper looks at how location-congruent and goal-congruent nature of geofencing ads help reduce the feeling of perceived intrusiveness. Furthermore, it also looks at how consumers with different foci (prevention vs promotion) react to these ads.

Keywords: *geofencing advertising, location-based ads, LBA, intrusiveness, ad effectiveness*

Introduction

The U.S. consumers' use of mobile devices is increasing rapidly with an average of 3 hours, 35 minutes per day (eMarketer, 2018). This has triggered the marketers' allocation of their advertising expenditures: mobile advertising accounts for $76.17 billion of U.S. media advertising spending in 2018, while TV accounts for $69.87 billion, and print and radio account for $18.74 and $14.41 billion respectively (eMarketer, 2018). Thus, mobile advertising is becoming a major component of advertising strategy and budget. This increased spending on mobile advertising is associated with the development and deployment of geofencing tools that facilitate a multitude of strategic advertising objectives, including but not limited to highly personalized messages that are based on real-time. Rather than sending ads to everyone, geofencing allows retailers to target a specific group of potential consumers and send ads to them when and where they are more receptive.

While these kinds of LBA have the potential to add value to the consumer by placing advertisements in a location-congruence context, privacy concerns may arise. Mobile phones are generally considered to be a highly personalized device (Okazaki, Li, and Hirose 2009). As very personal belonging, some people do not want uninvited messages on these devices. Furthermore, due to these ads involving tracking of the consumer's geographic location, geofencing ads may be considered unethical and raise privacy concerns and are, more than often, perceived as intrusive (Unni and Harmon 2007; Xu et al. 2009). This paper looks at factors such as goal congruency and location congruency nature of these ads that decreases the feeling of perceived intrusiveness. Prior research shows that location congruent LBA's are perceived as less intrusive than location-incongruent LBA (Ketelaar et al. 2018). However, no research has been undertaken to explore the effects of personality type (regulatory focus) on the feeling of perceived intrusiveness towards these ads. In the preceding section, a set of theoretical propositions regarding the factors that reduce the perceived intrusiveness of these ads and how people with different foci (promotion-focus and prevention-focus) react to the geofencing ads are proposed.

Location Congruency and Perceived Ad Intrusiveness

Location congruency means sending an ad to consumers at the location (e.g. near or in the store) where the advertised product is available, as opposed to some other location (Ketelaar et al., 2017). Cho and Cheon (2004) defined location congruent advertising messages as delivering the right message to the right people at the right time, such as offering an advertisement for a watch when consumers are in the mall where that brand of the watch can be purchased. Receiving the ad at the same location as the advertised product will

increase the efficacy of the ad. One of the reasons why location-congruent setting may be more effective than those offered in the location-incongruent setting is that most retail products are low-involvement products, Hoyer (1984). The relevance-accessibility model states that consumers are likely to engage in an indifferent decision-making process for low-involvement products (Baker and Lutz, 2000). Also, when consumers respond indifferently to an ad, they tend to buy the first product they "like," which makes easily applicable product benefits such as convenient location more important. Moreover, Banerjee and Dholakia (2008) state that "advertisements received from a store while shopping at a mall is likely to be perceived as more useful than the same advertisement received at a more private location."

Furthermore, prior research shows that consumers who received location-based mobile ads in a geofenced area in proximity to a store purchased more than those who received the same ad at other locations (Fang, Gu, Luo, and Xu, 2015). Therefore, the baseline proposition of this paper is:

P1: Consumers who receive the geofencing ad at a location close to the retail store will perceive the ad as less intrusive than consumers who receive the ad at incongruent locations.

Goal Congruency and Perceived Ad Intrusiveness

Goals provide the context in which consumer information processing and decision-making are organized (Huffman and Houston, 1993). Rather than passively watching television content, people are increasingly using media to fulfill their goals. These include both entertainment and information goals (Cho and Cheon, 2004). Since the first objective of an advertisement is to get noticed, by definition, advertisements seek to impede the goals of consumers. For instance, consumers are disturbed while they are watching a video on their phone or when ads impede consumer's information search. Sometimes, consumers might adjust their goals, however, in most of the cases, consumers will avoid the advertisement (Edwards, Li, and Lee, 2002). Advertisement can be seen as intrusive if a person deems the information presented in it as being different than his or her goal, whereas it is perceived to be valuable if the ad provides some useful information to the consumer.

 Goal congruency, here, refers to the similarity in the goal of the consumers and the product or information in the advertisement. For example, if a consumer wants to buy a watch and receives an ad on their phone, on their way to the mall, with deals on the same brand of watch, then there is a goal congruency. Research on goal pursuit suggests that stimuli, which are perceived as goal-relevant are more positively, evaluated than those that are goal-irrelevant (Van't Riet et

al., 2016; Ferguson and Bargh, 2004). Cho and Cheon (2004) have suggested that to reduce perceived goal impediment, advertisers send highly targeted, customized, and context-congruent advertising messages through consumer profiling and systematic behavioral tracking. Such targeted messages will lead to less perceived intrusiveness because such messages would be highly consistent with the goals of the consumers and assist them in achieving their goal. Therefore,

P2: The effect hypothesized in P1 will be stronger under conditions of high goal congruency.

Regulatory Focus and Perceived Ad Intrusiveness

Regulatory focus theory proposes that people are guided by two distinct motivations: promotion focus and prevention focus (Higgins 1997). This theory states that promotion-focused individuals are concerned about the advancement, accomplishment, and aspirations (i.e., concerned about the presence or absence of a positive outcome), whereas prevention-focused individuals are concerned about the protection, safety, and responsibility (i.e., concerned about the presence or absence of negative outcome).

Prevention-focused individuals are the one who is motivated to avoid threats to safety and security (Zhao and Pechmann 2007). These individuals are more risk-averse in nature. In the context of this study, prevention-focused individuals will apply strategies to protect their private information (Bies 1993). These individuals will try to avoid location-congruent ads because they feel that their highly personal information (i.e. location) is being tracked. Wirtz and Lwin (2009) state that prevention-focused individuals are more concerned about their privacy and react to the factors that display their information with the three behavioral responses—deflective, defensive, or disruptive. Deflective behavior is when consumers delete the unopened ads and might opt-out of receiving information (Sheehan and Hoy 1999). Defensive behavior refers to the consumers' proactive attempt to force the advertiser to stop sending the ads. Finally, disruptive behavior refers to the consumer expressing their dissatisfaction with the firm's privacy practices through some kind of retaliation. Prevention focused (vs. promotion focused) consumers are more likely to avoid the geofencing ads because of the privacy issues. On the other hand, Wirtz and Lwin (2009) state that promotion-focused individuals exhibit two kinds of behaviors—relational behavior (willingness of an individual to undertake actions that facilitate maintaining the relationship) and repatronage intentions (willingness of individual to repatronize the firm). Promotion-focused consumers are motivated by achievements and are looking for opportunities for advancement. In this context, promotion-focused

consumers have an eager for exploration and aim at maximizing gains, which means that they are more welcoming to messages that provide them with product information and a result will have reduced perceived intrusiveness towards the ad as compared to the prevention-focused consumers. Therefore,

P3: Promotion-focused consumers will perceive the location-congruent ads as less intrusive than location-incongruent ads.

P4: Prevention-focused consumers will perceive the location-congruent ads as more intrusive than location-incongruent ads.

Key Contribution

This study contributes to marketing literature and practice in several ways. This study answers call for more research on how retailers should approach geofencing ads in ways that decrease perceived intrusiveness while still providing added value to the consumers and profits to the retailers (e.g., Grewal et al. 2016; Shankar et al. 2016). Studying the interplay of location and goal congruency and the personality type (regulatory focus) may provide important insight into the processes that persuade consumers to accept the geofencing ads. These insights will provide important input for designing effective geofencing ads for retailer.

References are available on request.

The Effect of Advertising on Online Reviews During New Product Releases

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Keywords: *online WOM, advertising, saturation effect, decaying involvement, endogeneity*

Description: *This research examines the saturation effect of advertising on online review during the new product release period in the automobile industry.*

EXTENDED ABSTRACT

Research Question

While there is consensus in the literature on the importance of online word-of-mouth in promoting brand equity and influencing sales (Chevalier and Mayzlin, 2006; Duan, Gu, and Whinston, 2008; Liu, 2006; Zhu and Zhang, 2010), scholarly inquiries regarding the effect of advertising on word-of-mouth (WOM) have yielded very contrasting results. Some studies document that offline advertising significantly increases consumer online activities including WOM (e.g., Chandrasekaran, Srinivasan, and Sihi, 2018; Rosen, 2009; Tirunillai and Tellis, 2017). However, other studies fail to find such a positive relation between advertising and online WOM (e.g, Feng and Papatla, 2011; Graham and Havlena, 2007; Onishi and Manchanda, 2012). Specifically, Graham and Havlena (2007) call such anomaly the "missing link." In this study, we thus aim to shed light on reconciling the contradicting findings on the link between advertising and online word-of-mouth by examining (i) a time-varying effect of advertising via evidence of new automobile releases and (ii) an endogeneity bias in the relation between advertising and online word-of-mouth which can potentially be alleviated with a valid instrument.

Method and Data

The sample consists of monthly advertising expenditures and placements of 61 new automobile models of 27 brands after the new model release from Kantar Media's Ad$pender database between 2009 and 2014. We track a new model up to three years postrelease. It is worth noting that the advertising data are collected on the individual model instead of brand/firm level, enabling finer inference in our empirical analysis. Auto reviews of the sample new models are text-mined from Edmunds.com, and financial variables are obtained from Compustat.

Summary of Findings

These findings support that the effect of advertising expenses on online reviews is time-varying which fades out gradually after a new product release. Advertising has a positive effect on online reviews at least for up to two years, with the strongest effect kicking in immediately after the new model release. This finding is in a spirit consistent with Chandrasekaran, Srinivasan, and Sihi (2018), Rosen (2009), and Tirunillai and Tellis (2017), who find that the effect of advertising is strongest in the short run. As time elapses and information accumulates, the available information is abundant and pioneering consumers lose incentives to post review. Accordingly, follower consumers gradually step in and are less likely to be engaged in nature. Consequently, the impact of advertising on online reviews would turn insignificant or limited-in-scope. These findings suggest that the positive effect of advertising exists not only for sales as previously documented, but also for online word of mouth. This can provide a partial explanation on why the ads-online WOM link is "missing" in certain samples which lump products newly released to the market with those that have been out for long. Thus, our findings show the necessity for future research to differentiate the samples of newly-released products versus seasoned products as the two may yield very different insights. Further, control variables generally work in the way expected. Larger sales from the previous period contribute to the online reviews in the following period, con-

sistent with the view that WOM grows with the number of users. While not always significant, gasoline price is negatively related to online reviews, which is also intuitively meaningful as people are "driving less as higher gas prices sting (Borodovsky, 2018)," and less owner feedback and reviews would be expected.

Key Contributions

We make theoretical contributions to the literature on online-offline marketing synergy. We take the time-varying effect and the endogeneity bias into consideration when examining the ads-online WOM link. While numerous studies have been documented the mixed effect of advertising, which can be positive, insignificant, or negative (Chandrasekaran, Srinivasan, and Sihi, 2018; Feng and Papatla, 2011; Graham and Havlena, 2007; Onishi and Manchanda, 2012; Rosen, 2009; Tirunillai and Tellis, 2017), we find that the time-varying effect can provide a partial explanation to the contradicting results. There is a positive link between advertising and online word-of-mouth, but this effect fades out gradually after new product releases. Thus, this link can disappear in the sample of seasoned products. These findings show the necessity for future research to distinguish the samples of newly released products versus seasoned products as the two may yield very different insights. Second, we make methodological contributions to the specification challenge by bringing firm leverage from the finance literature as an instrument for advertising expenditures. The endogeneity nature of advertising has been widely recognized by academia regarding the link of advertising and variables such as sales, WOM, and other online consumer activities (Danaher and Dagger, 2013; Dubé, Hitsch, and Manchanda 2005; Ho, Dhar, and Weinberg, 2009; Shugan, 2004). The limited research that addresses the endogeneity bias almost exclusively uses quasiexperimental settings, such as Super Bowl advertising campaigns (Chandrasekaran, Srinivasan, and Sihi, 2018). However, these settings are limited as data are mostly proprietary and not universally available for all media types or longer periods of time. In the nonexperimental settings, 2SLS with IV can generate a consistent estimate, but the major challenge is to obtain valid instruments. We show that leverage as an instrument is theoretically valid and econometrically significant, satisfying the relevance and exclusion requirements.

References are available on request.

Do Product Testing Programs Lead to More Favorable Online Reviews?

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Keywords: *product testing, online product reviews, multilevel analysis, experimental study*

Description: *This paper investigates how product testing programs influence review rating and review quality by analyzing 41,780 reviews from Amazon across 670 products and by conducting a laboratory experiment.*

EXTENDED ABSTRACT

Research Question

Online product reviews are of great importance to firms. Positive reviews increase customers' willingness to buy a product (Marchand et al. 2017) and their willingness to pay a higher price (Kübler et al. 2018). Moreover, readers of online reviews perceive high-quality reviews as more helpful and hence are more likely to follow their recommendation (Lu et al. 2018). Therefore, online reviews can directly affect a firm's performance.

A relatively recent approach being used to encourage customers to provide online reviews is product testing (Chae et al. 2017). With product testing programs customers are invited to test a product and then to describe their impression of the product in an online review. Many companies typically give a product away free of charge, or offer it at a reduced price, in exchange for the promise of writing an online review.

Our research aims to answer the following research questions: Does product testing influence reviewing behavior in terms of review rating and review quality? Do the price and the type of the test product have an impact on these effects? What underlying psychological mechanisms explain the effect of product testing on reviewing behavior?

Method and Data

We conducted two studies to analyze how product testing programs influence review rating and review quality. In Study 1, field data from 41,780 Amazon online reviews across 670 products is analyzed. We perform a multilevel analysis to examine if the price of the product and the type of the product have an impact on the effect of product testing programs on review rating and review quality.

In Study 2, we increase internal validity and probe theoretically derived psychological mechanisms explaining product testers' reviewing behavior by using a laboratory experiment with a 2×2 between-subjects design. We manipulate the type of reviewer (product tester versus regular customer) and the price of the product (high versus low). To test our hypotheses we perform a manifest variable path analysis.

Summary of Findings

We find that product testing programs do not necessarily generate more positive reviews. Only if the products are higher-priced or offer utilitarian value does product testing lead to a higher review rating, although the increase is limited. A noticeable difference between product testers' and regular customers' reviews can be found with regard to review quality: product testers generally write reviews of higher quality than other reviewers. The difference between product testers and other reviewers in terms of review quality becomes greater as the price increases. Two competing psychological mechanisms help to explain product testers' reviewing behavior: perceived outcome-to-input ratio and perceived freedom. On the one hand, the perceived positive outcome-to-input ratio in case of higher-priced

products, as explained by equity theory (Adams 1963), increases the effect of product testing programs on review rating and quality. On the other hand, a feeling of restricted behavioral freedom induced by the obligation to review a product in a given timeframe, as explained by the theory of psychological reactance (Brehm 1966), reduces the effect of product testing programs on review quality.

Key Contributions

Our research makes three main contributions. First, we disprove the widely held assumption and hope of many companies that product testing programs will generally increase the salience of review ratings.

Second, we establish product testing programs as an effective instrument for increasing review quality. According to Lu et al. (2018) review length is an important proxy of review quality. Longer reviews indicate a greater involvement of the review writer and hence increase the perceived quality of the information (Pan and Zhang 2011). According to our findings, product testers write lengthier reviews than other reviewers.

Third, we find that the price and type of the test product influence the effect of product testing programs on review rating and quality. While product testers do not evaluate products more positively in general, they do give higher review ratings compared to other reviewers if a product is high-priced. Moreover, the difference in review length between product testers and other reviewers becomes greater as the product price increases. Furthermore, product testers react more positively to utilitarian than to hedonic products. If a product offers utilitarian value, they give higher review ratings. The product type does not have an influence on review quality though—no matter if a product is hedonic or utilitarian, testers write lengthier reviews than others.

References are available on request.

Effect of Awe Experience on Preference for Extraordinary Activity

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Keywords: *awe experience, advertising, experiential consumption, extraordinary consumption*

Description: *Since awe necessitates a desire to accommodate one's existing worldview, we propose that the aftermath of awe is a pursuit of activities regardless of valence (i.e. extraordinary activity).*

EXTENDED ABSTRACT

Research Question

Research on awe has focused mostly on virtuous or constructive consumer behavior. Nonetheless, since awe necessitates a desire to accommodate one's existing worldview, we propose that the aftermath of awe is a pursuit of an activity that deviates from what is considered to be common or usual (i.e. extraordinary activity).

Method and Data

MTurk and student data through lab experiments

Summary of Findings

Study 1a and 1b demonstrate that feelings of awe lead to heightened desire for extraordinary leisure activities. Study 2 scrutinizes the effect of awe on the preference for extraordinary brand activities. Furthermore, study 3 examines the preference for extraordinary brand activity that is outspokenly not positive (i.e., unethical). While awe-prone individuals were known to be forgiving on product failures, study 4 demonstrates that awe exhibits diminished favorability for a brand when it fails to execute an extraordinary activity. Awe escalates the preference for extraordinary activity since individuals in awe are more open to new experiences while less likely to maintain their current feelings and situations (study 4).

Key Contributions

Past research on awe has focused mostly on virtuous consumer behavior. Nonetheless, since awe necessitates a perception of vastness and a need for accommodation, we propose and examine the aftermath of awe, pursuit of activity regardless of valence (i.e. extraordinary). The psychological contribution of our research on awe relies on individual's perception towards one's external, affective and situational states. Practically, our research contributes to existing awe literature by identifying audio visual manipulation of awe (e.g., commercials that induce awe experience) as a novel way to increase people's willingness to accept consumption options that are unfamiliar. Our work is particularly important for marketing because introducing unexplored or beyond-ordinary activities can be a potential risk for a brand, because a mismatch between brand information and its concept can lead to decreased evaluation of the brand (Torelli, Monga, and Kaikati 2011). We also employed a subtler manipulation of awe, i.e., showing the process of handcrafting ateliers in the haute couture collection in study 2, to present how to better apply actual experiences of awe that individuals could encounter on a daily marketing basis. This result may show that by focusing on the marketing-related awe is sufficient to induce awe and related behavior.

References are available on request.

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Consumer Psychology and Behavior

When Consumers Make Decsions

Positive Consumption

The Social Context of Consumption

Judgment and Decision-Making Processes Underlying Behavioral Intentions in Sharing Economy Platforms

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EXTENDED ABSTRACT

Research Question

What combination of desire, the five needs (from the uses and gratification paradigm), and attitudes (from the theory of planned behavior and the theory of reasoned action) best explains consumer social media usage?

Method and Data

We follow Cheng's (2001) incremental approach to SEM to specify a parsimonious and extended attitude model of the drivers of intention to use social media platforms. The incremental approach involves: testing the measurement model, the hypothesized structural model, and a series of structural models towards developing nested models.

A pen-and-paper survey was administered on 417 undergraduate and graduate students in a Southwestern sizeable public university in the United States. About 41% of respondents used Facebook only and 59% used Facebook along with Twitter, LinkedIn, and Instagram. Even though the survey items are applicable to different digital platforms, such as Twitter, Instagram, TripAdvisor, Pinterest, and LinkedIn, we asked respondents to answer questions concerning their Facebook experiences. All constructs were measured using established scales.

Summary of Findings

Path analyses were performed using Mplus 8.2. The results suggest that both the theory of planned behavior and the theory of reasoned action perform rather poorly in explaining social media usage, although the former enjoys slight superiority in terms of predictive validity ($\Delta R^2 = 14\%$) and fit to the data. We next examined whether adding desire to each of the attitude theories would significantly enhance the predictive power and model fit. Interestingly, desire appeared as a double-edged addition to the attitude models: it significantly improved the overall fit of the theory of reasoned action and the theory of planned behavior models, it did not considerably enhance the validity of the models in predicting intentions ($\Delta r^2_{intention}$ of Model4$_{TRA+Desire}$ vs. Model2$_{TRA}$ = 1%; $\Delta r^2_{Intention}$ of Model5$_{TPB+Desire}$ vs. Model3$_{TPB}$ = 12%). Desire was also a significant mediator of the relationships between the components of the theory of planned behavior and intentions.

Model 6 incorporates the five motivational values into the theory of planned behavior + Desire model. This model significantly improves the predictive validity of the attitude models ($\Delta r^2_{Intention}$ of Model5$_{TPB+Desire}$ vs. Model6$_{TRA+TPB+Desire+U\&G}$ = 35%). While the fit indices of Model 6 fall within acceptable ranges, it outperforms model 5 in terms of the parsimony ($\Delta RMSEA = .05$). Desire and attitude, together, mediate the effects of purposive and entertainment values on intentions. Moreover, perceived behavioral control and desire, together, mediate the effect of entertainment value on intentions, while subjective norm and

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desire, together, mediate the effect of socializing value on intentions.

Key Contributions

This research sheds light on the judgment/decision-making processes that explain consumer social media usage. Behavioral intentions, when linked to attitudes through explanatory frameworks such as the theory of the mind, can be effectively applied to consumer motivated judgment/decision-making in the context of social networking. Moreover, consistent with Perugini and Bagozzi's (2001) model of goal-directed behavior, a modified version of the theory of planned behavior that also incorporates desire enjoys superior theoretical and empirical support.

References are available on request.

The Inseparability of Value Cocreation and Codestruction: Two Sides of Operant Resources

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Keywords: *interactive value formation (IVF) intensity, IVF practices, value codestruction, value cocreation, customer loyalty*

Description: *This study investigates for the first time the IVF process during an indirect service interaction process and introduce the role of operant resources as mediators during the interplay between value co and deconstruction process, i.e. during the IVF process.*

EXTENDED ABSTRACT

Research Question

To examine the Interactive Value Formation (IVF) process within the customer sphere, and consequently develop our understanding of how customers integrate resources; and build a better understanding of both value cocreation and value codestruction regarding indirect interactions; and finally, understand if or how negative and positive effects of operant resources' subjective perception on IVF process exists and to what extent.

Method and Data

To understand how wellness apps are embedded into participants' daily lives and how the IVF process is enacted within the customer sphere, we employed grounded theory (Glaser 1967; Strauss 1990; 1998) which can help to explain interactions between the customer and the phenomenon under examination, given the paucity of existing knowledge on the IVF process. Given that grounded theory can capture the complexities in relationships and interactions, it is also ideal in uncovering the complexity of the interactive nature in the IVF process and adds to the flexibility required to navigate between divergent views on value coconstruction and deconstruction.

Summary of Findings

Twelve Resource Integration Activities (RIAs) which work and interact with each other emerge from the data and bring about different IVF outcomes (value cocreation, no-creation, or codestruction). Subsequently, we identify the central role of IVF intensity (customers' subjective perception of the extent of effort and time invested in the IVF process), that is, high IVF intensity results in value codestruction and low level of loyalty, but low IVF intensity only brings about value cocreation and high level of loyalty when RIAs are adequate. Also, we find a dynamic relationship between IVF outcomes and level of loyalty. Six IVF practices and three aggregates emerge, clarifying the IVF process including the resource integration process, the nexus between value cocreation, codestruction, or no-creation, and both positive and negative aspects of operant resources (e.g., IVF intensity) on the IVF process.

Key Contributions

Extant research focusing on a unidimensional aspect of effort (considerable effort), we identify IVF intensity varying dimensionally (from low to high) cause both negative and positive effects on the IVF process. While the previous research derives corporate communication strategies from a priori theory, we identify factors that reduce and increase IVF intensity, suggesting strategies to mitigate IVF intensity. This is meaningful since high IVF intensity results in value codestruction and low level of loyalty while low IVF intensity might bring about value cocreation and high level of loyalty. This study represents an initial foray into the com-

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plexity between co and de-constructive factors during prolonged and complex services. To the best of our knowledge, no previous study to date has explored whether there is a link between the inseparable existence of value co and destruction with the four loyalty conditions classified by Dick and Basu (1994). This is where our key contribution lies, that is, identifying a dynamic relationship between IVF outcomes and levels of loyalty.

References are available on request.

When Likes Lead to Liking: How Postconsumption Attention Enhances Experience Satisfaction

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Keywords: *attention, sharing experiences, satisfaction, social media*

Description: *In this paper, we examine how the attention received after sharing an experience with others (i.e., attention received online in the form of views and likes) enhances consumers' satisfaction with the experience itself.*

EXTENDED ABSTRACT

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Consumers often share their experiences with others, which often facilitates the receipt of attention. For example, consumers often receive likes, views, and comments when sharing experiences online. In the present research, we ask: Does the attention received after sharing an experience influence consumers' evaluations of the experience that was shared?

Method and Data

This research features six studies. The first two studies leverage correlational field data in which consumers self-report the attention they receive after sharing real experiences. The final four studies leverage an experimental methodology in which received attention is directly manipulated.

Summary of Findings

Studies 1 and 2 provide correlational evidence that consumers are more satisfied with experiences that receive higher levels of attention after they are shared with others. Study 3 replicates this effect in a controlled experiment by manipulating received attention. Additionally, Study 3 shows that received attention increases satisfaction relative to consumers' initial (preattention) satisfaction—receiving attention provides consumers with value beyond that derived from the experience itself. Study 4 demonstrates that this occurs because consumers experience enhanced social self-esteem when they receive higher levels of attention. Study 4 also demonstrates that the effect of received attention on postsharing satisfaction

is observed whether the attention is affirming (likes) or neutral (views). Thus, it is not only explicit affirmation that shifts experiential evaluations—consumers also derive value from the receipt of "pure" attention. Further supporting social self-esteem as the underlying process, Study 5 demonstrates that these effects are attenuated among consumers who are less concerned with managing positive social perceptions (i.e., those low in public self-consciousness). Lastly, Study 6 demonstrates that our hypothesized effects are observed even when consumers share unpleasant experiences. Thus, despite potential self-presentation concerns, consumers are more satisfied with unpleasant experiences when such experiences enable the receipt of attention.

Key Contributions

We demonstrate a novel way consumers can derive value from experiences that have already concluded. Specifically, because receiving attention increases social self-esteem, attention received from sharing an experience increases postsharing satisfaction with the experience itself. This effect is observed even if the attention has no positive valence, and thus provides no information about how others perceive the sharer or the experience. We also identify both a novel intrapersonal outcome (increased social self-esteem) and an outcome external to the consumer (enhanced experiential satisfaction) that arise from sharing experiences. Lastly, while research has examined how preexisting hierarchies determine the flow of attention within established

groups, we extend this to individual level by demonstrating that consumers use the attention they receive to inform their own social self-perceptions. Our findings also have implications for marketers. Specifically, we highlight another way firms can benefit when customers share experiences, and we further recommend that firms help facilitate the exchange of consumer-to-consumer attention (through sharing, liking, commenting, etc.) that occurs when experiences are shared. We also suggest that social media platforms can create value for brands by providing consumers with more salient and frequent feedback about the social attention they receive from these sharing behaviors.

References are available on request.

Clarifying Interrelationship Between Risk and Trust in Collaborative Consumption: A Test of Competing Models

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Keywords: *collaborative consumption, risk, trust*

Description: *This study tests two competing models of risk vs trust as mediators in the context of ridesharing adoption.*

EXTENDED ABSTRACT

Research Question

Collaborative consumption (CC), also known as sharing economy, is defined as peer-to-peer-based activity of obtaining, giving, or sharing access to goods and services that are coordinated via community-based online platforms (Hamari, Sjöklint and Ukkonen, 2015). Existing studies find that trust facilitates intentions to both consume (Mittendorf, 2017; Wu, Zeng and Xie, 2017) and provide CC services (Hawlitschek, Teubner and Weinhardt, 2016). Additionally, personal safety risk (Tussyadiah, 2016) and privacy risk (Hawlitschek, Teubner and Gimpel, 2016) were both found to inhibit CC participation. However, no studies to date have addressed the joint impact of trust and risk on consumer adoption of CC or the nature of their interrelationship in this context. Moreover, debates persist regarding the relationship between trust and risk in other digitally mediated services (Gefen, Rao and Tractinsky, 2003; Mou et al., 2017), with some studies positing risk as a mediator and others—trust as a mediator (Hong and Cha, 2013) of their joint impact on digital services adoption and use. Understanding this relationship can contribute to resolving a long-standing dispute about the mechanism of their joint effects and can help devise strategies to foster user acceptance of CC. To address these issues, we investigate how risk and trust interrelate in affecting the adoption of ridesharing.

Method and Data

Using survey data from 266 ridesharing users, we analyze and compare two competing theoretical models and identify the best fit to the data using covariance-based structural equation modeling technique (CB-SEM) with maximum likelihood estimation. Data for the main study were collected using Mturk. Results of the confirmatory factor analysis demonstrated that the measurement model had achieved satisfactory fit. The fitness indexes have met or approached four conventional standards: the normed chi-square in the range of 1-5, the Root Mean Square Error of Approximation (RMSEA) $\leq .06$, Tucker-Lewis Index (TLI) $\geq .95$, and Comparative Fit Index (CFI) $\geq .95$ (Byrne, 2010; Hu and Bentler, 1999). The two proposed structural models were tested by CB-SEM with maximum likelihood estimation via IBM SPSS AMOS 22. As the multivariable normality of observed variables could not be assumed, we corrected the global fitness indexes by using the Swain function with R (Boomsma and Herzog, 2013; Herzog, Boomsma and Reinecke, 2007). In addition to 4 traditional fitness indexes (normed χ^2, RMSEA, TLI and CFI) (e.g. Byrne, 2013; Hu and Bentler, 1999), we also calculated SRMR with AMOS for model evaluation and comparison (e.g. Niemand and Mai, 2018). To assess mediation effects, we estimated total effects, direct effects and total indirect effects of risk factors and trust factors on ride-sharing intent.

Summary of Findings

After comparing the global fitness indexes of the two models, the model that achieved a smaller chi square statistic and normed chi square statistic, a lower RMSEA and SRMR, as well as a higher TLI and CFI, was Trust as Mediator model.

Its normed chi-square falls in the range of 1-5, the RMSEA is very close to .06, the TLI exceeded .95, and the CFI also surpassed .95 (Byrne, 2013; Hu and Bentler, 1999). The SRMR is also very close to the flexible cutoff (.05) recommended by Niemand and Mai (2018). In addition, its explanatory power is stronger, with $R^2 = .61$. Trust as Mediator model successfully demonstrated that platform trust and driver trust fully mediate the effects of privacy risk and driver risk on ridesharing intent, whereas driver trust partially mediated the effect of platform trust on ridesharing intent. Our results also indicate that privacy risk and safety risk do not perform well as full mediators of platform trust and driver trust to predict consumers' ridesharing intent. Their negative effects on consumers' ridesharing intent are very likely to be overlooked or underestimated by traditional multiple regression analyses.

Key Contributions

Our findings suggest that trust in the digital platform provider and trust in the driver fully mediate the respective impacts of perceived privacy and safety risks in predicting consumer ridesharing intentions. Additionally, driver trust appears to also partially mediate the effect of platform trust on consumer ridesharing intent. These findings confirm earlier reports of significant roles of risk and trust in adopting digital technology and e-commerce (Mittendorf, 2017; Pavlou and Gefen, 2004). Unlike earlier research on the online consumer-to-consumer marketplaces that identified platform trust as the only driver of adoption (Hing and Cho, 2011), we find that trust in the human provider is of essence for CC. This result may suggest that context-specific dimensions of trust should be examined for more precise explanatory effect in various contexts. Most importantly, our results confirm the mediating role of trust in the "perceived risk—intention to adopt" relationship, contradicting the widely-held assumption of risk as mediator (Mayer et al., 1995). The peer-to-peer platform-based business models appear to be inherently risky not only due to necessary engagement with strangers, but also because of high probability of privacy and security breaches. In this context, trust acquires a role of a complexity-reduction mechanism and directly influences consumer intentions (Luhmann, 1979).

References are available on request.

I Thought We Had an Agreement: Psychological Contract Violation and Betrayal in the Sharing Economy

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Description: *Integrating social exchange and psychological contract theories, across four studies in a peer-to-peer sharing context, we find that when consumers receive an unexpected negative (vs. positive) review, they engage in negative word-of-mouth about the platform even though the exchange is strictly between peers; platform assurances augment or attenuate this effect.*

EXTENDED ABSTRACT

Research Question

The Peer-to-Peer (P2P) sector of the sharing economy cannot function without a comprehensive rating and review process (i.e., reputation system), enabling virtual strangers to garner enough confidence to engage in market exchanges (Fradkin, Grewal, Holtz, and Pearson, 2015). Reciprocal reviewing refers to both buyers and sellers reviewing each other (Bolton, Greiner, and Ockenfels, 2013; Luca, 2016) represents a major paradigm shift with far reaching consequences for both consumers and the firm.

This investigation offers the first examination of consumer reactions to negative reviews within the P2P context (e.g., Airbnb, Homeaway, Turo). Drawing from social exchange (Emerson, 1976) and psychological contract (Bordia, Restubog, Bordia, and Tang, 2010Robinson and Morrison, 2000) theories, we propose that when consumers receive an unexpected negative (vs. positive) review, they will make the P2P platform a retaliatory target even though the exchange is strictly between peers. We propose this effect is mediated by perceived betrayal by the platform. Further, we examine the role of platform assurances (intermediary actions taken by the platform related to overseeing and mediating the exchange; Perren and Kozinets, 2018) in attenuating or augmenting the mediated effect of review valence on negative word-of-mouth (NWOM) about the platform.

Method and Data

In Study 1, 140 Mturk participants imagined being reviewed after a homestay experience. In all studies, review valence was manipulated between subjects as either a 5-star or 1-star rating and participants reported NWOM intention as well as what they would say to family and friends about the platform.

In Study 2, 186 MTurk participants imagined being reviewed after a car sharing experience. After being rated, participants were told either that the review would remain private, or that the review would be posted on their public member profile. In this study and all subsequent studies, perceived betrayal by the platform (Gregoire and Fisher, 2008) was measured as a mediator, along with NWOM.

In Study 3, 269 MTurk participants imagined being reviewed after a fictitious homestay experience. They then received a description of the premier partner programs in which the hosts are endorsed by the Vacation Connections platform, and were told that their host was (was not) endorsed by the platform.

In Study 4, 223 MTurk participants read the scenario and imagined being reviewed as in study 3, and then were either permitted or not permitted by the platform to post a response to the review.

Summary of Findings

In Study 1, results of ANOVA revealed a significant effect of review valence on intention to engage in NWOM ($M_{1\text{-Star}}$ = 4.24 vs. $M_{5\text{-Star}}$ = 1.98; $F(1,138)$ = .854; p < .001). Consistent with psychological contract theory, results of bootstrapping analysis in Study 2 revealed that the effect of review valence on NWOM was mediated by perceived betrayal. Further, this effect was reduced when the review was kept private versus being made public (Index of Moderated Mediation: $CI_{95\%}$ [.222 to 1.848]). In Study 3, results of bootstrapping analysis revealed that the indirect effect of review valence on NWOM through perceived betrayal was augmented when the host was perceived to be endorsed (versus not endorsed) by the platform ($CI_{95\%}$ [.1918 to 1.6719]). Finally, in Study 4, bootstrapping analysis revealed that the indirect effect of review valence on NWOM through perceived betrayal was attenuated when participants were given an opportunity (versus no opportunity) to respond to the review ($CI_{95\%}$ [–1.087 to –.090]).

In sum, making the review private, not endorsing the host and permitting a response to the review attenuated, but did not eliminate, the effect of review valence on NWOM mediated by feelings of betrayal by the platform.

Key Contributions

Contributing to the word-of-mouth literature (Kähr, Nyffenegger, Krohmer and Hoyer, 2016), across four studies, we provide the first evidence that consumers will generate NWOM about a platform when they receive an unexpected negative P2P review. Consistent with social exchange and psychological contract violation theories, feelings of betrayal by the platform explain this effect.

Contributing to the nascent research on consumer behavior in the sharing economy (Eckhardt et al. 2019) and on the vital role of platform assurances in the success of a peer-to-peer marketplace (Perren and Kozinets, 2018), we demonstrate that the platform assurances of the reputation system can become a liability in the case of an unexpected negative review. Managerial implications are discussed.

References are available on request.

I Share for You: How Motives, Advertising Appeals, and Reputation Gains Influence Consumers' Sharing Intention

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Keywords: *sharing, sustainable consumption, advertising appeals, consumer motives, reputation*

Description: *The present study examines how the interplay between consumers' motives (self-related vs. society-related), companies' advertising appeals (self-related vs. society-related) and reputation gains (positive vs. negative) influence the consumers' sharing intention.*

EXTENDED ABSTRACT

Research Question

Carsharing enables individuals to save time and money (e.g., easily and cheaply accessible cars) while simultaneously fulfilling environmental goals (e.g., lower carbon emission that come with shared cars). We ask how the interplay between consumers' motives (self-related vs. society-related), companies' advertising appeals (self-related vs. society-related) and reputation gains (positive vs. negative) influence the consumers' sharing intention.

Method and Data

Study 1 (N = 267) investigates the interplay between advertising appeals and consumers' motives and examines if reputation gains mediate this relationship. We conducted a 2 (priming of motives: self-related motives vs. societal motives) × 2 (framing of advertising appeals: self-related vs. societal) factorial design. A two-way ANOVA with the manipulated motives and advertising appeals as the independent variables, and the sharing intention as depended variable was conducted. We then tested the mediation (IV: reputation gains, mediator: moderated sharing intention) following a three-step procedure. Study 2 (N = 132) replicates the interaction effect with a two-way ANOVA. Study 3 (N = 69) validates the influence of reputation gains on sharing intention. A two-way ANOVA was conducted.

Summary of Findings

First, our study shows that consumers' motives moderate the effect of advertising appeals on the intention to participate in sharing. If both motives and advertising appeals are self-related the sharing intention is lower as when at least either the motives or appeals are society-related. Second, we identify reputational gains as a determinant that explains this interaction as it strongly influences the willingness to participate in sharing positively.

Key Contributions

First, we examine the influence of the interaction of consumer motives and advertising appeals on sharing intention and, therefore, explain ambiguous results in past research. Second, we identify reputational gains as determinant that mediates this interaction. For practice, our findings suggest that the success of company's advertising appeals depends on consumers' motives. In particular, pointing at self-related benefits (e.g., cost savings) can even lead to a lower sharing intention when consumers participate for self-related reasons. Furthermore, reputation gains evoke by the green image of sharing may foster the positive influence of the interaction of advertising appeals and motives and should be also considered in advertising strategies.

References are available on request.

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I Don't Regret Anything—Or Do I?
The Effects of Environmental Levies on Consumers' Feelings of Regret and Product Choice

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Keywords: *consumer emotions, environmental levies, meat choices, environmental concern*

Description: *The paper analyzes how mandatory or voluntary environmental levies influence consumers' emotions and preferences in regards to their product choices of meat.*

EXTENDED ABSTRACT

Research Questions

How do mandatory taxes and more subtle types of governmental instruments (i.e., pairing consumption choices with voluntary individual donations) to reduce the negative effects of consumers' product choices influence product preferences? How does consumers' environmental concern influence these relationships?

Method and Data

A total of 364 students (58.5% female, Mage = 22.57) participated in an online experiment. In an one-factor between-subjects design, the participants were randomly assigned to one of three conditions (control vs. tax vs. donation). We conducted moderated mediation analysis using PROCESS (Hayes, 2013) and performed floodlight analysis (Spiller, Fitzsimons, Lynch, and McClelland, 2013).

Summary of Findings

For consumers with low concern for the environment, having the opportunity to donate for the negative effects of their consumption choices significantly increases their feelings of regret. Further, we show that for consumers with low environmental concern, higher feelings of regret lead to an increased preference for the vegetarian option. Conversely, for consumers with high levels of concern, higher levels of regret decrease the preference for the vegetarian option.

Introducing a tax on meat products does not increase consumers' feelings of regret but directly increases the preference towards vegetarian options. However, our analysis also showed that a voluntary donation increases consumers' regret, specifically for consumers with low levels of environmental concern. This effect shows that consumers who do not care about environmental issues are specifically prone to appeals that may induce negative emotions and that appeal to voluntary actions.

Key Contributions

We show how a mandatory tax and/or a more subtle type of instrument (i.e., pairing consumption with voluntary donations that account for the negative ecological effects of consumption) shifts consumers' choices towards environmentally friendly options (i.e. vegetarian dishes). We show how consumers emotionally and behaviorally react to an additional levy on meat products. These instruments can significantly, but through different mechanisms, influence individual feelings of regret and shift consumers product preferences towards vegetarian food choices. The effect of introducing a tax on certain products whose consumption is associated negative environmental effects is psychologically different from adding a voluntary donation to the product, even if it has the same aim.

References are available on request.

The Impact of Fear on Emotional Attachment: The Effect of Arousal

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Keywords: *fear, arousal, emotional attachment, consumer-brand relationship*

Description: *This paper suggests that fear arousal increases consumers' emotional attachment to a brand, and rules out perceived shared experience as an alternative explanation.*

EXTENDED ABSTRACT

Research Question
Research about fear appeals focuses on its impact on persuasion (e.g., Anand-Keller and Block 1996; Pham 1996), while fear's impact on consumer-brand relationships has received less attention. Dunn and Hoegg (2014) suggest that fear may increase consumers' emotional attachment to a brand. Fear arousal is an emotional response to the presence of a danger or threat (LaTour and Rotfeld 1997). People have a self-protection tendency in the face of fear: people tend to manage or maintain emotions in a relatively positive state (Andrade 2005). There is a reason to suspect that fear arousal drives consumers' emotional attachment (EA) to an object (e.g., a brand). Attachment theory posits that people use attachment figures to cope with fear. Therefore, we propose,

H_1: When exposed to fear appeals, consumers proximate to a focal brand to which they have preexisting attachment (vs. not proximate) have lower (vs. higher) fear arousal.

H_2: The impact of fear appeal on consumers' emotional attachment to a brand is mediated by fear arousal.

We contribute to the literature by showing that fear arousal facilitates consumers' emotional attachment to a brand, and rule out perceived shared experience (Dunn and Hoegg 2014) as an alternative explanation.

Method and Data
Participants (college students, n = 214) were randomly assigned to one of the four conditions in a 2 (fear appeal: horror movie trailer vs. art-exhibition trailer) × 2 (attachment object: focal brand vs. no brand) between subject design. Participants were randomly assigned a 22 oz. white tumbler with/without a local brand logo. Local people (e.g., college students) have attachment to this brand. Then, participants were randomly assigned to one of the two trailers (horror movie vs. art exhibition). After watching the trailer, participants reported their emotional attachment to the local brand, fear arousal, perceived shared experience and other measures.

Consumers' emotional attachment (EA) to a focal brand was measured with four items adopted from prior research (Jiménez and Voss 2014). Each item was measured on a 11-point semantic differential scale anchored by, for instance, "no/strong emotional bond" ($\alpha = .97$). Fear arousal is measured with seven items, for example, "I felt fearful," (1 = "not at all," and 11 = "to a great extent"; $\alpha = .97$). Perceived shared experience (PSE) was measured with four items adopted from Dunn and Hoegg's (2014) scale, for example, "The tumbler went through the experience with me" (1 = "not at all," and 11= "to a great extent"; $\alpha = .96$).

Summary of Findings
An ANOVA test revealed nonsignificant main effects of fear appeal ($M_{horror} = 5.32$, $M_{art} = 5.31$; $F(1, 210) = .00$, $p = .99$) and attachment object ($M_{focal} = 5.21$, $M_{no\text{-}brand} = 5.43$; $F(1, 210) = .29$, $p = .59$), and a nonsignificant interaction between fear appeal and attachment object ($F(1, 210) = .02$, $p = .88$) on emotional attachment. Further, an ANOVA test with fear arousal (FA) as the dependent variable indicated a significant main effect of the fear appeal on FA ($F(1, 210) = 93.71$, $p < .01$), and a significant main effect of the attach-

ment object on FA (F(1, 210) = 7.59, $p < .01$). The interaction effect was significant (F(1, 210) = 11.87, $p < .01$).

A mediational analysis revealed that in both focal-brand condition and no-brand condition, the conditional direct effect was not significant (e.g., in focal-brand condition: b = –.51; 95% CI = [–1.66, .64]), while the conditional indirect effect via fear arousal was significant (b = .46, 95% CI = [.10, .96]). Overall, the effect of fear appeal on EA is mediated through fear arousal. Through a similar mediational analysis, we ruled out PSE as alternative explanation.

Key Contributions

We contribute to the brand attachment literature by providing a new perspective—emotions. We suggest that the impact of fear appeals on emotional attachment is driven by fear arousal, and that emotional attachment to a familiar brand may can be used as a way to cope with negative feelings. Further, we rule out perceived shared experience as an alternative mediator. Additionally, the conceptualization of brand attachment stresses that attachment is formed based on interactions, experience and memory with a brand in the long run (Ball 1992;Thomson, MacInnis, and Park 2005; Park et al. 2010). Dunn and Hoegg (2014) contend that emotional attachment can occur instantaneously with a brand in certain situations. We provide empirical support for this conceptualization.

Our research implies that fear appeals have a positive influence on emotional attachment. Participants have lower fear arousal when exposed to a local brand while in the proximity of a brand attachment object. Marketing practitioners need not worry about having their brands connected with fear appeals. Having an attached brand in near proximity assists customers in managing down their level of actual fear arousal—while all customers will experience increased emotional attachment to the brand commensurate with their level of fear arousal.

References are available on request.

Creepiness in Personalized Online Advertising: Concept, Measurement, and Consequences

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Keywords: *online advertising, personalization, emotions, new technologies*

Description: *Our research shows that creepiness in personalized online advertising is an emotional response to an ad stimulus that is appraised as unexpected, ambiguous and beyond one's control, causing discomfort, perceived privacy invasion and feeling of being stalked.*

EXTENDED ABSTRACT

Research Question

Research shows that with personalized online advertising consumers may exhibit negative cognitive and behavioral responses like privacy concerns (Awad and Krishnan, 2006; Goldfarb and Tucker, 2011; Tucker, 2014), ignoring a personalized advertisement or intentionally contradicting it (Fitzsimons and Lehmann, 2004), or even falsifying information and spreading negative word-of-mouth (Martin, Borah, and Palmatier, 2017). But, our behavior is often led by emotions and yet research has widely ignored consumers' negative emotions towards personalized online advertising. A fairly new phenomenon that emerged is the feeling of creepiness that consumers experience after being confronted with a personalized advertisement. But, what exactly is creepiness in personalized online advertising and how does it emerge? And, importantly, what are the possible consequences for the brand? The aim of this research is to conceptualize the phenomenon of creepiness in context of personalized online advertising and to examine its antecedents and consequences for brands. we developed and validated a novel and robust scale to measure creepiness in personalized online advertising. We conceptualized creepiness using the theories of appraisal and conducted experiments to examine the appraisals of personalized online advertising that make consumers creeped out as well as the downstream brand consequences of creepiness.

Method and Data

In study 1, we specified three dimensions of creepiness and generated a pool of Likert-type items. In study 2, a sample of 344 European participants (43.3% female, median age 25-34 years) recruited via Clickworker participated in an online study for initial administration. In study 3, we demonstrated that our scale differentiates between different situations related to online personalization with a sample of 343 North American participants (60.3% female, median age 25-34 years) recruited via Amazon's Mechanical Turk (MTurk) who participated in an online study. We also examined the effects of creepiness on brand attitude, affective response, and behavioral intention toward the product in the ad. In study 4, we assessed the discriminant validity of the scale by examining the relationship between creepiness and other theoretically related constructs with a sample of 405 North American participants (50.6% female, median age 25-34 years) recruited via MTurk. In study 5, we investigated the appraisals that lead to creepiness with a sample of 354 North American participants (42.1% female, median age 25-34 years) recruited via MTurk.

Summary of Findings

This research examined the emotional episode of creepiness in personalized online advertising. Creepiness in personalized online advertising is an emotional response to an ad stimulus that is appraised as unexpected, ambiguous and beyond one's control, causing perceived privacy invasion, discomfort, and the feeling of being stalked. Moreover, our research showed that personalized advertisement that is perceived as creepy lowers consumer's brand attitudes and negatively affects consumers' affective response and behavioral intention toward the product in the ad. Our newly developed scale measuring creepiness in personalized online advertising has an acceptable three-factor correlated model fit and satisfactory psychometric properties across the conducted studies.

Key Contributions

The phenomenon of creepiness in personalized online advertising is highly prevalent, timely, and important as indicated in numerous market research pieces (see Periscope by McKinsey, 2019). Our findings contribute to the literature on personalized online marketing by providing a better understanding of the potential emotional negative effects of excessive personalization. Initial insights into how creepiness emerges from appraisals serve as guidance for practitioners as well as academics. Our developed scale to measure creepiness in personalized online advertising provides a new tool for more valid and reliable evaluation of the underlying phenomenon. Our study also has important implications for marketers. Our findings suggest that even though online personalization appears to provide consumers with relevant and tailored advertisements, it can negatively affect consumers' state of mind and in turn negatively affect their brand evaluations and behavioral intentions. It is important that marketers avoid surprising and ambiguous personalized advertisements and provide consumers with some form of control over their data.

References are available on request.

How to Build Trust on Peer-to-Peer Platforms: An Investigation of Antecedents of Peer and Platform Trust

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Keywords: *peer-to-peer, trust, community, platform brand*

Description: *This study provides a mixed-method approach to exploring and testing antecedents of customer's trust in both the peer provider and platform brand.*

EXTENDED ABSTRACT

Research Question

1. Which factors reduce peer customers' uncertainties and lead to trust in the P2P platform?

2. How do the trust antecedents impact P2P platform loyalty?

Method and Data

We conducted two studies to answer the research questions. In a first qualitative interview study with 30 peer customers of ten different P2P platforms, we explored which factors determine peer customers' trust in the platform and its peers. The established framework including its five hypotheses that we derived from the semi-structured interviews are tested in a subsequent quantitative study with 495 peer customers of one P2P platform. The data were gathered from an online survey and matched with behavioral details from the respondent's respective peer provider.

Summary of Findings

Based on the qualitative interview study, we show that trust antecedents on P2P platforms consist of the platform provider's and peer provider's performance as well as the identification with the platform brand and peer community. All four antecedents act as important factors for reducing customer's uncertainty and building trust in both the platform brand and the peer provider. Further, we find that trust spillover effects occur from the platform provider to peer providers. Building on these findings, trust in the platform provider is particularly relevant when trust in peer providers is lacking. Even though customers do not trust peer providers, they can still be loyal to the platform when they trust the platform provider. This underlines the importance of the platform brand strength, particularly for first-time users. Additionally, this also leads to the conclusion that the platform provider seems to become superfluous when peer customers already developed trusting relationships with peer providers.

Key Contributions

This research adds important insights regarding customer uncertainty reducing strategies on P2P platforms. First, we add to extant relationship marketing literature by extending the concepts of trust and loyalty to the context of P2P platforms. Second, we advance literature on trust antecedents by showing that a trustworthy platform consists of an interplay between the performance of the platform provider and the peer providers. Third, the studies demonstrate the importance of trust in the platform provider and its brand when trust in peer providers is low. For P2P platform managers, this research gives guidance on which factors to focus for building customer trust and platform loyalty. Platform performance and brand values are important when attracting new customers that have not yet developed trust in peer providers.

References are available on request.

Behavioral Norms in Consumers' World of Power: When and Why Shame and Guilt Increase Compliance

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EXTENDED ABSTRACT

Research Question

The online world has provided consumers with a unique chance of being heard. Social media and online reviews provide an opportunity for consumers to easily communicate their thoughts and attitudes towards a firm's services, products and behavior. This is only one of the factors contributing to a shift in the power dynamics in the marketplace in favor of consumers. Unfortunately, consumers sometimes capitalize and leverage their online power in unethical ways. The undesirable consumer behavior ranges from something as mundane as excessive merchandise returns (Dennis 2018) to behavior as outrageous as review blackmail (Blumentha 2015; Payne 2014). Regardless of the extremity of such behavior, they pose a threat to businesses. The significance of this issue becomes evident when we live in a world where online reviews and reputation can make or break a business and this reputation is at the mercy of consumers. Small and new businesses are particularly vulnerable to consumer power misuse as they do not possess the resources or established reputation to buffer the costs associated with instances of consumer unethical behavior.

In the current study we explore the following question: How can businesses discourage consumers from engaging in unethical behavior without compromising attitudes toward the business?

Method and Data

Two experiments with between-subjects designs were conducted (S1: N = 112, student participants; S2: N = 227, online participants). In study 1, we explored the impact of shame and guilt appeals on reducing unethical behavior. Study 2, examined the moderating role of message framing on attitude toward the business, retaliation intentions, and perceptions of procedural justice.

Summary of Findings

In the first study we find that anticipation of shame significantly reduces unethical behavior, but anticipation of guilt is not effective in discouraging unethical behavior. In a second study, we find support for the negative repercussions of using shame-based appeal. Results indicate that individuals subject to shaming appeals, as opposed to guilting appeals, have less favorable attitudes towards the business and higher retaliation intentions. In order to improve attitudes toward the business and decrease retaliation intentions, perceptions of procedural justice should be improved. Framing the shaming message as a rhetorical appeal (i.e., using an objective tone, facts and numbers to communicate the message) rather than a narrative appeal (i.e., using a story to communicate the message) was found to improve participants' perceptions of procedural justice. Moreover, results revealed that a rhetorical framing for shame appeals and a narrative framing for guilt appeals could result in higher message effectiveness and lower negative affect by improving perceptions of procedural justice.

Key Contributions

This article contributes to theory relating to emotional appeals and appeal framing in the context of consumer mis-

conduct. Prior research has used negative emotional appeals to induce attitude change for self-harming behavior. We extend this research by using highly aversive emotions such as shame and guilt to decrease consumer ethical violations when the violations harm others and not the self.

In addition, this research extends our understanding of how appeal framing can improve message effectiveness and alleviate negative outcomes associated with negative emotional appeals. We also identified the mechanism through which emotional appeals influence consumer outcomes such as attitudes towards the business and retaliation intentions. We demonstrate that the right fit between the emotional appeal and appeal framing can enhance perceptions of procedural justice which in turn results in improved attitudes towards the business and lower retaliation intentions.

References are available on request.

Giving Consumers a Boost: Conceptualizing a Dynamic Competence Intervention for the Digital Era

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Keywords: *interventions, judgment and decision-making, behavioral decision theory, competences, transformative consumer research*

Description: *This multidisciplinary paper develops the need for further theory-building in relation to consumer interventions and, based on extant interventions literature and behavioral decision theory, conceptualizes consumer boosting as a new intervention mechanism that dynamically provides context-relevant, individually targeted competences to consumers.*

EXTENDED ABSTRACT

This research conceptualizes "consumer boosting" as a new intervention mechanism and proposes a definition for the construct. The intent of consumer boosting is to assist individuals in the modern marketplace, which is increasingly characterized by complexity and information asymmetries, by improving their relevant competences. Consumer boosts cater to peoples' higher order goals as well as the emotive and cognitive choice quality as perceived by those individuals. To that end, they leverage individual-level data to support consumers with interventions that dynamically convey relevant competences in a specific context. Boosting is therefore especially promising in digital environments.

The conceptualization of consumer boosting rests on the multidisciplinary literature surrounding the extant intervention mechanisms "nudging" and "heuristic boosting," which is integrated with behavioral decision theory as a fundament for the new construct.

Research Question

Consumers face unprecedented challenges in the marketplaces as a result of increasing multioptionality and choice complexity. In relation to complex products and services, information asymmetries that favor the provider leave consumers vulnerable. This is especially the case where personal stakes are high and consumers make decisions that have a substantial impact on present and future well-being, such as in the areas of health or finance.

In various disciplines, interventions that lead to improved consumer decision-making have been discussed. Most prominently, it has been proposed that subtle nudges through changes of the decision environment may help consumers. Yet, nudging attempts to affect a specific choice outcome, rather than letting consumers optimize their preference construction process. In stark contrast, education measures convey a set of generalizable decision-making competences to consumers. However, acquiring these competences is effortful, therefore education is rarely practicable in a business context.

Interventions research is characterized by confrontational points of view. We argue that this is due to lacking theorizing of the respective constructs and a lacking recognition of their common denominators. We assess whether there are conceptual commonalities among the interventions and how behavioral decision theory can be leveraged as the footing of a new intervention construct.

Summary of Findings

The multidisciplinary literature on behavioral or consumer interventions is fragmented and characterized by philosoph-

ical, rather than conceptual, debate. Nevertheless, there are conceptual commonalities amongst the discussed constructs. For instance, the dimensions being discussed in the respective literature streams, such as intervention mechanisms, behavioral outcomes, and choice quality, are similar. Structuring those common dimensions and consolidating the findings of the interventions literature, we find that new types of consumer interventions can be conceived and may benefit all of interventions research in that they contribute to a framework or middle-range theory of consumer interventions. This, however, requires more structured theory-building than the field has seen thus far.

Leveraging behavioral decision theory, we find that this literature provides several important considerations for the development of interventions that are based on the ways in which consumers construct their preferences throughout the choice process. For optimal results, such interventions need to account for individual preference construction and higher order goals, the context in which decision behaviour is embedded, and consumers' objective of optimizing the effort related to decision processes.

On that basis, we define consumer boosting as *"any timely and individually targeted intervention into consumers' behavioral processes that aims at improving their decision-making competences."*

Key Contribution

Research into new intervention mechanisms is timely in two ways. First, current intervention mechanisms alone cannot sufficiently alleviate the increasing challenges consumers face in the markets. Secondly, developing digital technologies allow the dynamic employment of context-specific intervention mechanisms that leverage individual data to optimize the intervention effectiveness, which was not fathomable some decades ago. These new technological means, at the same time, give new importance to seminal literature on consumers' choice processes, such as behavioral decision theory. Reflecting these considerations, consumer boosting is an intervention that assists consumers in configuring their choice preferences, leverages technological means to do so, and is firmly rooted in theory.

In alleviating some of the key challenges individuals face in modern markets, consumers will benefit from the newly developed construct of consumer boosting, as will firms pursuing consumer centric business models and institutions attempting to reduce consumer vulnerability. The conceptualization may give rise to a new enthusiasm in discussing interventions, where several mechanisms are considered as equally necessary in a developing theory of consumer interventions.

References are available on request.

Putting the Social in Social Media: A Qualitative Study of Influencers on Instagram

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ABSTRACT

Within the last ten years, social media networks have redefined the way that consumers interact with brands and firms. Traditionally, the communication model was unidirectional, flowing into a feedback loop for firms to understand consumers' needs. At this time, social media have given consumers the power to not only make this model multidirectional but allow consumers to communicate quickly with both the firm and each other. Social media platforms, such as Instagram have been instrumental in giving power to not just firms or celebrities, but also everyday consumers to share their appraisals, thoughts, and feelings within their online communities as influencers. The term influencer has taken on a new role at four different levels: megainfluencers, macroinfluencers, microinfluencers, and nanoinfluencers. Prior research has suggested that microinfluencers and nanoinfluencers have the lowest reach (ability to deliver content), but the highest level of engagement (follower shares, likes, and comments). Using a qualitative, netnographic method guided by semistructured interviews of 22 informants, the author investigated the relationships that microinfluencers and nanoinfluencers and have with the brands they use and promote, their followers, and their salient identity. Data reveals an intricate web of relationships that influencers build through their identities both a consumer and as an opinion leader. Further, authenticity will be investigated as a key emerging construct in the functioning of microinfluencers and nanoinfluencers. Last, managerial and theoretical implications are discussed.

Social media networks have redefined the way that firms connect with consumers within the last ten years (Muhlbauer and Harry, 2017). In today's global environment, communication through social media has become an instrumental element of a firm's overall strategic plan and integrated communications plan, specifically aiding in advertising, communicating, and building brand loyalty with consumers while decreasing marketing costs (DeMers, 2014; Mediakix, 2019). Social media networks are the top way for brands to connect with consumers. Firms do this in various ways from directly connecting the consumer and the brand through a social media platform such as retweeting, replying to consumer complaints and appraisals, and utilizing social media influencers to promote their brands at a personal level (Montgomery, 2018). Social media is the most advanced delivery systems to deliver content to consumers

Since the development of social media, an assortment of definitions of the construct have been offered throughout the literature. Plume, Dwivedi, and Slade (2017) assessed the marketing literature in search of a consensus on a definition. Based on their findings, they define social media as:

"an environment that provides a set of tools available to both individuals and organizations, enabling information dissemination, sharing and content creation to facilitate conversation guided toward completion of both strategic and social goals that may eventually lead to consumption" (Plume, Dwivedi, and Slade, 2017, p. 25).

Influencers share and create content on their personal accounts, empowering them to promote products, services, or experiences while disseminating information. Influencers can be celebrities, athletes, executives, everyday consumers, children, and even animals (e.g. Doug the Pug). Using their accounts, influencers have the capability of promoting products, services, or experiences while disseminating information, and some influencers are compensated for doing so. This compensation can include free goods and services, or monetary payments per post or per campaign. Based on the literature review we define an influencer here *as a consumer who is participating as an opinion leader in an online community, using the content they generate on their social media account(s) to dissemi-*

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nate information and persuade other consumers with products and brands.

With the evolution of social media and the growing number of users connected through the Internet, the traditional method of influencer marketing expands past celebrities and into the power of everyday consumers (Abidin and Brown, 2018). Consequently, there are now four different levels of influencers recognized by practitioners: megainfluencers, macroinfluencers, microinfluencers, and nanoinfluencers (Ismail, 2019). The measures of impact for these influencers are generated from three different factors: reach (ability to deliver content), relevance (strength of connection to the brand), and resonance (ability to drive desired behavior) (Gottbrecht, 2016). Megainfluencers are very familiar to the influencing realm, as they include celebrities (e.g., Kylie Jenner), professional athletes, and artists. Megainfluencers have one million or more followers and often have the highest outreach, but the lowest level of engagement. Engagement is defined as the number of clicks, shares, comments, and likes per post (Gottbrecht, 2016). Next, macroinfluencers are often executives, bloggers, or experts that fall below megainfluencers at 100,000 to one million followers. Finally, microinfluencers and nanoinfluencers make up the bottom of the spectrum: they include the everyday consumers with less than 100,000 followers. Nanoinfluencers are often aspiring microinfluencers with less than 10,000 followers. Although microinfluencers and nanoinfluencers have the lowest outreach in terms of the raw number of followers, they are often found to have the highest level of engagement with 25%–50% engagement per post (Gottbrecht, 2016). Firms tend to select microinfluencers to work with because they have a more personal connection, their audiences are often more targeted, they are easier to connect with, and more affordable (Dhanik, 2016).

Prior research has primarily focused on celebrity or mega influencers; therefore, little is known about the impact of microinfluencers and nanoinfluencers and their relationship with firms and consumption. For these reasons, our focus is on microinfluencers and nanoinfluencers. The purpose of this study is to answer calls to understand how influencers impact brand and their relationships with consumers. Specifically, research is called for to understand how platforms like these are changing consumers' behavior regarding the nature and impact of branding (Weingarden, 2018). This research aims to address these key research questions in the context of microinfluencers and nanoinfluencers: (1) how do influencers approach the process of "influencing," (2) what relationship do these influencers have with brands and their followers, and (3) how does their identity relate to these relationships?

Conceptual Overview

Identity

Over time, an individual develops their self-concept and identity (Callero, 1985; Laverie, Kleine III, and Kleine, 2002; Solomon, 1983; Stryker and Burke, 2000; Turner, 2013). An individual, such as a consumer or influencer, has multiple identities that are fluid and dynamic defined as role-identities (Callero, 1985; Laverie et al., 2002; Stryker and Burke, 2000; Turner, 2013). Influencers construct content on their social media accounts that reflect their identities; meanwhile, consumers are able to enact certain identities through the different situations they encounter, such as purchasing a product, posting a photo or video, or leaving a comment on another user's account (Grewal, Stephen, and Coleman, 2019; Reed, 2004). Once an identity is activated, it must then be confirmed through self-verification (Stryker and Burke, 2000; Turner, 2013). This self-verification process can be reinforced by social groups and can be done virtually, such as a user replying to a comment or direct message (DM) on the account (Grewal et al., 2019). Once an individual verifies their identity, the salience of that identity increases. The higher the salience of a particular consumer identity in their identity hierarchy, the more likely they will be to "actively seek out situations where they can use this identity" (Turner, 2013, p. 334).

Microinfluencers and nanoinfluencers have an identity as a consumer and as an opinion leader within their digital community(ies). An opinion leader is defined as an individual that tries to influence the purchasing behavior of other consumers within product fields or their communities (Flynn, Goldsmith, and Eastman, 1996). Additionally, microinfluencers and nanoinfluencers convey those multiple identities that rest in their identity hierarchy on their social media networks. These identities are then situationally activated and self-verified. For example, a microinfluencer could consider themselves a fashion influencer, because this is a strong part of their identity. In addition, that influencer could also be a new mother, therefore, they also consider being a mother a strong part of their identity. Accordingly, when the influencer is feeding their child, their mother identity is most salient, and they could post about what food they are using to verify their active mother identity on their social media account. On the other hand, the influencer could post a new outfit, activating their fashion identity. Followers may like the photo, comment on their photo, or send a DM to the influencer, which may strengthen their self-esteem in this role identity and enhance this dynamic process (Davis, 2019; Stets and Burke, 2014). Thus, identity is a key construct in understanding the functioning of microinfluencers and nanoinfluencers on their social media networks, as well as under-

standing how their identity impacts the relationships they have with their followers and brands they promote and use.

Authenticity

Authenticity, as a buzz word, is circulating not only industry leaders' communities, but also consumers' communities and the digital community (Becker, Wiegand, and Reinartz, 2019; Davis, 2019; O'Connor, Lehman, and Carroll, 2019). Specifically, authenticity is linked to higher brand trust in the context of advertisements (Anderberg and Morris, 2006), increased connection with the brand (Grayson and Martinec, 2004), differentiation of a brand (Dwivedi and McDonald, 2018), and can directly translate to profit in advertising (Becker et al., 2019). Further, identity theorists link authenticity as an outcome of identity verification (Davis, 2019; Stets and Burke, 2014); therefore it is a key construct in social media usage by influencers.

The definition of authenticity differs throughout the literature; however, there is a consensus on authenticity being important to brands, multilayered, and polysemous (Becker et al., 2019; Spiggle, Nguyen, and Caravella, 2012). Grayson and Martinec (2004) identify two types of authenticity-based interpretations based on different meanings of "true" and "genuineness." Indexical authenticity refers to an entity being the original or "true object," while iconic authenticity refers to a reproduction of that entity resembling its original (Grayson and Martinec, 2004). Morhart et al. (2015) takes this a step further and suggests that perceived brand authenticity develops from indexical authenticity, iconic authenticity, and existential authenticity, where existential authenticity is defined as existential motives of connections to the brand (Morhart et al., 2015). From this, brand authenticity emerges as the extent to which a brand is faithful and true to itself and its consumers. Further, Dwivedi and McDonald (2018, p. 2) define an authentic brand "as one that is perceived by consumers as having a clear philosophy; one with a sense of what it stands for; a brand that lives up to its promise and is true to itself."

Based on previous definitions and preliminary findings we define authenticity in the context of influencers in their digital community *as an influencer that is perceived to be the true representation of themselves on their social media networks, and who promote products that align with what they stand for*. Not only is it important for a brand to be authentic, but an influencer as an opinion leader must also hold authenticity in high regard. A brand, as well as an influencer, should aim for a level of internal and external consistency. Internal consistency refers to whether the brand, or in this case influencer, is true to itself and external consistency refers to exaggerated claims (Spiggle et al., 2012). Additionally, the digital world brings new requirements to what is authentic and what is not.

To verify an influencer's authenticity in a digital community, triangulation must occur (Davis, 2019). Triangulation in social media is defined as consistency between identity performances across multiple platforms and physically built environments (Davis, 2019). This isn't done easily though, because the majority of interactions that influencers have occurs between one, or maybe two platforms with their followers. Thus, influencers must balance their individual consumer and opinion leader identities through their content and how they engage on their social media networks. This is the key indicator of how the influencer achieves authenticity. Further, influencers can signal authenticity in their content creation through strategies of transparency and passion (Audrezet, de Kerviler, and Guidry Moulard, 2018).

Intuitively, microinfluencers and nanoinfluencers, as everyday consumers, should have the capabilities to convey authenticity better than their celebrity influencer counterparts, but is this truly the case? With this background, we investigate microinfluencers and nanoinfluencers on Instagram and how they interact with the brands they promote, their followers, and their identity and how authenticity plays a role in their social media usage.

Method

Research Setting

In order to gain an initial understanding of microinfluencers and nanoinfluencers, this study uses a netnography method (Costello, McDermott, and Wallace, 2017; Kozinets, 2015). Microinfluencers and nanoinfluencers make up a culture sharing group in an online community, which now shifts the informant observation to an Internet-based forum (Kozinets, 2003). This is an appropriate strategy to begin the foundational understanding of these influencers because they are: (1) an online-based community on social media platforms (2) a culture-sharing community on social media platforms, and (3) this strategy is both a naturalistic and unobtrusive approach with rich qualitative content, furthering our understanding of this new phenomenon (Kozinets, 2003; Lincoln and Guba, 1985).

Data Collection

Interviews. We conducted 22 semistructured interviews to gain a foundational understanding of microinfluencers and nanoinfluencers. Informants were selected through a purposive technique, by a search on Instagram and a snowball technique. We began by searching public accounts with the hashtag (#) influencer(s). Further, once completing the interviews with the informants, one closing question was if they knew any other influencers that would fit the criteria to be interviewed. Interviews lasted between 20 and 50 minutes in length with an average time of 30 minutes and 19 seconds. In total, the authors spent approximately 11 hours conduct-

ing interviews. Theoretical saturation was reached after the 22 interviews. The demographic information for informants is listed in Figure 1.

Informants were asked the grand tour question of how they began influencing and how it works for them. Further, some other questions included what kind of identity they hope to portray on their account, what relationships and interactions they have with the brands they use, what relationships and interactions they have with their followers, and what authenticity and influencing means to them. Concluding each interview, the dialogue was transcribed verbatim. Following the transcription, we reviewed to confirm the transcription matched with the informant's interview to insure qualitative reliability (Creswell and Creswell, 2018). In total, the interviews amounted to 182 single-spaced pages of transcriptions. Additionally, copious notes were maintained as memos. Coding has been conducted in the NVivo 12 software and additional iterative analysis is expected based on

the constant comparative method of qualitative analysis. Initial coding has been completed to establish the major themes. The coding process will continue to establish a structure of thematic (Gibbs, 2009).

Visual Analysis. To assist in data triangulation, the author followed each informant for one week after to follow their Instagram story, which disappears after twenty-four hours. The first author captured each Instagram story to use for visual analysis. We further captured additional content associated with the influencers' accounts to also be used for visual analysis. Thus far, 1,649 stories and 24,950 posts have been collected, but not analyzed.

Emerging Themes

Although analysis is still in the early stage, it is worthy to note several emerging themes. Additional supporting quotes from informants are located in Table 1. The data reveal that influencer relationships are more than just surface level. An

Figure 1. Informant Demographic Data

Pseudonym	Gender	Age	# of Followers IG	# of Followers Other Accounts	Type of Influencer/Account	Occupation
Jacob	Male	27	949	—	Fitness	Personal Trainer
Rebecca	Female	34	1,125	—	Fitness & Nutrition	Nutritionist
Susan	Female	24	2,160	—	Fashion & Makeup	Office Job
Shelby	Female	26	3,451	—	Lifestyle	Business Owner
Krystal	Female	20	3,565	—	Fashion & Lifestyle	Student
Lily	Female	22	3,962	—	Lifestyle & Empowerment	Student
Hailey	Female	24	4,665	—	Fashion & Lifestyle	Office Job
Madison	Female	21	4,964	77K TB	Lifestyle	Student
Sarah	Female	33	5,009	—	Fashion & Lifestyle	Fashion Stylist
Emily	Female	27	5,964	—	Fashion & Makeup	Mother
Julia	Female	24	8,063	—	Fashion & Lifestyle	Influencer
Kevin	Male	23	8,274	—	Fitness	Nutrition Store
Brittany	Female	26	10K	—	Lifestyle	Business Owner
Bianca	Female	26	17.6K	—	Plant	Business Owner
Erica	Female	26	17.9K	17.1K IG	Fashion & Food	Influencer
Brad	Male	24	18.4K	53.6K T	Fitness & College Student	Student & Personal Trainer
Jenna	Female	31	21.2K	—	Minimalist Lifestyle	Office Job
Jade	Female	30	23.9K	102K Y	Fitness & Health	Influencer
Isabella	Female	29	34.6K	—	Lifestyle	Mother
Maria	Female	29	38.1K	—	Lifestyle & Travel	Office Job
Hal	Female	31	41.7K	—	Fashion & Lifestyle	Mother & Massage Therapist
Caroline	Female	20	48.2K	—	Fitness & Health	Business Owner

*IG = Instagram, T = Twitter, TB = Tumblr, Y = YouTube
**Average age = 26, Female = 86%, Male = 14%
***Nanoinfluencer = < 10,000 followers, microinfluencers = 10,000–100,000

Table 1. Supporting Quotes for Emerging Themes

Theme	Supporting Quotes		
Authenticity/ Be Yourself	"But however you choose to live, that's beautiful for you. Like don't convey to someone else's standards to think that that's how you should be or anything like that. Like just be you and that's enough." –Sarah	"Kind of being authentic to me on my Instagram. This means being myself. I feel like there are so many accounts now. I feel everybody wants to do social media nowadays, and there are so many-- you can bump into a lot of accounts that are kind of the same thing, girls posting the same thing and talking about the same thing, acting the same way. So to me, that really just means being myself and being able to express and then show my true lifestyle and the ups and the downs as well, not just all rainbows on my Instagram. So that to me is just being myself and really showing my true authentic self and not just being somebody else or trying to be somebody else to get more followers or anything like that." –Maria	"So, I try to stay me, I've been the same person for 10 years I've been on Twitter and the years I've been on Instagram, I try to stay me positive, just a normal [person]. I don't try to act cool or fake for social media. Everyone knows what they see is how I am off of social media." –Jacob	
Products	"So, I try I would say, and I've gotten kind of more strict about this in the last six months, especially when I first started I kind of was just I just want to try everything and get my name out there kind of thing. But now that I have more of a significant following I am more selective because I know the people that are following me, are following me for fashion or children or whatever, kids stuff or whatever, so I try to kind of stick to those types of things. I do get a lot of offers about diets and food-related things, and I just-- I politely just say I'm not really interested." –Hal	"One of the goals - and this is something that took me a while to figure out too - is quality over quantity. So it's better to work with one brand consistently that you truly love versus a whole bunch of different brands. It's easier. It's easier to sell the product when it's something you truly use consistently and love. But I don't think there's anything that I just genuinely disliked. I try very, very hard to not take on a partnership unless it's a product I would tell people to purchase on my own. In the early days, I'd say there might've been some that I took on because, again, when you first start, you're so excited that anybody wants to work with you….There are a couple of clothing brands that if I could go back, I wasn't particularly impressed with them, and I probably wouldn't work with again." –Isabella	"I do make sure that the brands that I work with are genuine brand. They're not, you know, they haven't paid for followers. They're not out here trying to like scam people. And they're actually products that I would buy. I've turned down a lot of partnerships for, like, I just had a partnership, they reached out to me for jewelry and the jewelry that they had, I was like, oh yeah, I would totally do this. And then like the jewelry that they were offering in exchange for posts, I was like, I don't want to post about this because I wouldn't go to your site and buy this jewelry." –Sarah	
Relationship with Firms	"And what's funny is a lot of them [brands], they try to reach out in a personal way. So they'll say, "I love your Instagram. I love your content. I love your message." And then they'll try to get me to take a product or promote a product. And I know right away they've never read anything I have posted because I feel like it's pretty clear throughout my stories and my posts that I don't believe in that. And so most of them, they aren't following me. And they probably just kind of did a search and then reached out to me real quick. But I continue to get those often." –Jenna	"There was just some brands who I'm not sure who their social media rep or PR Rep [are], but they can come up, very unprofessional as far as not even just response time, just I completely understand response time, but the nature of communicating back and forth, just how that communication is portrayed." –Shelby	"So I, whoever contacts me through my business email I kind of just look through them and see what kind of company they are. So if they'll align with my values and ethics are then I will work for them if I genuinely am interested in their products… And then in the past, especially when I was younger, I would get requests from those weight loss companies, and that's something I never believed in. And being young, I was like, "I don't think this is right," so I never accepted those. And I still got offers from people like that, but it's I wouldn't—a lot of my followers are pretty young, I feel like. So I wouldn't want people promoting this weight loss to me when I was a young teenager, so I wouldn't want to be doing that to my followers." –Madison	

Table 1. Continued

Theme	Supporting Quotes		
Influencer Label	"So it's funny that you messaged me cause I don't always consider myself an influencer, but I guess like when I take a look at how my Instagram has grown over the years I really am." –Lily	"I wish that we could call it, I mean, not me and you, but I wish there was a different name than influencer." –Julia	"I know it's going to be like, not the greatest answer, but sometimes I don't like sometimes I don't like the word influencer because I never want to feel like I have to influence anybody." –Brittany
Relationship with Followers	"I hope to build a relationship that's approachable. That is honest…I want to build that with my followers and I want something where like if people see me in public, if people were to like run into me, they could be like, oh my gosh, hey, my name is so and so and then not be like, oh my gosh, I can't, I don't want to go over there and say hi. Like I want it to be something where they're like, yeah, okay, I've got to go like give her a hug, you know, so approachable and honest." –Julia	"So that's what I would love for my followers is kind of like a tribe of girlfriends or like an online tribe of girlfriends where they feel like, oh, I can talk to ---. Not necessarily like we're going to have a phone conversation, but like I can send [the informant] a message and she's going to respond back, or I can send her a comment and [the informant] is going to comment back with more than just a thank you or just an Emoji. Like [the informant] actually going to like engage with me if I have like a question about something that [the informant] posted or if I have like a comment that deserves more than like a two word answer." –Sarah	"That was really funny to me is because a lot of them have people that legitimately run all of their accounts, so like those posts that you see of them. It's not even them. I've met some at fitness expos, like some fitness people I have over like 100K, 200K, 300K and they don't even open the apps on their phone. They post like a ten second video, 30 second video and that video was professionally edited and posted by a real person that gets paid to do it. It's not even them. It's like, man, I don't get it. I get it, but like people, I think that's you and it's really misleading. A lot of it. I would say that it's, another thing is when you get big, it's lying a lot and misleading people. When you're smaller, you can afford to be more personal. But when they get to that stage, it's like not as personal and people get fooled and tricked into buying and their stuff or their meal plans and workout plans." –Brad

abundant amount of time goes into the curation of their accounts, the planning of their content, and the relationships they build with both their followers and brands. Further, authenticity, whether real or not, is a key construct in their overall interactions with social media.

First, all informants discussed the importance of being "you" when posting on their accounts. Most informants describe the objective of being "authentic" and "genuine" on their accounts and in their relationships with their followers.

> "Don't put on a fake face for your Instagram, you know, be who you are and you're going to realize that not that many people are going to unfollow you and you're going to realize that more people are going to start following you because they see you being your actual self." –Jacob

Interestingly, informants talked about authenticity being a key attribute to influencer success. Still, informants revealed that they set up photoshoots to create planned content and use filters on their posts.

Second, the informants interviewed only promote products that they use and love themselves.

> "Um, I am pretty particular about, I never want to work with a brand that I don't love for myself. I'm not going to be one of those influencers that just tries and I guess pushes products and brands down your throat. Um, so I mainly, sometimes it's things that I just have purchased myself and I'm like, oh, this is great." –Brittany

Interestingly, more nanoinfluencers mentioned that micro- and macroinfluencers will promote products based on compensation. Conversely, microinfluencers mentioned that when they were trying to grow, there were several partnerships they took when they were at the nano level to get their name out there or to receive free products. Overall, both microlevel and nano-level informants held a firm belief that what they promote should be authentic.

Third, the data revealed that the informants want a relationship with the firms behind the products they promote beyond compensation through payment or receiving free products. It was obvious to informants when a brand was reaching out in

an impersonal way. Similar to promoting products they actually used and loved, informants said that it was important for the firm they work with to align with their values, respond in a timely enough manner, and for the product and brand to be high quality.

> "And I just kind of like, I just dropped [the brand] because it wasn't like fully engaging. I didn't know the people behind the company and things like that." –Kevin

Fourth, several informants either did not consider themselves an influencer or did not like being called an influencer.

> "I don't really like the word influencer because I feel like people have a negative feeling with that. I like content creator more because what I like to do is just create pretty pictures and share a good message with people or make people laugh." –Krystal

Informants talked about the negative connotation that is attached to being called an influencer. As stated previously, the informants interviewed had to promote some sort of product within their feed so by the definition the informants were influencers.

Lastly, all informants valued their relationships with their followers highly. It was to the extent that they were considering their followers more than just someone following them, but as a "friend." Several informants indicated that the relationship they wanted with their followers was friendship, and if they were to see each other offline, they hoped that the follower would come up to them to introduce themselves and interact with them.

> "Um, honestly like I view all of my followers as my friends. I mean obviously I don't have 5,000 friends like best friends that I know everything about, but I want people to feel comfortable to approach me…" –Hailey

Interestingly, not all informants always engaged with their followers at all times because of the sheer volume of messages and comments. One informant hired an intern who received college credit for replying to common DMs or comments. Further, two other informants talked about virtual assistants that influencers hire when their engagement becomes unmanageable. These virtual assistants will also reply to comments and DMs and will even assist in creating content, suggesting this authenticity may not always be completely real.

Discussion and Implications

The dynamic changes in the social media environment lead to constant updates and innovations, changing the consumption atmosphere relatively quickly. The updates of social media platforms, such as Instagram, is an example of a platform that impacts consumption quickly. Microinfluencers and nanoinfluencers, although reasonably new, are not just a trend or fad that will fade. Their impact on the market, brands, and the overall consumption process is vital for managers to understand. In fact, it is projected that $5-10 billion will be spent globally on influencer marketing in 2019 (Mediakix, 2019).

Although this study is still in progress, and more analysis needs to be completed, we find rich data highlighting the roles and relationships that influencers build within their digital environments using a netnographic method. This study's contribution lies in addressing some foundational questions related to the functioning of microinfluencers and nanoinfluencers, as well as the types of relationships they build with firms, brands, and followers. Preliminary findings include the functioning of influencers, their relationships with brands and their followers, and the importance of identity and authenticity as a construct in these relationships. In sum, findings will illuminate insight on microinfluencers and nanoinfluencers and their benefits for the firm.

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Is Gossip Always Bad for Human Branding? Unexpected Consequences of Celebrity Gossip

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Keywords: *gossip, celebrities, celebrity gossip, human brand, self-disclosure*

Description: *This paper investigates the celebrity gossip industry by testing the impact of gossip (vs. self-disclosure) on consumer's evaluations of the message and the celebrity.*

EXTENDED ABSTRACT

Research Question

Gossip is the second most common topic of conversation between individuals after personal self-disclosure (Emler 1990). People love discussing the personal lives of celebrities; indeed, celebrity gossip is a significant part of social interaction and is all over both the mainstream and social media. Gossip is big business too. Reports estimate the combined revenue for the celebrity gossip industry at more than \$3 billion (Rutenberg 2011). Websites such as TMZ.com attract more than 30 million online visitors every month and magazines including *People* and *Us Weekly* reach an audience of more than 120 million consumers (Statista 2018).

Overall, the gossip industry constitutes a large market phenomenon that remains largely unexplored by marketing research. Key actors in this large business are celebrities. Celebrities can deliver personal information to consumers via self-disclosure (delivering it themselves) or via gossip (a third party). Gossip is therefore foundational in the relationships that celebrities build with their fans, as it constitutes one of the primary sources of information that consumers use to build their image of a celebrity and relate to the human brand. But what is the value of gossip for celebrities? In this research we try to assess the impact of gossip on celebrities as human-brands and consequently as product and brand endorsers.

Method and Data

We conducted four empirical studies. In study 1 (N = 300, Mean age = 35.68, 54% female), we test for consumer's propensity to gossip depending on the source of the content. We manipulate whether the information comes directly from the celebrity (self-disclosure) or is delivered by a third-party (gossip). We then measure participants' intention to share the content online. In study 2 (N = 124, Mean age = 38.26, 64% female), we use the real-life example of Jeff Bezos (Amazon's founder) to test whether consumers react differently to negative news diffused via self-disclosure or gossip. In study 3 (N = 300, Mean age = 33.64, 52% female), we again manipulate the source of the message (gossip vs. self-disclosure) to investigate consumers' attitudes towards the content of the information as well as liking of the selected celebrities as endorsers. This study follows a mixed design, we include four different celebrities and use four different negative messages all pretested. Study 4 (N = 400, Mean age = 35, 53% female) further extends our investigation by varying the valence of the content (positive vs. negative). Again, we manipulate the source of the message (gossip vs. self-disclosure) and test consumers' attitudes towards the content of the information as well as liking of the selected celebrity also as endorser.

Summary of Findings

Across the four studies, we find that negative information that comes directly from celebrities is more likely to be

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shared by consumers compared to information received from a third-party (i.e., gossip). In addition, self-disclosed information is evaluated as more valuable and interesting. Despite this, and somewhat unexpectedly, we find that negative information delivered via gossip (vs. self-disclosed) increases consumer's liking of the celebrity, especially as an endorser. In particular, studies 2, 3 and 4 revealed the presence of a significant positive effect of gossip (vs. self-disclosure) on the attitude towards a celebrity and the appreciation for the celebrity as an endorser. This is an important finding because it shows, for the first time, that celebrities can derive value from the negative personal news that circulate about them without having to intervene.

Key Contributions

In this research, we provide interesting preliminary evidence of some market consequences of gossip for human branding, including the value of a celebrity as an endorser. In particular, we show that gossip is not always negative in how it impacts the subject of the gossip. We find that human brands can influence consumers' attitude towards themselves and their role as product endorser by letting gossip circulate freely. When celebrities want news to circulate, they are likely better off sharing that news directly (self-disclosure), but, at the same time, celebrities and their managers should take into account that gossip has a positive impact on their likability, as individuals and as brand endorsers. Our findings, although preliminary, contribute to the human branding literature by identifying a new driver of celebrity value, and they should spur further research on the topic. In addition, we provide a substantive contribution by investigating the celebrity gossip domain, a large and relevant industry which has been understudied by academic research. Finally, we provide practical insights and implications for human brand management by showing that gossip, even when negative, can improve consumers' attitudes towards celebrities and consequently the latter's value as endorsers.

References are available on request.

Experiential Value of Experiential Marketing: Multi-Item Scale Development and Validation

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Keywords: *customer, experience, value*

Description: *Development of a holistic scale to assess its experiential value.*

EXTENDED ABSTRACT

Research Question
How can the experiential value of experiential marketing be assessed holistically?

Method and Data
Using scientific scale development procedure, we developed a five-dimensional experiential value scale to address this gap. Data was collected at one of the world's leading experiential events for consumer electronics and home appliances.

Summary of Findings
The scale items capture customers' perception of the functional value of personnel (professionalism), perception of other customers' appearance (similarity) and behavior (suitable behavior), multisensory stimuli (sensory appeal) and customers' enjoyment (playfulness). Professionalism value may be interpreted as the value that customers derive from a personal interaction experience based on perceived knowledge, competence and valuableness of information. Similarity refers to the extent to which customers feel that they are similar to and can identify with other customers. Suitable behavior may be interpreted as the extent to which a customer feels that the other customers behave appropriately. The fourth dimension of the EVS-EM is sensory appeal. The findings support the notion of EM as a multisensory tool. Our findings suggest that an EM scale needs to incorporate olfactory, acoustic, haptic, as well as visual stimuli. Playfulness, the fifth dimension of the construct, refers to the customers' enjoyment that comes from engaging in entertaining activities.

Key Contributions
We contribute to the existing literature on experiential marketing by providing the first holistic scale to assess its experiential value.

References are available on request.

Cozying Up to the Kardashians: An Affiliation Coping Explanation for Consumers' Affinity Towards Celebrity Gossip

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Description: *This research suggests that celebrity gossip consumption is a means of emotion-focused coping by demonstrating that the self-threats inducing an avoidance (vs. approach) motivational orientation increase people's propensity to read celebrity gossip (vs. nongossip) media articles.*

EXTENDED ABSTRACT

Research Question

While a lot of research exists on interpersonal gossip, there is surprisingly limited academic investigation into people's motivations for consuming "celebrity gossip" (speculative media content about relatively unknown aspects of celebrities' personal lives). Given the repeated exposure to celebrities through various media outlets, people tend to develop parasocial or one-way relationships with celebrities—they start considering celebrities as part of their social circle and become invested in the celebrities' lives. We examine whether celebrity gossip furthers this process of parasocial bonding and serves as a source of emotional comfort when one needs it.

Method and Data

We run three experimental studies. Study 1, done on 311 U.S.-based MTurk workers, examines the impact of various kinds of self-threats, those with an approach-motivational orientation (intelligence threat) and those with an avoidance-motivational orientation (social exclusion/personal control threats), on participants' propensity to read celebrity gossip (vs. nongossip) articles. Study 2, done on 228 India-based adults, investigates the same effect (with only social exclusion threat) in a different context while examining the underlying process. Study 3, done on 213 undergraduate students

at a U.S. university, tests whether reading celebrity gossip (vs. nongossip) post a social exclusion threat indeed makes people feel closer to the celebrity.

Summary of Findings

In study 1, we find that avoidance-motivation (vs. approach-motivation) self-threats increase the affinity for celebrity gossip (vs. nongossip) media articles. This suggests that celebrity gossip consumption is possibly an emotion-focused means of coping. In study 2, we explicitly demonstrate that a desire to affiliate with close others mediates the impact of an avoidance-motivation self-threat on the preference for celebrity gossip. We further elaborate on the process of affiliation coping in study 3 by showing that gossip articles make celebrities appear more relatable and thus increase readers' feelings of closeness with them.

Key Contributions

This research adds to the literature on compensatory consumption by showing how consuming celebrity gossip can help cope with certain self-threats. Thus, it also contributes to the growing literature on the virtues of gossip. Additionally, it advances the prior work on parasocial relationships; it is the first to show that people seek emotional comfort

even in parasocial relationships as they do in regular interpersonal relationships.

Acknowledgment

References are available on request.

Truth-Bias and Detection Accuracy in Marketing Messages: The Moderating Effect of Brand and Product Attributes

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Keywords: *deception, truth-bias, detection accuracy, marketing messages, information search characteristics*

Description: *This study extends the Park-Levine model of veracity judgment to marketing communications, and shows that truth-bias toward marketing claims and, subsequently, accuracy of detection is moderated by the presence or absence of a brand and by information search characteristics.*

EXTENDED ABSTRACT

Research Question

In marketing communication, there is a presumption people can detect deception and, therefore, protect themselves from the deceptive intent of the message. The Park-Levine probability model (Park and Levine, 2001) posits that in interpersonal situations the veracity judgment is a function of the receiver's truth-bias and the base rate of untruthful messages evaluated. This study extends the model to marketing messages.

Marketing messages are purposefully planned and executed often with the intent to persuade consumers to think, feel, and act in ways that are favorable to the producer. In the study of deceptive advertising and marketing persuasion, most frequent question has been whether or not a promotional message was appropriately comprehended (Jacoby and Hoyer, 1987) and was the consumer (receiver) harmed (Burke, DeSarbo, Oliver, and Robertson, 1988). We take an alternative perspective, and consider whether consumers are able to accurately detect the veracity of a marketing message, and under what conditions. The specific research questions we address are: Do consumers have less truth-bias toward marketing messages than they have toward interpersonal messages? And, do branding and product attributes increase truth-bias?

Method and Data

An experiment was conducted replicating the Park-Levine probability model of interpersonal truth and lie stimuli with a set of honest and dishonest marketing claims. The experiment was repeated for six groups, each representing one combination of branding and SEC moderating conditions.

Subjects

The sample consisted of 1,507 American adult omnibus panel members (52.4% female; mean age of 43.2 years, $SD = 15.29$). Results were poststratification weighted. Key panel demographics (age, gender, income, and region) are matched to the U.S. Census. Subjects were randomly assigned to treatment groups.

Design

Subjects were presented with eight marketing claims that they judged truthful or not. Judgments were compared with actual veracity of the statements; the dependent measures of accuracy and truth-bias were derived.

The three between-subjects factors were brand identification, SEC category for the claim, and the message veracity base rate. Each subject completed the judgment task for eight messages. The study included nine base rate conditions within each of the six branding × SEC categories and each base rate condition ranging from 0 to 8 honest marketing claims. The 50/50 mix serves as a *de facto* control group for the base rate conditions within each of the branding × SEC categories.

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Summary of Findings

Overall, this study finds the interpersonal model of detection accuracy replicates when the test is applied to non-interpersonal marketing messages, and that the probability model is generally supported when truth-bias is high. Results indicate two important factors moderate the evaluation of marketing claims are inferences receivers make from branding information and the perceived ability to verify the claim, which may be inferred from the product form or its attributes. The study shows that under different circumstances truth-bias will vary; that is, truth-bias toward marketing messages is influenced by the presence or absence of a specific brand name and whether or not the receiver is presented with claims about product qualities that can be verified prior to purchase. The study also confirms the expectation, based on the Park-Levine model, that when truth-bias has been altered, detection accuracy across base rates will change.

Key Contributions

This study provides a validation of the Park-Levine probability model. The results were obtained by evaluating truthful and not-truthful marketing claims. This outcome demonstrates the generalizability of the truth-bias model beyond its application to interpersonal interactions. The successful addition of moderator variables adds explanatory power to this theoretical extension into marketing communication, and it invites a reassessment of previously-considered influences on interpersonal deception detection.

Additionally, this study demonstrates that truth-bias plays an important role in consumer decision making. Products messages with search, experience, and credence characteristics were moderated by the presence or absence of a brand and the perceived ability to verify the claim.

Brand is both a signal (Erdem and Swait, 1998) and, in this research, a proxy for many kinds of information a consumer might obtain about a product from reading ads or watching commercials or receiving other kinds of promotional messages. The study provides clear evidence that truth-bias is significantly higher when evaluating branded messages than when evaluating the same claims without the brand. The study results suggest that branding engenders a willingness to trust, and that truth-lie judgments will be more truth-biased in the presence of a brand.

References are available on request.

Representational Versus Abstract Imagery for Vice and Virtue Foods

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Keywords: *vice, virtue, information asymmetry, processing fluency, food marketing*

Description: *This investigation finds that while representational imagery is better than abstract imagery for foods overall, this effect is stronger for vice (versus virtue) foods.*

EXTENDED ABSTRACT

Research Question

How does the use of representational vs. abstract imagery affect consumer responses for vice vs. virtue foods?

Method and Data

Four experimental studies with MTurk and student samples were undertaken.

Summary of Findings

The findings reveal that for vices, representational imagery leads to significantly more positive consumer responses than abstract imagery; this effect is less significant (at times not significant) for virtues. Further, processing fluency and ease of imagining the taste of the product are serial mediators of the effect.

Key Contributions

We contribute to the scant literature on the intersection of marketing and types of imagery by demonstrating the effects of representational and abstract imagery on consumer responses to foods. We also extend the literature on vices and virtues by linking that burgeoning literature area to types of imagery, showing that imagery types can be used to increase or decrease consumer preferences for vices (and, to a lesser extent, for virtues).

References are available on request.

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When Should E-Retailers Be Lenient?

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ABSTRACT

This paper explores the relationship between return policy, purchase intention and return rate and whether review valence serves as a moderator in such a relationship. Obviously the easier one makes a product to return the more confidence a customer may feel in purchasing it, but this also sends a message to the customer about the product. Equally, customers may take advantage of the return policy. Often the valence of customer reviews is a factor that influences buying decisions. Using a large data set obtained from e-retailers, we studied the relationship between return policy and purchase intention and whether a high or low valence of customer reviews will strengthen or weaken such a relationship. A reduced form regression method explores these relationships. The results show that review valence strengthens the relationship between a return policy and a customer's purchase intention but weakens that between a return policy and a return intention. Review volume has no significant impact on either aspect.

Introduction

Among various aspects of efforts that online retailers take to differentiate their products and services, return policies may play a significant role in improving customers' intention to purchase (Greatorex and Mitchell 1994). A number of studies have shown that more lenient return policies will increase customers' purchase intentions without increasing the return rate, and the explanations of such a phenomenon mainly focus on three aspects: 1) signalling theory (Wang 2009; Wood 2001); 2) consumer risk theory (den Poel and Leunis 1999); and 3) construal level theory (Janakiraman and Ordóñez 2012).

On the other hand, implementing a more lenient policy is not without costs. For example, the moral hazard theory predicts that consumers can take advantage of lenient return policies (Davis, Hagerty, and Gerstner 1998), and Bonifield, Cole, and Schultz (2010) and Petersen and Kumar (2010) found that return rates are also higher when a more lenient return policy applies. Considering the fact that returns are generally expensive for online retailers (Janakiraman, Syrdal, and Freling 2016), whether retailers should implement a more lenient policy is still controversial in the current literature.

To mitigate the negative impact of returns, retailers thus have incentives to design mechanisms to make customers better informed before they make decisions (De, Hu, and Rahman 2013). One important information source is online customer reviews. Customer reviews provide additional information to that posted by retailers (Chen and Xie 2008) and thus may affect both the customer purchase intention and return rates (Minnema et al. 2016).

Customer reviews have become increasingly available online for a wide range of products (Mudambi and Schuff 2010). Research has shown that customer reviews can have a positive influence on sales (Chen and Xie 2008; Chevalier and Mayzlin 2006).

Moreover, customers have become increasingly dependent on product reviews. According to a study conducted by the Cisco Internet Business Solutions Group (2013), about 5,000 online shoppers from five different countries were asked to choose the three most influential sources of information they used to make a purchase decision. Respondents chose online reviews and ratings on retailers' websites (52%) as the most frequent sources of information they used before making buying decisions—ahead of advice from relatives, colleagues, and friends (49%) and advice from retailers' staff (12%).

BrightLocal has conducted studies on the efficacy of online consumer reviews since 2010. The result of the 2016 study showed that 84% of respondents trusted online product reviews as much as personal recommendations; 74% of respondents thought that good reviews made them trust businesses more; and 58% of shoppers believed that the star rating of an online business was one of the essential factors

they considered. The results of studies from 2010 to 2016 demonstrate the growing popularity of online reviews.

The impacts of online customer reviews, sometimes referred as electronic word-of-mouth (EWOM), are increasingly gaining popularity among scholars (Klaus 2013; Moore 2015; Mudambi and Schuff 2010; Rosario et al. 2016), although concerns exist about the authenticity and true value of user-generated reviews (Hu, Pavlou, and Zhang 2006; de Langhe, Fernbach, and Lichtenstein 2015). Experimental and empirical evidence shows that online customer reviews positively influence the purchase intention and the sale of products (Chevalier and Mayzlin 2006; Khare, Labrecque, and Asare 2011; Zhu and Zhang 2010), as well as the return rate (Minnema et al. 2016; Sahoo, Dellarocas, and Nivasan 2018). Volume and valence are two important metrics of customer reviews, where volume refers to the total number of reviews or ratings and valence means the average rating of the products. Besides volume and valence, dispersion also provides a measure of evaluative consensus (He and Bond 2015).

Despite the importance of lenient returns policy and customer reviews, knowledge about how these two factors interact with each other and jointly affect purchase intention and return rates is limited. Specifically, such knowledge might be crucial to understanding the paradoxical results in the relationship between return policies, purchase intention and return rates (e.g., Petersen and Kumar 2010; Wood 2001).

In this paper, data were gathered on 419 products sold at 42 stores from one of the world's biggest e-commerce websites, Taobao.com. Data included information about valence, volume, category, sales, average price, leniency of return policy and the returns of each product from July 2016 to December 2016. Then we applied a leniency rating to each product by using four leniency dimensions based on the return policy description and perceived customer satisfaction. This unique and rich dataset allows us to study the direct and indirect effects of customer reviews on the effectiveness of lenient return policies, taking into account both the purchase intention and return rates.

One of our key findings is that a high review valence weakens the positive relationship between a lenient return policy and purchase intention, which implies that the influence of valence and return leniency on purchase decisions is partially substitutable. This finding is aligned with the signalling theory (Kirmani and Rao 2000) and consumer risk theory (den Poel and Leunis 1999). From a signalling perspective, a lenient return policy and a high valence both send

a signal of high-quality products to customers before they make the purchase decision, therefore the added value of a lenient return policy might diminish with the presence of a high valence. From a risk perspective, a high valence makes customers perceive comparatively less potential purchase risk, thus reducing the necessity to provide insurance by offering a lenient return policy.

This finding also has useful business implications for online retailers. Our results suggest that implementing a less lenient return policy on products with a high valence will minimise the negative impact on customer purchase intention and help reduce costs associated with returns by deterring undesirable customers (Davis, Hagerty, and Gerstner 1998).

With this study, we also make contributions to two strands of literature. First, certain literature (Bonifield, Cole, and Schultz 2010; Petersen and Kumar 2010) suggests that a lenient return policy increases both customers' purchase intention and product return rate; whereas evidence from other studies (Wang 2009; Wood 2001) only supports the increase of purchase intention. Nevertheless, our results provide a plausible explanation of the paradoxical results of the impact of lenient return policy on purchase intention and return rates and imply that the two sets of empirical evidence could coexist depending on the moderating effect of customer reviews.

Second, our study contributes to the EWOM literature. The results demonstrate that online review valence and volume have different impacts on customer purchase intention and return rate. In particular, review valence is positively related to purchase intention and negatively related to the return rate, whereas review volume only affects the return rate. These results will further our understanding of the channels via which review valence and volume inform customers.

In the sections that follow, we provide our hypotheses' conceptual foundations and develop the model. After conducting the analysis and presenting the results, we conclude with a discussion of how our findings provide meaningful contributions to both academicians and retail managers.

Conceptual Foundations and Model Development

Theoretical Background

A customer's purchase decision is based on his or her level of expectations about the performance and surrounding uncertainty of a product (Minnema et al. 2016). Because of information asymmetry, customers usually rely on various types of signals to form their expectations (Rust et al. 1999)

and perceive potential risks (Greatorex and Mitchell 1994). More certainty together with an overall higher expectation are more likely to induce a purchase decision (Minnema et al. 2016).

After purchase, customers realise the true value of the purchased products and decide whether to return them. During this process, several factors might jointly determine the final return decision. The first one is the endowment effect, which describes a circumstance in which an individual value something that they already own more than something that they do not yet own (Kahneman, Knetsch, and Thaler 1990). This effect universally lowers the return intention. The second is the disconfirmation between the expectation and the product's realised value. If the product fails to meet a customer's expectation, then it is more likely to be returned (Bechwati and Siegal 2005). In this vein, a higher expectation ex ante implies an increase of the likelihood of negative expectation disconfirmation ex post, which consequently leads to a higher return rate (Symanski and Henard 2001). Third, the return cost also matters. A higher return cost will prevent customers from returning products (Li, Xu, and Li 2013).

Volume and Valence of Online Customer Reviews

In the context of online customer reviews, the term "volume" refers to the total number of reviews or ratings (e.g., if a product has only 12 reviews it means that it has a low volume, whereas a product that has 890 reviews is considered to have a high volume). The term "valence" refers to a product's average rating (He and Bond 2015); for example, an average rating of 4 out of 5 stars is considered to be a high valence, whereas an average rating of 2.5 out of 5 stars is a low valence.

From a signalling perspective, the valence signals the product quality and the volume represents the precision of the signal (Rosario et al. 2016). A customer might have prior information before looking at the details of a particular product, and he or she will update his or her beliefs when acquiring the review valence and volume information (de Langhe, Fernbach, and Lichtenstein 2015). Therefore, although some studies argue that review valence does not have a significant impact on sales while review volume is positively associated with sales (Duan, Gu, and Whinston 2008), for most part current literature supports the conjecture that both valence and volume have a positive effect on customers' purchase intentions. For instance, Zhu and Zhang (2010) collected data from the video game industry to prove that three aspects of the review valence, the variation of the rating and the review volume affect sales. Chevalier and Mayzlin (2006) maintained that improvement in the volume and valence of a book's reviews appears to increase that book's sales. In the movie industry, Dellarocas, Zhang, and Awad (2007) found

that the volume, valence and dispersion of online movie reviews have a positive and statistically significant relationship with movie sales.

After the purchase, depending on customers' satisfaction, customers decide whether to return. A high valence has three effects on the return decision (Symanski and Henard 2001). First, a high valence is a signal of high quality, and a high-quality product usually has fewer returns. Second, the bandwagon effect of a high valence makes customers reluctant to update their belief negatively (Oliver, 2010), which also implies fewer returns. Third, controlling for the quality, a higher valence implies a higher likelihood of expectation disconfirmation, which induces a higher return rate. The first effect is first order, whereas the second and third are second order. We thus expect that the first-order effect is stronger. We therefore propose the following hypothesis:

H1a: Review valence has a positive effect on customer purchase intention.

H1b: Review valence has a negative effect on the return rate.

Since the review volume represents the precision of the valence signal, a more precise signal reduces customers' uncertainty and decreases the likelihood of negative expectation disconfirmation, which consequently leads to a lower return probability (Minnema et al. 2016).

Etzion and Awad (2007) found that volume has a significant positive influence on the sales of a product whose rating is high (i.e., review valence is positive), whereas volume has a negative significant influence on the sales of a product whose rating is low (i.e., review valence is negative). They also found that customers are likely to substitute the use of volume for the use of valence when evaluating whether online reviews contain any useful information, which means that if a product's valence is not able to provide enough information to differentiate it from competing products, then online shoppers are more likely to use the volume metric to evaluate the product.

To examine the effect of the moderating role of volume on the relationship between the review valence and the purchase intention/return rate, we posit the following:

H2a: The effect of review valence on consumers' purchase intentions grows weaker when the review volume is high.

H2a: The effect of review valence on consumers' return rate grows weaker when the review volume is high.

Return Policy, Purchase Intention and Return Rate

Managing the return process and returned products can be quite costly. One key issue faced by online retailers is return management.

Before purchase, return policies also have three effects related to customers' purchase intentions (Janakiraman, Syrdal, and Freling 2016). First, since the return cost is significant for the retailers, a lenient return policy is a positive signal about the quality of the product (Wood 2001). Second, it also serves as an insurance for consumers to hedge risks; that is, more leniency implies a lower insurance premium (den Poel and Leunis 1999). Third, construal level theory states that consumers are likely to focus on the benefit of a purchase rather than the cost (Janakiraman and Ordóñez 2012). Empirical evidence (Pei, Paswan, and Yan 2014) also suggests that a lenient return policy has a positive influence on a consumer's perceived fairness and thus increases online purchase intention.

After purchase, return policies are also related to return decisions in three aspects. The first aspect refers to Wood (2001),who stated that a lenient return policy will enhance customers' quality perception even after the purchase. The second one is on the cost-side (Davis, Hagerty, and Gerstner 1998). A more lenient policy decreases customers' return cost; thus it is also likely to induce a higher return rate. Third, moral hazard theory suggests that when a lenient policy is in place, consumers may have an incentive to purchase an item and use it, then return it even if they are satisfied with the product (Davis et al. 1998).

Since two out of three effects suggest a positive correlation between leniency and return rates, we thus posit our hypotheses as follows:

H3a: Lenient return policy has a positive effect on customer purchase intention.

H3b: Lenient return policy has a positive effect on the return rate.

Interactions between Return Policy, Customer Reviews and Purchase Intentions

As stated above, one of the mechanisms through which lenient return policies might lead to a high purchase intention is that leniency signals high quality. If consumers already have enough information about product quality from review volume and valence, then a lenient return policy's effect seems to be redundant. That is, when the review valence is high, consumers' purchase decisions will rely less on return policy leniency.

Similarly, when review valence is high, the likelihood that the product is of high quality is also high. A high-quality product is less likely to be returned, despite a lenient policy. Therefore, we posit our hypotheses in the following way:

H4a: A lenient return policy's effect on consumers' purchase intentions grows weaker when the review valence is high.

H4b: A lenient return policy's effect on a product's return rate grows weaker when the review valence is high.

The moderating effects of review valence and volume are illustrated in Figure 1.

Research Method

Data Collection

The data come from 42 stores on Taobao.com and relate to 419 products that are divided into eight categories.

Figure 1. Conceptual Framework
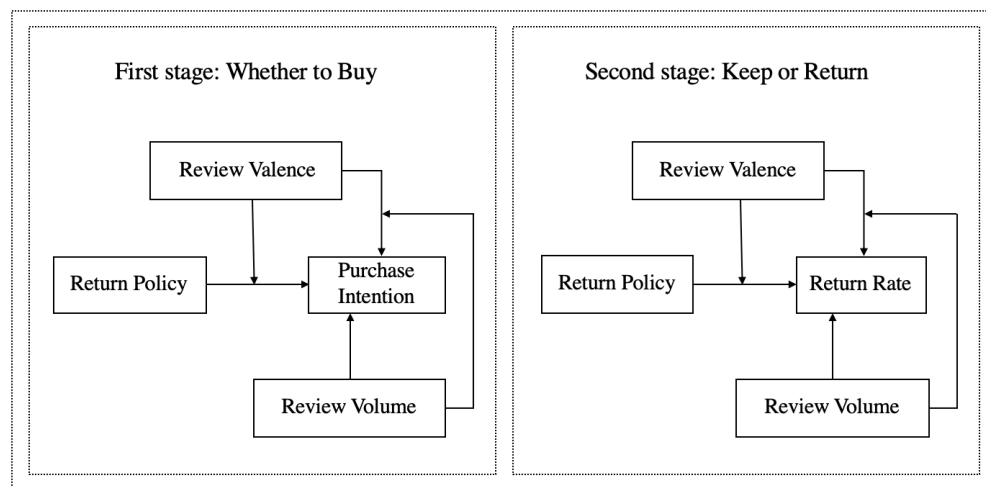
Taobao.com, a subsidiary of e-commerce giant Alibaba Group, is thought to be the largest Chinese online marketplace, as well as one of the world's top 10 most visited websites.

We used multiple methods (mail, online chat or phone call) to contact more than 1000 sellers from stores, but only 42 of them were willing to provide data for our research. The data include information about valence, volume, product categories, sales, average price, how lenient the return policy is, and the number of returns processed in a five-month period.

The authenticity of online reviews has become an issue since sellers have an incentive to manipulate their product reviews (Mayzlin, Dover, and Chevalier 2014). It is thought that some stores on Taobao hire people to post fake positive reviews, which might affect the validity of this research. For instance, fake reviews will lead to an overly high valence and may anticipate a higher purchase intention but also a higher return rate. Therefore, we picked the sample stores used in this study by applying two criteria to exclude suspicious stores: (i) consistent volume and valence change over the sample period (i.e., no abnormal values) and (ii) no record of official punishment for fake reviews.

The period considered is from July 2016 to December 2016. November was excluded from the data as the world's so-called largest 24-hour shopping event, Double Eleven Shopping Carnival, takes place on 11 November.[1]

The sample consisted of 419 products with prices ranging from CNY 17 to CNY 3298. Sales refer to the overall selling quantity during a five-month period and ranged from 133 to 27,715. Volume and valence details were collected on 15 September 2016, which was in the middle of the study period. The return ratio equals Return/Sales*100, which ranged from 4 to 40.6 with a standard deviation of 7.650.

The eight categories were Women's Clothes, Men's Clothes, Sports, Bags, Shoes, Toys, Home Appliances and Personal Care.

Leniency Rating Measurement

Janakiraman, Syrdal and Freling (2016) classify return policy leniency as varying along five different dimensions:

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[1]It takes advantage of Chinese Singles' Day, which was created by university students to celebrate their bachelorhood. Since this event, prices, sales and return rates for items sold in November may be significantly different from those of other months. For instance, the volume of transactions on the day of Double Eleven was worth as much as 168.2 billion CNY (Chinese Yuan, the official fiat money unit of China) in 2017, and the return rate of some stores was very high, increasing up to 48%.

Table 1. Descriptive Statistics

	mean	min	max	median	sd
Sales	1,119.110	133	27,715	474	2,127.890
Returns	218.280	17	3,298	100	354.370
Price	737.890	19.990	2,719	659	484.410
Volume	334.260	27	936	312	202.120
Valence	0.760	0.590	0.950	0.760	0.100
Leniency	4.680	2	6	5	1.110
ReturnRatio	22.950	4	40.600	23	7.650

Time leniency. Retailers normally set a period for returns in their policies (e.g., a 15-day policy, a 28-day policy). Return policies which offer customers a longer trial period are regarded as more lenient.

Monetary leniency. Lenient return policies allow customers to apply for a full refund, whereas strict policies only return a portion of the price to the customer because they impose a "restocking fee" or a nonrefundable "shipping and handling fee." Therefore, policies are more lenient when they do not impose such restrictions.

Effort leniency. The effort level consumers need to execute a return varies, and some retailers deliberately create obstacles for customers returning products (e.g., they may require the original receipt, price tags, or product packaging to be returned, too). Return policies requiring a lower level of effort by consumers are regarded as more lenient.

Exchange leniency. Some retailers offer cash refunds as an option, but others only offer gift cards or product exchange. Return policies that offer more options, including cash refunds, are regarded as more lenient.

Scope leniency. Sellers might limit the range of products that they consider to be "return-worthy." For example, if a product is purchased on sale, then it may be excluded from the range of returnable products. Return policies that include a wider range of goods that are returnable are also considered to be more lenient.

Online retailers often have slightly different return policies from the traditional brick-and-mortar retailers since the return process is different. For instance, when a customer is not satisfied with something bought from a local store, he or she will probably take it back to the store and ask whether a cash refund can be given immediately and whether the original receipt is needed for this. When a customer shops online, the main concerns about the return policy are likely to be whether any return delivery is free of charge and how many days it will take for the customer to receive the refund.

We have noticed a difference between online shopping and purchasing in a physical store, and thus suggest four dimensions for online return policy leniency:

Cost leniency. Some online retailers charge customers return shipping costs if the returned products are neither defective nor damaged, whereas other retailers take responsibility for the whole cost of the return delivery. Generally, 100% money-back policies and policies that offer free return shipping costs are more lenient than policies that offer only a partial refund.

Hassle leniency. Retailers impose some restrictions to control excessive returns (e.g., under some policies, if the items are neither in the original packaging nor in an unused condition, then they are no longer eligible for return). Some retailers ask customers themselves to find a courier to return products, whereas others offer a door-to-door service for product returns. Low-hassle return policies are considered to be more lenient.

Time leniency. The time limit within which customers must return products after purchase varies. Twenty-eight days or longer is usually considered to be appropriate in the level of time leniency.

Efficiency leniency. The speed of processing the returns varies among e-retailers. Most retailers with a lenient return policy issue the refund as soon as they receive the returned products.

Leniency rating, unlike the review volume and valence, could not be obtained directly from the retailers' websites or the retailers' back-end systems. Hence, an appropriate leniency rating must be chosen for each product. To measure the extent of leniency of the return policy description and perceived customer satisfaction, we score each product over the four dimensions, as described below, from which an overall score is obtained. The overall score for each product is between 0 and 6.

First, regarding the hassle leniency dimension, if a consumer could not return a product unless it was defective or damaged during delivery, then the score for this dimension is zero. If the score in this dimension is zero, then the product also scores zero in the other dimensions. Otherwise, if this score is not zero, various degrees of lenience may apply according to the other five return hassle dimensions. This is common for some personalised gifts stores, though these were not included in our sample.

Some products have to be returned in brand-new condition, which means that if customers have opened the original

packaging, then the product will not be eligible for return. In our sample, products whose return policy fit this description usually belong to the personal care category. If the brand-new condition has to be met for a product to be eligible for return, then the score is 1, and 2 otherwise.

As far as the cost leniency is concerned, no store on Taobao.com directly covers the return shipping costs. However, Taobao.com and Huatai insurance company introduced an innovative system called Return Shipping Insurance (RSH) in July 2010. This involves RSH products being integrated with the retailing website, and either the seller or the customer can buy RSH for one transaction. If the customer wants to return a product within 7 days, the insurance company will pay for all or part of the return shipping cost.

Some of the sellers on Taobao buy RSH for every product in their store, and thus their customers will benefit when returning products, whereas in other stores, customers have to pay for it themselves. The more items a particular customer has previously returned, the more he or she will be charged for the next RSH purchase. For customers who habitually return goods, the cost might be the full amount the insurance company would cover for them.

We thus rate products whose sellers buy RSH for the customer 1, otherwise 0.

Regarding the time leniency dimension, most of the products on Taobao.com comply with the uniform criteria of a "7-day no-reason return," in which case, the score is 1; if the period is 15 days (which was the longest return period across Taobao.com until the time the data were collected), the score is 2; otherwise, for products that did not support any no-reason return system, the score is 0.

Lastly, regarding efficiency leniency, if we observed customer complaints stating that the return process is much slower than they expected in some stores, then we rated the store 0, otherwise 1.

The return policy for each product did not change during our study period. Table 2 shows the leniency rating for several products in different categories

Model Specification

Given the research objective, there was a need for a model that examines the relationship between return leniency, customer reviews and purchase intention at the first decision-making stage, where sales represent purchase intention. Another model should be created to identify how return leniency, customer reviews and the return rate interact with each other at the second decision-making stage.

Table 2. Example of Leniency Rating Score

	Category	Hassle Leniency	Cost Leniency	Time Leniency	Efficiency Leniency	Over Score
Product 172	Shoes	2	1	1	0	4
Product 197	Women's Clothes	2	1	2	1	6
Product 143	Men's Clothes	2	1	1	1	5
Product 329	Personal Care	1	0	0	1	2

One of the most plausible of independent variables at both stages of decision making is the price; the cross term of valence and leniency represents a moderating effect of valence on the relationship between leniency and the sales/return rates; the cross terms of volume and valence represent the moderated effect of volume on the relationship between valence and the sales/return rates.

Sample products come from different stores and belong to categories which may affect the sales and return rates. Thus, we use store fixed effect and category fixed effect as control variables.

$$(1)\ \log\left(Sales_{ij}\right) = \log\left(Price_{ij}\right) + Valence_{ij}$$
$$+ \log\left(Volume_{ij}\right) + Leniency_{ij} + Valence_{ij}$$
$$\times Leniency_{ij} + Valence_{ij} \times \log\left(Volume_{ij}\right)$$
$$+ StoreFixedEffect_{ij}$$
$$+ CategoryFixedEffect_{ij} + \varepsilon_{ij}$$

$$(2)\ Returnrate_{ij} = \log\left(Price_{ij}\right) + Valence_{ij}$$
$$+ \log\left(Volume_{ij}\right) + Leniency_{ij} + Valence_{ij}$$
$$\times Leniency_{ij} + Valence_{ij} \times \log\left(Volume_{ij}\right)$$
$$+ StoreFixedEffect_{ij}$$
$$+ CategoryFixedEffect + \varepsilon_{ij}$$

- If the estimate for $Valence_{ij}$ is significantly positive in equation 1, then H1a could not be rejected.

- If the estimate for $Valence_{ij}$ is significantly positive in equation 2, then H1b could not be rejected.

- If the estimate for $Valence_{ij} \times Volume_{ij}$ is significantly negative in equation 1, then H2a could not be rejected.

- If the estimate for $Valence_{ij} \times Volume_{ij}$ is significantly negative in equation 2, then H2b could not be rejected.

- If the estimate for $Leniency_{ij}$ is significantly positive in equation 1, then H3a could not be rejected.

- If the estimate for $Leniency_{ij}$ is significantly positive in equation 2, then H3b could not be rejected.

- If the estimate for $Leniency_{ij} \times Valence_{ij}$ has a reverse sign compared to the estimate for $Leniency_{ij}$ in equation 1 and both of them are significant, then H4a could not be rejected.

- If the estimate for $Leniency_{ij} \times Valence_{ij}$ has a reverse sign compared to the estimate for $Leniency_{ij}$ in equation 1 and both of them are significant, then H4b could not be rejected.

Discussion

Regression Results

Table 4 displays the estimates obtained from the regression, most of which provide support for our hypotheses.

Concerning H1a, a high valence implies an increased purchase intention. The empirical results confirm this hypothesis since the relevant estimate is significantly positive $(11.431, p < .01)$. The signalling effect of customer review valence is proved at the first stage of purchase decision making. In addition, a high valence might imply that the potential risk is comparatively low, which also stimulates purchase behaviour.

The results did not support H1b. The results suggest that a high valence of customer reviews has a negative impact on a customer's return rate. Minnema et al. (2016) state that a higher valence will induce a higher return rate since customers might have unrealistic expectations due to the overly high valence but then feel disappointed when they received the products. However, our results show the valence seems to correctly reflect the quality of products, and the overall effect of a high valence is to reduce the return rate.

Table 3. Variable Explanation

Variables	Explanation
i	Category
j	Store
$Sales_{ij}$	Sales of a particular product in a category i and from a store j
$Price_{ij}$	The price of a particular product in a category i and from a store j
$Valence_{ij}$	The average rating of a particular product in a category we and from a store j
$Volume_{ij}$	The number of customers who rated a particular product in a category we and from a store j
$Leniency_{ij}$	The leniency rating of a particular product in a category we and from a store j
$Returnrate_{ij}$	The ratio of returns to sales of a particular product in a category we and from a store j

Table 4. Main Result

	Dependent variable:	
	log(Sales)	ReturnRatio/100
	(1)	(2)
log(Price)	−0.730***	0.005
	(0.095)	(0.005)
Valence	11.431***	−0.472**
	(3.577)	(0.183)
Leniency	1.235***	0.102***
	(0.286)	(0.015)
log(Volume)	−0.208	−0.067***
	(0.402)	(0.021)
Valence:Leniency	−1.912***	−0.082***
	(0.357)	(0.018)
Valence:log(Volume2)	0.256	0.090***
	(0.520)	(0.027)
Constant	6.115**	0.424***
	(2.994)	(0.153)
Store Fixed Effect	Yes	Yes
Category Fixed Effect	Yes	Yes
Observations	419	419
R²	0.506	0.772
Adjusted R²	0.434	0.739
Residual Std. Error (df = 365)	0.764	0.039
F Statistic (df = 53; 365)	7.048***	23.285***

Note: *p<0.1; **p<0.05; ***p<0.01

The current literature suggests that the volume of customer reviews also plays an important role. Although in the regression for purchase intention the coefficient of volume is not significant, it is significantly negative ($-.067, p < .01$) in the regression for the return rate. This implies that a high volume of customer reviews might also be a signal of popularity, which in turn signals a relatively higher quality. Since both valence and volume signal the quality, it is natural to ask whether it is possible to observe a similar substitution effect between valence and volume to the one that exists between valence and leniency.

It is clear from Table 4 that volume does not play a significant role in moderating the relationship between valence and sales. However, regarding the return rate in equation 2, the interaction between valence and volume becomes significant ($.090, p < .01$). Since the estimates for valence and volume are both negative, the regression result suggests that the substitute effect exists when customers make their decisions about returning products but not when they are making their purchase decision. Therefore, H2a is not supported by our research, whereas H2b is established by the empirical evidence.

A lenient return policy is positively related to the quantity of sales ($1.235, p < .01$), which supports H3a. This is not a surprising result. This confirms the prediction of signalling theory, a more lenient policy implies a seller's greater confidence in product quality, which is likely to increase the buyers' purchase intention; Also, from a risk and insurance perspective, a more lenient policy will diminish the purchase risk and so will boost sales.

H3b is also supported by the results. A more lenient policy leads to a higher return rate. According to signalling theory, a more lenient return policy implies a higher quality product, and therefore the return rate should be lower; however, if insurance and risk are consumers' major concerns, then a more lenient policy will result in a higher return rate. The results suggest that the overall effect of a lenient policy on the return rate is positive (.102, $p < .05$), which means that the signalling effect is dominated by the effect of customers' risk and insurance concerns. This is contrary Wood's (2001) results, which state that a lenient return policy does not necessarily increase the return rate due to the endowment effect. However, in our analysis, the endowment effect does not seem to be significant.

H4a is about the impact of customer reviews (valence) on the relationship between customer purchase intention and the return policy. It is clear from Table 4 that the interaction between valence and leniency is negatively significant (-1.912, $p < .01$). Since the coefficient of leniency is positive, a higher valence weakens the relationship between sales and leniency, which supports H2a. This implies that the effects of valence and a leniency policy are partially substitutable. That is, seeing a high valence, customers cared comparatively less about whether the return policy was sufficiently lenient before they made their purchase decision.

H4b is also establish since the interaction between the valence and leniency terms has negative significance (–.082, $p < .01$). When valence increases, the positive relationship between leniency and the return rate is undermined. A high valence sends a strong signal to customers that the product's quality is sufficiently high, and, more importantly, a valid high valence may suggest that the quality is indeed high, so customers are likely to keep products instead of returning them.

Robustness Check

Ideally, the valence and volume details for a product should be collected at the moment of every single purchase. However, it was not possible to collect panel data on a daily basis as it was difficult to obtain such detailed information. Besides, even when the information was available, a huge amount of work was needed because both valence and volume had to be obtained manually.

Therefore, all the volume and valence details for the main data were collected on 15 September 2016, which was in the middle of the five-month study period.

To mitigate the sample bias, we gathered two extra sets of data, one for which volume and valence details were col-

lected on 1 July, the first day of the study period, and the other whose volume and valence details were counted on 31 December, the last day of the study period. By integrating the regression results for the three data sets, it was possible to compare the differences between them.

The results in column (1) of Tables 5 and 6 are arrived at by using the valence and volume data collected at the beginning of our data collection period; the results in column (3) come from the data collected at the end of the study period; the results in column (2) are the main results. Obviously, although the three separate results that use three different data sets are not identical, they are similar to each other and do not fundamentally change the conclusion.

Business Implication: When Should Retailers Set a Lenient Return Policy?

Online purchases involve two stages: the decision to place an order and the decision to keep or return the product. The second stage is crucial for a retailer. If the return rate rises, the retailer's profit may not increase even if an increased purchase intention is achieved at the first stage.

Table 5. Sales Using Three Data Sets

	Dependent variable:		
	log(Sales)		
	(1)	(2)	(3)
log(Price)	−0.728***	−0.730***	−0.734***
	(0.095)	(0.095)	(0.095)
Valence	11.219***	11.431***	10.207***
	(3.502)	(3.577)	(3.613)
Leniency	1.275***	1.235***	1.194***
	(0.287)	(0.286)	(0.283)
log(Volume)	−0.282	−0.208	−0.301
	(0.409)	(0.402)	(0.397)
Valence:Leniency	−1.967***	−1.912***	−1.859***
	(0.360)	(0.357)	(0.354)
Valence:log(Volume)	0.354	0.256	0.386
	(0.528)	(0.520)	(0.513)
Constant	6.264**	6.115**	7.038**
	(2.938)	(2.994)	(3.017)
Category Fixed Effect	Yes	Yes	Yes
Store Fixed Effect	Yes	Yes	Yes
Observations	419	419	419
R^2	0.506	0.506	0.502
Adjusted R^2	0.434	0.434	0.430
Residual Std. Error (df = 365)	0.763	0.764	0.767
F Statistic (df = 53; 365)	7.057***	7.048***	6.943***
Note:			*p<0.1; **p<0.05; ***p<0.01

Table 6. Return Rate Using Three Data Sets

	Dependent variable:		
	ReturnRatio/100		
	(1)	(2)	(3)
log(Price)	0.005	0.005	0.005
	(0.005)	(0.005)	(0.005)
Valence	−0.431**	−0.472**	−0.472**
	(0.180)	(0.183)	(0.186)
Leniency	0.102***	0.102***	0.106***
	(0.015)	(0.015)	(0.015)
log(Volume)	−0.065***	−0.067***	−0.069***
	(0.021)	(0.021)	(0.020)
Valence:Leniency	−0.081***	−0.082***	−0.087***
	(0.018)	(0.018)	(0.018)
Valence:log(Volume)	0.086***	0.090***	0.092***
	(0.027)	(0.027)	(0.026)
Constant	0.396***	0.424***	0.428***
	(0.151)	(0.153)	(0.155)
Category Fixed Effect	Yes	Yes	Yes
Store Fixed Effect	Yes	Yes	Yes
Observations	419	419	419
R^2	0.771	0.772	0.768
Adjusted R^2	0.738	0.739	0.734
Residual Std. Error (df = 365)	0.039	0.039	0.039
F Statistic (df = 53; 365)	23.194***	23.285***	22.784***

Note: $p<0.1$; $p<0.05$; $p<0.01$

Evidence suggests that the cost of processing online returns for online retailers on a per-item basis is much higher than it is for brick-and-mortar retailers in general. This is partly because conventional retailers can use existing physical sites to store returned products (Grewal et al. 2004; Dholakia et al. 2005). Most online retailers do not have these preexisting facilities to use during the return process, so they are often required to establish dedicated returns facilities, potentially increasing the costs of processing returns (Griffis, Stanley et al. 2012).

In addition to the fact that products are likely to be devalued after the return process, it is often the case that sellers must bear all the costs if products were damaged during the return delivery.

Another consideration is customer abuse. Obviously, customers could take advantage of a lenient return policy, and this can even result in return fraud. For example, Best Buy banned a number of 'demon' customers; they have been blacklisted and asked not to shop at Best Buy in the future. Many online retailers increasingly feel that it is essential to toughen up return policies to reduce losses caused by a small portion of consumers who have habitually abused generous return policies (Time 2013).

Suppose there are only two types of customers in the world: one is a desirable customer, who has realistic expectations and a relatively fair and tolerant attitude towards products, whereas the second type, the undesirable customer, is likely to be unsatisfied with most products and has a high return rate. By using a less lenient return policy, retailers could inherently screen out the undesirable customer. Although this may result in buyer intention being a little lower, it could achieve a much lower return rate by raising customers' cost and hassle.

Obviously, it is not feasible or reasonable to adopt a less lenient return policy for all products, so when should e-retailers be less lenient? Experimental evidence[2] shows that customer reviews can be used as an indicator to decide whether to adopt a less lenient return policy; that is, for products that have customer reviews indicating satisfaction, online retailers can implement a less lenient return policy, which can screen out the undesirable customers and thus significantly reduce the return rate. One of the reasons why customer reviews work as an indicator is that the signalling effect of a lenient return policy is at least partially replaced by that of the customer reviews.

Conclusion

In this paper, we use data from 42 stores on Taobao.com for 419 products that are divided into eight categories to examine how customer reviews' valance and volume moderate the relationship between a return policy and a customer's purchase intention and return rate.

The results showed that review valance strengthens the relationship between a return policy and a customer's purchase intention but weakens that between a return policy and a return intention. Review volume has no significant impact on either aspect. This paper contributes to the literature in at least two ways: first, to the best of knowledge, it is the first successful attempt to find positive evidence of the moderating effect of reviews' valence on return policies and a customer's purchase intention. Second, this paper throws light on the theoretical side of consumer behaviour, and it might be worth further exploring customers' purchase and return decision-making procedures.

[2]In a recent experiment jointly conducted with JD.COM Inc., the second largest online retailer in China, we randomly changed the extent of the leniency of the return policies of 6 products with various valence and volume of customer reviews. We found that depending on the average rating and number of reviews, the sales could be either positively or negatively associated with the extent of the return policy's leniency.

Besides the contributions stated above, this research has some limitations due to data availability. Product ratings are spot data, whereas the purchase decision is a continuous action executed by different customers. The analysis might not capture the effect of any marginal change of a customer review on a customer's purchase/return intention.

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Aligning the Data Disclosure Process with Customer Benefits: Employing a Meaningfully Gamified Data Disclosure Process to Increase Data Disclosure Intentions for Personalization Purposes

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Keywords: *data disclosure, meaningful gamification, user engagement, personalization*

Description*: This study suggests that retailers' disclosure requests should include a preview of a meaningfully gamified data disclosure processes to encourage consumers to enter the disclosure process by fostering anticipation of meaningful and hedonic.*

EXTENDED ABSTRACT

Research Question

Consumer data enables firms to deliver personalized services, making digital services more relevant for the consumers and more profitable for firms. However, because of the widespread proliferation of data collection, consumers are increasingly reluctant to participate in retailers' data collection efforts as findings from Schumann et al. (2014) suggest. While prior approaches to counteract consumers' reluctance to disclose private data employed methods such as additional benefits (e.g., monetary incentives), we propose that firms should take steps to foster consumers' appreciation of the direct benefits resulting from data disclosure (e.g., personalized services). In line with an emerging research stream pertaining to consumers' meaningful engagement with gamified tasks (Eisingerich, Marchand, Fritze, and Dong, 2019; Liu, Santhanam, and Webster, 2017; Suh, Cheung, Ahuja, and Wagner, 2017), we argue that retailers can encourage consumers to enter the data disclosure process by integrating a preview of a *meaningfully gamified data disclosure process* (MGDDP) into the data request. The purpose of this study is to investigate whether such a preview of an MGDDP effectively increases consumers' intention to enter the data disclosure process, to uncover the underlying mechanisms and to highlight the crucial role of consumers' involvement in determining the strength of those mechanisms.

Method and Data

We conducted three experimental studies (N = 112, 295, 318). With study 1, we test the base effect of previewing an MGDDP on consumers' intentions to enter the disclosure process. In study 2, we employ mediation analyses (Hayes, 2018) to investigate the underlying mechanisms through consumers' anticipation of meaningful and hedonic engagement, accompanied by anticipated process effort. Within study 3, moderation analyses (Hayes and Little, 2018) highlight the crucial role of consumers' involvement in determining the relative strengths of anticipated meaningful and hedonic engagement. We employed online scenario experiments where participants were randomly assigned to a single

treatment with two conditions, for which we manipulated the data disclosure process in a fictional online fashion retailing setting (Study 3: retailing bank). We designed the fictional scenarios to include a short video previewing either a traditional data disclosure process (i.e., filling out a form) or an MGDDP (i.e., creating an avatar).

Summary of Findings

Our findings collectively provide evidence for the effectiveness of an MGDDP on intentions to enter the data disclosure process. In study 2, we find positive indirect effects of a data disclosure request previewing an MGDDP through consumers' anticipation of meaningful engagement (β_{Study2} = .06, 95% CI [.006, .144]), and hedonic engagement (β_{Study2} = .06, 95% CI [.009, .126]) on disclosure intentions while the indirect effect through process effort was not significant (β_{Study2} = −.00, 95% CI [−.044, .034]). Anticipated meaningful engagement directly (β_{Study2} = .26, $t(285)$ = 3.75, $p < .001$), and indirectly increased consumers' intentions through benefit (β_{Study2} = .68, $t(287) = 11.13, p < .000$) and risk (β_{Study2} = −.42, $t(287) = −6.06, p < .000$) perceptions. In contrast, anticipated hedonic engagement had no effect on risk and benefit perceptions. Finally, anticipated process effort lowered consumers' perceptions of benefits (β_{Study2} = −.17, $t(287) = −3.95, p < .000$). Moderation analyses in study 3 reveal a significant positive effect of a data request featuring an MGDDP on anticipated hedonic engagement only for low involvement levels (β = .33, $t(311)$= 2.08, p = .04) whereas, anticipated meaningful engagement emerged only for moderate (β =.23, $t(311)$ = 2.17, p = .03) and high involvement levels (β = .26, $t(311)$ = 2.04, p = .04).

Key Contributions

Our study contributes to retailing literature on consumers' acceptance of direct marketing approaches such as personalization and online targeting (Goldfarb and Tucker, 2011; Milne and Gordon, 1993; Schumann et al., 2014) by demonstrating the effectiveness of including previews of MGDDPs into disclosure requests. Further, we advance this stream of literature by uncovering the psychological mechanisms that drive consumers' willingness to enter the data disclosure process—namely, anticipated meaningful engagement, hedonic engagement, and process effort. Moreover, we contribute to literature by investigating the interrelations between those three process variables. This, together with our findings regarding the moderating role of consumers' involvement help recalibrate existing theories on the relationship between anticipated meaningful and hedonic engagement and on the role of anticipated process effort in gamified processes. From a practical point of view, we provide a new approach to foster consumers' willingness to enter the data disclosure process. Instead of offering additional appeals, such as monetary rewards for disclosure, the request previewing an MGDDP helps consumers understand how the requested data directly lead to personalization benefits. Finally, we highlight the need to consider consumers' involvement with a retailer's product or service, which determines the driver of the favorable effect.

References are available on request.

Decision Strategies and Confidence Inferences

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Keywords: *decision strategies, inferences, confidence, judgment and decision making, advice*

Description: *This research examines whether observers use decision strategies (choice vs. rejection) as input to judge other people. Furthermore, it presents the impact inferences on the basis of decision strategies can have for advice-taking preferences.*

EXTENDED ABSTRACT

Research Question

People often rely on visible cues such as nonverbal behavior, appearance, or style of speaking to judge others' confidence. But are observers sensitive to different decision strategies as information about other people? And if so, what are the downstream consequences of such inferences? Although decision strategies, specifically choice vs. rejection, have largely been studied (e.g., Dhar and Wertenbroch 2000; Shafir 1993), it remains unclear whether observers are sensitive to them as input to make inferences. Thus, our research examines decision strategies as a novel signal that observers use to judge whether a target is confident. Furthermore, we investigate downstream consequences by analyzing advice-taking preferences.

Method and Data

We conducted four studies using binary choices which ruled out alternative explanations based on effort differences when adopting a choice (vs. rejection) decision strategy. In Study 1, we tested whether observers would judge a hypothetical person to be more confident if she adopted a choice (vs. rejection) decision strategy. Study 2 used a different decision strategy manipulation. Specifically, we added a graphical animation of the targets' arm flexions that are typically associated with choosing (i.e., pulling something towards you) and rejecting (i.e., pushing something away from you) (Cacioppo, Priester, and Berntson 1993). Furthermore, Study 2 investigated observers' advice-taking preferences as downstream consequence of confidence inferences. Studies 3A and 3B examined the impact decision strategies can have when observers decided between two advisors in a within-subjects design.

Summary of Findings

The research's findings suggest a relationship between decision strategies and perceived confidence. Even if both decision strategies result in the same outcomes, decision makers adopting a choice (vs. rejection) decision strategy are perceived to be more confident. Results of Study 2 further find that—based on the increased perceived confidence of people adopting a choice (vs. rejection) decision strategy—participants show a greater likelihood of seeking advice from choosers (vs. rejecters). Studies 3A and 3B replicate the effect when observers directly decide between two advisors. That is, decision makers systematically prefer to receive advice from a target adopting a choice (vs. rejecting) decision strategy.

Key Contributions

Consumers often make decisions under observation. The present studies advance research showing the power of appearance-based inferences on consumer decision making. Specifically, our research presents decision strategies (choice vs. rejection) as a novel cue to signal confidence. Across four studies, we show that observers are sensitive to decision strategies when judging others' confidence. Specifically, decision makers adopting a choice (vs. rejection) decision strategy in binary choices are perceived to be more confident. Moreover, our findings extend research on advice taking by showing that decision strategies can shift advice-taking preferences. Given the real-world implications confidence judgments can have, including which doctor to trust with a diagnosis, or which broker to appoint, our research sheds light on a potent way to signal confidence.

References are available on request

God and Decision Delegation Under the Limit Situation

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Keywords: *religion, God, limit situation, delegation, decision making, decision avoidance*

Description: *This research suggests that when an individual experience a limit situation, he/she is more likely to think about God and an individual perceiving God as loving rather than punishing is more likely to delegate decision rather than to decide their own.*

EXTENDED ABSTRACT

Research Question

Responding to the recent call for deeper understanding of the relationship between religion and consumer behavior (Mathras et al. 2016), this study raises two questions: (1) when God's thoughts be activated and influence to consumers' decision?, (2) how different images of God (loving vs. punishing) would moderate an individual's propensity to delegate decisions involving uncertainty?

Method and Data

Study 1 (n = 100) was to show when the concepts of God become more salient. Drawing on Jaspers' category of Suffering, we manipulated a limit situation by using writing task about an experience of having low (vs. high) control. The result showed that those in the low (vs. high) control condition are more likely to think about God. Study 2 (n = 209) tested how God's image influenced decision avoidance when thoughts of God was salient or not. We employed an Implicit Association Test (IAT) to measure how strongly an individual associates God with 'loving' or 'punishing' image. And we manipulated God salience by switching the order of IAT and dependent measure. The result showed that when God's image is salient, participants tend to avoid financial decisions more as they view God as more loving. Study 3 (n = 118) replicated the findings of Study 1 and 2 in one experimental setting. We found that participants in the low control condition prefer delegating their portfolio building when their image of God is more loving while those in the high control condition showed the opposite pattern.

Summary of Findings

Across the three studies, we found that one's image of God is an important variable which affects the propensity to delegate decision under uncertainty. Specifically, when an individual experiences limit situation, people are more likely to think about God. Further when thought of God is activated, individual perceiving loving God image rather than punishing God image tend to avoid financial decisions (i.e., delegation).

Key Contributions

Across three studies, we demonstrate when a concept of God becomes important and how it changes consumer's decision making. This research improves the understanding about the relationship between religion and consumer behavior. Rather than focusing on a grouping variable of religiosity or religious affiliations, we provide how two different images of God (loving vs. punishing) changes consumers' decision outcome. Second, we also contribute to the literature on personal control. Despite the most research has focused on consumption as a means for restoring the personal control (Cutright and Samper 2014; Hamerman and Johar 2013; Faraji-Rad, Melumand, and Johar 2017), we show how consumers react to the decision avoidance under the lack of control depending on the God's image. Third, we contribute to decision making literature by suggesting a new factor "God's image," which lead to decision avoidance.

References are available on request.

The Effect of Pregiving Incentives on Perceptions of Charitable Organizations and Donation Behavior

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Keywords: *charitable donation, field experiment, fundraising, communal and exchange norms*

Description: *In this paper, we draw on the relationship norms framework to examine how PGIs affect charity perceptions and donation behavior.*

EXTENDED ABSTRACT

Research Questions
Charities often include pregiving incentives (hereafter, PGIs) in their donation request letters. In the past three years, PGIs such as coins and greeting cards, were included in approximately 40% of the total nonprofit mail volume (Paradysz + PM Digital Research 2016). Including PGIs requires resources that are already scarce for many nonprofits. Do the benefits of PGIs justify the costs? Additionally, it is unclear how different types of PGIs (monetary vs. nonmonetary) affect donation.

Summary of Findings
In seven studies, we examine how and why donors respond to different types of PGIs. Study 1, a large-scale field study, finds that: (1) a low value monetary PGI leads to a higher response rate than both a nonmonetary PGI and no PGI, (2) a monetary PGI leads to lower average donations compared with a comparable value nonmonetary PGI and no PGI, and (3) both monetary and nonmonetary PGIs lead charities to suffer higher net financial loss than no PGI in donor acquisition efforts. Results from study 2 provide further evidence that enclosing a monetary PGI leads people to donate less money than nonmonetary PGI and no PGI, and enclosing a nonmonetary PGI is no more effective than when no PGI is included. Results from studies 3 and 4 show that reduced donations in the monetary incentive condition are due to decreased communality levels. These two studies also test alternative explanations of anchoring, manipulative intent and charity inefficiency and demonstrate a significant effect of perceived communality above and beyond these alternative explana-

tions. Study 5 provides a further test of our hypothesis that monetary (but not nonmonetary) PGIs activate exchange norms. We find that the effect of PGIs on donations is moderated by incentive value. Study 6 shows that phrasing monetary PGI in various ways consistently leads to lower donations than nonmonetary PGIs and no PGI. Finally, study 7 further examines the effect of different types of PGIs on opening rate, such that monetary PGIs lead to a higher opening rate of the charity letters than nonmonetary and no PGIs.

Key Contributions
Theoretically, we contribute to the literature on incentives by exploring how different types of PGIs affect donations. We develop a framework for understanding consumer reactions to monetary and nonmonetary PGIs. We also contribute to research on relationship norms by examining how PGIs affect the salience of communal and exchange norms. In addition, we extend recent work on how superficial elements of a donation solicitation can influence donations by showing that PGIs are tangible cues that influence donors' communality perception of the charity, which results in sizable donation differences.

This research has managerial implications for nonprofit organizations that include PGIs in their direct mail campaigns. We show that enclosing monetary PGIs encourage potential donors to open the charity letters, which may help charities gain visibility and awareness. We also find some support that monetary PGIs lead to higher response rates. However, enclosures of PGIs are not effective at increasing

average donations. In fact, including monetary PGIs can backfire and lead to even lower average donations than when no PGI is included. Including a nonmonetary PGI is no more effective than not including any PGI. In addition, a 9,000 household field experiment shows that including any PGI (monetary and nonmonetary) leads to higher net loss than not including a PGI. Finally, we show that including monetary PGIs may lead people to perceive the charity as more manipulative, less efficient and, most importantly, less communally oriented. These results allow nonprofit managers to make more informed cost-benefit analyses in deciding whether to utilize such a strategy.

References are available on request.

Are We "Pinocchios" or "Robin Hoods" in the Marketplace? The Impact of Awe on Consumers' Morality and Prosocial Lying Behavior

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EXTENDED ABSTRACT

Research Question

In this research, we explore the impact of awe, which is considered a moral emotion (Keltner and Haidt 2003), on consumers' lying behavior. Awe is a self-transcendent emotion that has two central themes: (1) triggering a sense of smallness (Shiota et al. 2007), and (2) encouraging the desire to be good to others by promoting prosocial behaviors (Piff et al. 2015). Enhanced prosocial tendencies result in an increased desire to care and share causing awe to be regarded as a collective emotion (Piff et al. 2015). As a positive emotion, awe serves as a social glue and bolsters positive relations (Mann et al. 2014). Therefore, experiencing awe encourages individuals to be effective members of their society (Piff et al. 2015). Given that prosocial lies help prevent others from feeling hurt or embarrassed (DePaulo et al. 1996; Lupoli et al. 2017) and awe increases individuals' desire to be kind to others, awe may lead individuals not only to engage in prosocial behavior (e.g., Piff et al. 2015), but it may also increase individuals' desire to engage in prosocial lying. Thus, we propose that awe may, ironically, increase the likelihood of engaging in prosocial lying aiming to help and benefit other people.

Method and Data

Study 1a

The sample consisted of 100 participants recruited from mTurk (58.3% female, M_{age} = 44.29, range: 21-76, *SD* = 13.57; 69% Caucasian, 13.1% African/American, 3.6% Hispanic, 10.7% Asian, 3.6% other). This was a 2 (awe vs. neutral) × 2 (antisocial vs. prosocial) mixed design and we used video-task to induce awe.

Study 1b

In this study, we sought to manipulate awe through exposure to nature, since Keltner and Haidt (2003) suggest that awe can be felt in nonsocial situations such as while hiking in the mountains. We recruited 36 individuals from a local hiking group (45,2% female, M_{age} = 39.96, range: 18-63, *SD* = 13.11; 89.3 % Caucasian, 7.1% Asian, 3.6% other).

Study 2

The sample consisted of 101 participants recruited from mTurk (50.6% female, M_{age} = 41.73, range: 19-71, SD= 13.31; 81.5 % Caucasian, 8.6% African/American, 3.7% Hispanic, 4.9% Asian, 1.2% other). This study used a one factor (awe vs. neutral) between-subjects design.

Study 3

202 participants were recruited from mTurk (54.2% female, M_{age} = 40.6, range: 21-69, *SD* = 11.74; 71.9 % Caucasian, 10.4% African/American, 3.1% Hispanic, 11.5% Asian, 3% other).

The study used a 2 (awe, neutral) × 2 (prosocial, antisocial) mixed design with emotion manipulated between-subjects and the type of lie manipulated within-subjects.

Summary of Findings

Study 1 (a-b) offers evidence that awe increases consumers' tendencies to engage in prosocial lying. As mentioned before, awe has the power to promote collective identity and attachment to others (Shiota et al. 2007). These characteristics of awe might affect consumers' tendency to engage in prosocial lying with the aim of benefiting others (Mann et al. 2014). Therefore, when consumers are exposed to awe, the beneficiary of the lie plays a crucial role in their decision-making process.

Study 2 provided evidence that the influence of awe on consumers' desire to engage in prosocial lying can be extended to different contexts. In the die-roll task, consumers that were exposed to awe were more likely to over-report their throws from the die roll task; in other words, because awe elicited a desire to benefit the target (e.g, Rudd et al. 2012; Piff et al. 2015), respondents were more likely to tell a prosocial lie.

Study 3 tested the role of awe in lying behavior in two different contexts. Results showed that participants in the awe condition are more likely to engage in prosocial lying by stating that they liked the sweater that their best friend purchased for them as a birthday gift.

Key Contributions

This study is one of the first studies that investigates the impact of a distinct and a moral emotion, awe, on lying behavior (see also Lupoli et al.2017). This research also draws attention to differences between two types of lying behavior, antisocial and prosocial lying, which has been a neglected area in consumer research, although it has been recently studied in psychology (e.g. Borsellino 2013; Mann et al. 2014; Lupoli et al. 2017). This distinction is important in the sense that these two types of lying behavior have different effects on consumers and affect consumers' behavior differently (Levine and Schweitzer 2014). Therefore, while studying lying behavior in consumer context, this distinction is essential to identify the possible motivators and to draw accurate conclusions. Additionally, this research extends theory on prosocial lying and shows that awe influences and encourages consumers to engage in prosocial lying. So, the present research enriches our understanding of how awe affects consumers' lying behavior and extends the previous research on awe.

References are available on request.

Impact of Executive Functions of the Base of Pyramid Consumers on Their Customer Journey

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Keywords: *base of the pyramid (BoP), customer journey, executive functions (EF), subsistence marketplace.*

Description: *Through a multidisciplinary literature review, we analysed the anomalies in the executive functions of the Base of the Pyramid consumers and conceptualized how that can impact each of the stages of their decision journey.*

EXTENDED ABSTRACT

=GSGCREJ <UGSTKPO

Executive functions are a set of cognitive abilities which are fundamental and vital for our day-to-day activities like planning, decision making, self-control and goal-seeking. In this study, we explore how poverty impairs the executive functioning of the base of the pyramid (BoP) consumers, and conceptualize the probable impact of these impairments on each of the stages of their decision journeys.

Summary of Findings

There are three core executive functions- cognitive inhibition, working memory and cognitive flexibility (Diamond, 2013). Low-income consumers have attenuated cognitive inhibition and working memory, and an enhanced cognitive flexibility (Evans and Schamberg, 2009; Mittal, Griskevicius, Simpson, Sung, and Young, 2015; Farah et al., 2006). This unique combination of cognitive abilities can make the BoP consumers more susceptible to persuasion, temptations, and heuristics based, impulsive and risky decisions. These cognitive anomalies also impede their analogy and metaphor comprehensions. The consumption memory and evaluation of these impoverished consumers are prone to postconsumption misinformation effect or false memory.

Key Contributions

Base of the Pyramid (BoP) consumers are known to have cognitive limitations. However, there is a deficit of a fine-grained analysis of these limitations and their impact on consumer decision making journey. This study is a novel attempt to bridge this gap. It offers various links between existing research on executive functions and consumer research literature, that has opened up new avenues for research in consumer psychology and BoP domains. Understanding the executive dysfunctions of the BoP consumers also help in explaining and predicting their behaviors better. The findings of this study have far-reaching business and policy implications.

References are available on request.

From Bottles to Sneakers: The Role of Mindsets in the Evaluation of Recycled Products

Alessandro Biraglia, University of Leeds

J. Josko Brakus, University of Leeds

Keywords: *recycling, upcycling, mindsets, implicit theories*

Description: *The paper investigates how different mind-sets influence consumer adoption of upcycled products.*

EXTENDED ABSTRACT

Research Question

Which consumers are more keen to buy upcycled products (i.e. products made out of recycled materials) than others? Can implicit theory explain the effect?

Method and Data

Experimental design.

Key Contributions

We are among the first at looking how implicit theory can be applied not only to human like properties (e.g. personality traits) but also to the properties that are typical of the material products are made of. This can have important implications to the advertising of sustainable products, especially those made out of recycling.

Summary of Findings

Different mindsets can influence how consumers perceive and intend to purchase items produced from upcycled goods.

In three experiments we consistently demonstrated that individuals with a growth mindset (incremental theorists) show more favourable attitude (Experiment 2) and are more inclined to adopt upcycled products (Experiment 1 and 3) than individuals with a fixed mindset (entity theorists). This effect remain robust with different manipulations of implicit theories as well as by measuring the construct as a chronic trait. Furthermore we found that the perceived effort the company spent in producing the upcycled object mediates this relationship. Last, our findings demonstrate that by framing the attribution of the merit to the material used to make the product (rather than to the company manufacturing it) could also increase entity theorists willingness to purchase it (Experiment 4).

References are available on request.

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I Am Too Good to Be True: How Self-Enhancement Motivations Shape Prosocial Behavior of Entitled Individuals

Alexandra Polyakova, University of Sussex

Keywords: *prosocial behavior, donations, entitlement, self-enhancement, status-seeking*

Description: *In a series of three studies, we demonstrate that entitled individuals behave more prosocially when, (1) they are given an opportunity to self-enhance, (2) when the prosocial behavior is performed in a public (vs. private) context, (3) when the social status of other individuals who engage in prosocial behavior is high.*

EXTENDED ABSTRACT

Research Question

In the past decade the level of prosocial behavior has raised some concerns, whereas an empathic concern, one of the main predictors of prosocial behavior, is decreasing.

Lack of empathy and less forgiving attitudes are one of the main characteristics of entitlement Entitlement, or feeling of deserving more than others, is negatively related to prosocial behavior (Campbell et al., 2004). In H1, we suggest that entitled individuals engage in prosocial behavior more when there is an opportunity to self-enhance vs. when there is no opportunity to self-enhance.

Since one of the main motivations of entitled individuals is to appear in a positive light in front of others and themselves, they would be even more inclined than others to engage in prosocial behavior when such behavior is observable by others (i.e., public context) rather than when there are no witnesses (vs. private context):

H2: Entitled individuals will exhibit more prosocial behavior when such behavior is performed in a public (vs. private) context.

Entitlement is correlated with the desire to have high-status symbols. Thus:

H3: Entitled individuals will exhibit greater intention to donate to a charity cause/organization when the social status of other donors is high (vs. low).

Method and Data

Study 1

This study used a 2 (entitlement: yes vs. no) × 2 (self-enhancement opportunity: yes vs. no) between-subjects design. We manipulated entitlement and self-enhancement; the likelihood to donate to the charity was our dependent variable.

ANOVA results revealed a significant interaction of entitlement and self-enhancement on the likelihood to donate.

Study 2

116 MTurk U.S.-based participants completed the study online.

Study 2 had a 2 (entitlement: yes, no) × 2 (donation context: public, private) between-subjects design. Participants were assigned to public vs. private conditions. Then, participants indicated their likelihood to donate to support the charity.

Study 2 results showed that participants in the entitlement public condition were more likely to make a donation.

Study 3. 120 U.S.-based adults from Amazon MTurk participated in the study. First, we measured participants' level of entitlement (PES, α = .94). Next, participants were randomly assigned to one of two conditions (other donors' status: high vs. low).

Then participants indicated their likelihood to donate to the foundation. We ran a regression using PROCESS (Model 1). The interaction between sense of entitlement and the other donors' status manipulation was significant. Results show that the effect is driven by high levels of entitlement.

Key Contributions

The current research contributes to the literature on prosocial behavior. During the time when more and more individuals demonstrate less concern about others and volunteering and helping behavior is declining understanding ways of influencing such individuals hold particular relevance.

Current research demonstrates that if one is not particularly concerned about others' welfare (for example, when someone's level of entitlement is high), their prosocial behavior might be positively influenced by providing an opportunity to self-enhance.

References are available on request.

"It's the Thought that Counts": Even Thoughtful Gift-Givers Over-Estimate Recipients' Evaluations of Gifts

Parvathy B, Indian Institute of Management-Bangalore

Keywords: *gift giving, preference misprediction, interpersonal choices*

Description: *Thoughtful gift-givers motivated to give the "right" gift expect recipients to evaluate products chosen as gifts more favorably than the givers themselves do.*

EXTENDED ABSTRACT

Research Question

Prior research has established how gift-givers consistently tend to choose the wrong gifts for recipients. This inability to make the right decision for others leads to serious consequences, not just in terms of lost opportunities for givers to effectively communicate their feelings and intentions to recipients but also losses in terms of time, money and effort. This research examines why gift givers tend to mispredict recipient preferences.

Method and Data

This research uses online reviews as real-world data (Study 1) and experiments run on Amazon Mechanical Turk (Studies 2–5) to examine the research question.

Summary of Findings

Why do givers choose the wrong gifts for recipients? I argue that the inability to choose the correct gift is explained by givers' tendencies to overestimate how favorably recipients will evaluate the products chosen as gifts. Interestingly, this tendency to overestimate only presents itself when givers are choosing products as gifts for others and not if they were only predicting others' evaluations of something they have purchased (Study 2). Moreover, these results show that thoughtful givers who are motivated to get the right gift are more prone to this overestimation (Studies 3–5). However, when givers have access to divergent opinions, this tendency to overestimate how much recipients will share their tastes diminishes (Study 5).

Key Contributions

These results have important implications for theory as well as for practice. From a theory perspective, the current paper demonstrates a novel phenomenon that can explain why gift givers might be choosing the wrong gifts for recipients, despite having spent considerable thought on deciding what to buy for others. From a practice perspective, these results reiterate the importance of access to divergent opinions as well as easy returns. An obvious implication of givers' tendencies to mispredict recipient preferences is the importance of easy returns. However, the impact of graphical representations of rating dispersions on interpersonal choice is particularly interesting given these results. Often, websites have a tendency to show only glowing reviews of products. This can lead to givers overestimating just how much the recipients will share their opinions about the product. Ironically, a not-so-popular product might be actually more helpful than a popular one, for givers trying to choose the "right" gift.

References are available on request.

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Context Effects for Semantic Relatedness: Evidence of Bias and a New Database for Researchers

Jameson Watts, Willamette University
Anastasia Adriano, Willamette University

Keywords: *computational linguistics, semantic relatedness, consumer psychology, marketing algorithm*

Description: *Existing marketing research on semantic relationships is widely unable to account for contextual differences, thus preventing researchers from accurately replicating the type of context switching that transpires so spontaneously in people; this study proposes a new, context-sensitive semantic benchmark with applications in industry and research.*

EXTENDED ABSTRACT

Research Question

Encountering a bear in the forest is scarier than seeing one at the zoo; humans are quite efficient at differentiating between these contexts and modifying their associations appropriately—the notions "bear" and "fear" are less related at the zoo than when hiking.

This scenario demonstrates an oversight in a class of consumption scenarios like contextual advertising and recommendation engines. When considering the placement of advertisements on the internet, search engines use semantic associations between keywords to select ads related to the website content. Semantic relatedness is extensively used, but we lack the theories to explain why it works and how it could improve.

To address this, we generate a database of semantic relatedness that integrates context and apply it to illustrate how context affects the degree and variance of relatedness between words. We demonstrate that the manner in which context affects semantic relatedness reveals an important bias in the data historically used to build predictive models. Our primary contribution is the revelation of this bias and a warning to organizations that employ semantic relatedness in consumer applications. We also offer a new, context-sensitive database that can be used to validate theories of consumer psychology and for new applications in industry.

Method and Data

Since our goal is to show the effect of context on judgements of relatedness, we first selected a baseline dataset against which to compare our results. The MEN-3000 benchmark offers several advantages. Most importantly, the process used to generate the MEN dataset was designed specifically to measure semantic relatedness as opposed to similarity. The MEN serves as a trusted standard against which to validate the impact of context on relatedness judgements, and a practical baseline for applications related to consumer psychology and marketing.

To develop semantic relatedness judgments based on human raters, we constructed a survey asking for comparative judgments rather than absolute scores. Each pair of words (1,000 total) was matched against the same 50 nonoverlapping pairs for comparison. The resulting 50,000 comparisons were then evaluated in each of three different contexts (Entertainment, Technology and Politics). From this group, we randomized questions within each context and constructed surveys that included 50 actual comparisons and 3 quality control measures. This process produced a total of 3,000 surveys (150,000 comparisons / 50 real comparisons per survey) with 58 questions each (50 comparisons, 3 quality control, 5 demographic), which we deployed on Amazon Mechanical Turk using two independent raters per survey.

Summary of Findings

A review of the ratings for each word pair offers considerable face validity; the pair RICE-YELLOW is consistently rated as less related across contexts while CITY-SIDEWALK is rated consistently as highly related. Differences across contexts can also demonstrate face validity; the pair MUSIC-SING is rated high in Entertainment, but lower in the contexts of Technology and Politics.

When considering correlations, the context average has a higher correlation to the MEN baseline than any of the contexts alone (.70 vs. .58, .61 and .61 for Entertainment, Politics and Technology respectively). This suggests that the baseline scores do represent an average of different contexts.

This may indicate that when individuals aren't primed with a context, they choose one for a given word pair. The pair FOOD-FROZEN has a middling relatedness score in all three contexts, but a relatively high (.74) relatedness score in the MEN dataset. It's hard to see how this pair is related in the contexts of Entertainment, Technology and Politics, but one can imagine another context where food is highly related to frozen. Initially, this may appear an innocuous distinction, but by allowing individuals to choose their own context, one is destroying the very information that is most useful.

Key Contributions

This paper seeks to clarify how semantic relationships are internalized by human raters. Our findings indicate that con-text leads to more extreme (high and low relatedness) values compared with those in the baseline. Thus, typical baseline measures (like the MEN 3000 dataset) suffer from a bias manifest as 'blunted' values at the extreme high and low ends of the ratings scale.

Acknowledging this bias allows systems trained on a context-sensitive resource to perform better in industry settings. Online advertisers can benefit when context is considered by the algorithm that determines fit with a website. We hope to enable such improvements by providing a resource that can be used to teach marketing algorithms about context. Our database can help researchers study how consumers process information as it can test optimal levels of semantic relatedness in advertising headlines, press releases, or product descriptions.

In sum, we highlighted an important bias in existing models that rely on semantic relatedness measures, created a novel database for use in future research, and offered several directions for future research. By illuminating how consumers process semantic relatedness, and by providing a novel, context-sensitive database, we aim to facilitate further work in this growing area of research.

References are available on request.

Feeling Hopeful in Response to High/Low Prototypical Identity-Linked Appeals: The Distinctive Roles of Affective and Cognitive Social Identity

Miriam McGowan, University of Birmingham
Louise May Hassan, Bangor University
Edward Shiu, Bangor University

Description: *This is the first research to explore the conditions under which priming consumers' identity using less/more established (i.e. low/high prototypical) characterizations has a beneficial, or detrimental, effect for consumers' hope and purchase intention.*

EXTENDED ABSTRACT

Research Question

Research suggests that successful identity primes must utilize well-accepted characterizations of what the social group stands for. However, for an important segment, those high on affective social identity, less accepted characterizations are optimal. This is the first research exploring conditions for which priming consumers' social identity using less/more accepted (high vs. low prototypical) characterizations is beneficial or detrimental. We propose that distinctive self-motives underpinning cognitive/affective social identity explain differential responses to identity-linked appeals. We examine the role of construal level theory (CLT) in reversing negative responses to such appeals. Hope plays an important mediating role.

Method and Data

Three experiments collected data from U.S. consumers (MTurk), using gender and nationality as key identities. Study 1 (N = 190) investigated the roles of cognitive and affective social identity in moderating the effects of low/moderate/high prototypical primes on hope and purchase intention. A pilot study (N = 67) found that construal level influences group descriptors' prototypicality. Study 2 (N = 232) placed consumers high in cognitive but low in

affective social identity into an abstract mindset to overcome their negative response to low-prototypical primes.

Key Contributions

We contribute to social identity literature by exploring consumers' response to low prototypicality primes. This is important, as it is difficult for companies to identify the most appropriate characterization to use. Consumers respond differently to messages using low/high prototypical group depictions. Drawing on CLT we overcome the backfiring observed for consumers high in cognitive but low in affective social identity towards low-prototypical prime. We add to the nascent research on emotions in identity marketing by proposing hope as a key mediator through which identity-linking messages drive behavior. Hope is yet to be considered as an emotional response to identity-linking messages.

Summary of Findings

Consumers high on both social identity dimensions respond favorably to high/low prototypical messages. Those high on cognitive but low on affective social identity report greater hope and purchase intention when viewing an advert with a high (vs. low) prototypical prime. The opposite is true for

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those low on cognitive and high on affective social identity. Consumers high in cognitive but low in affective social identity report higher hope and purchase intention when in an abstract mindset (Study 2). Consumers low on cognitive and high on affective social identity benefited from a concrete (vs. abstract) mindset.

References are available on request.

Handmade Products Foster Stronger Consumer-Product Relationships Than Machine-Made Products

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Xiaoyu Wang, Shanghai University of Finance and Economy

Keywords: *handmade, relationship, warmth, competence*

Description: *Handmade products foster stronger consumer-product relationships than machine-made products.*

EXTENDED ABSTRACT

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Method and Data

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In study 2, we did a lab experiment, in which 78 students from a Chinese public university participated. Participants were randomly assigned to one of two conditions (handmade vs. machine-made) We measured the perceived warmth and competence of product to test the underlying mechanism for the handmade effect.

Summary of Findings

In study 1, we show that using handmade production enhances consumer-product relationship strength.

Study 2 uncover the underlying mechanisms. It shows that handmade production enhances both warmth and competence perceptions of products, but only enhanced warmth perception increases the relationship.

In the future, in study 3, we want to explore the moderating effect of anthropomorphism to see whether the anthropomorphized machine-made product could also induce the same warmth and competence perception as the handmade product dose.

Key Contributions

For key contributions to the academe:

Most notably, we extend product evaluation literature by introducing a novel way to improve consumer-product relationship. That is, using hand-made label.

Second, our findings enrich the research about subjective well-being by introducing consumer-product relationship as a part of well-being in relationship domain.

Third, by implying social judgement theory, we demonstrated that people will have different warmth and competence perception, which is commonly applied for judgement for human, for products with different production mode label.

Key Contributions to the practice:

To begin with, using handmade production is a viable strategy that managers can apply to enhance consumer-product relationship evaluations.

Next, our research finds that the subtle changes in the production (handmade) label could make big improvement about consumers' subjective well-being.

References are available on request.

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The "Beauty Is Beastly" Effect in Credence Service: A Study of the Influence of Women's Physical Attractiveness on Consumers' Preference for Service Providers

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Shubin Yu, Peking University
Changxu Li, Peking University

Keywords: *credence service, gender preference, physical attractiveness, gender stereotype*

Description: *The present research examines the effect of gender on consumers' preference for providers of credence services with different levels of physical attractiveness. Furthermore, we investigate the moderating role of involvement (high vs. low) and information (presence vs. absence).*

EXTENDED ABSTRACT

Research Question

Due to the huge difference between the credence service and other services, we believe findings drawn from general services may not be valid for credence service. Therefore, it is important for us to investigate how individuals react (consumer choice) to service providers with different levels of physical attractiveness in credence service Furthermore, we expect there will be a difference between male and female consumers. The effect of gender will be moderated by the level of involvement and the presence vs. absence of ability information.

Method and Data

In order to test the hypotheses with study 1, a 2 by 2 between-subjects experiment (gender × involvement) was designed with two independent variables, each with two levels. The manipulated factors were involvement (two levels: high vs. low involvement) and gender (two levels: male vs. female). All basic conditions and requirements were the same as Study 1; Study 2 examined whether the subjects would make a different choice after being provided with extra information. In the experiment, respondents were randomly assigned to one of two groups of scenarios with dif-

ferent degrees of involvement. They were first asked to read material about a scenario of abdominal pain during travel. The low-involvement group was described as "slight abdominal pain, the same old symptom, not too worried, decided to go to see a doctor for examination". The high-involvement group heard it described as "severe abdominal pain, lumps when pressing with hands, never encountered such symptoms before, and felt both worried and afraid, decided to go to the hospital immediately." To observe how gender and degree of involvement influence individual preferences, Study 1 recruited 158 citizens in Shenzhen, Guangdong province, China. And Study 2 recruited 150 citizens.

Summary of Findings

The results showed that when information on the service provider's ability is not provided, gender influenced the consumer's preference for service providers with different physical attractiveness. However, this kind of gender stereotype only existed when consumers are highly involved in the decision.

Our study confirmed that sexual attribution bias also existed in credence service. In the high (vs. low) involvement condi-

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tion, men preferred female service providers with high physical attractiveness. Compared with men, women made derogative attributions for attractive female providers with high external appeal; thus, they were less likely to choose service providers who were highly physically attractive and tended to choose service providers with middling physical attractiveness. However, when extra information about the provider's abilities was provided, as in Study 2, the results were different: men and women did not have a significant difference in preference for female service providers based on physical attractiveness. In other words, gender bias was greatly weakened, regardless of the involvement condition, when extra information on the provider's abilities was provided.

Key Contributions

Our theoretical contribution lies in deepening the understanding of SAB in the context of credence service. Previous studies of SAB concentrate on contexts like job interviews. More recently, the literature has increasingly focused on general services, such as education service, restaurant services and cosmetology industry. Additionally, the present study sheds light on the boundary condition of SAB. Our findings indicate that the degree of involvement influences the effect of gender on preferences for attractive service providers. Based on the elaboration likelihood model, for consumers with low involvement, they tend to rely on peripheral cues (simple clues) to make choices, which means they may just choose a more attractive service provider directly.

These research findings have some crucial implications for managers in the service industry. Providing ability information of service providers the can mitigate the effect of gender on the individual preference for the attractiveness of a service provider, regardless of the scenario's level of involvement. In the credence service sector, providing sufficient information to eliminate gender stereotypes is a useful strategy. Hence, in order to ensure consumers appreciate the quality of employees' work, it may be appropriate to avoid posting employees' photos.

References are available on request.

Lean if You Are Seen: Improved Weight Loss via Social Media

Ulf Aagerup, Halmstad University

Keywords: *self-enhancement, weight loss, social media, branding*

Description: *The paper examines how social media might be harnessed to leverage improved weight loss by comparing weight loss for individuals whose weight loss progress is posted on social media to weight loss of individuals who diet in private.*

EXTENDED ABSTRACT

Research Question

Overweight and obesity are associated with several major health risk factors. We know how we should live to be healthy, but even so, the rate of overweight and obesity grows constantly. Hence, it is obviously not enough to inform the population of the functional benefits of a healthy lifestyle to motivate us to stay slim and trim. We must therefore in addition to medical motivations explore other types of motivations; factors that may convince people to eat right and exercise. This leads to this paper's research question; is it possible to increase the efficiency of weight loss programs by harnessing people's desire for self-enhancement via social media?

Method and Data

A between-subjects field experiment on 341 individuals was conducted. Participants used a leading weight loss program over three months. They were randomly assigned to a public group or to a private group. Members of the public group were required to post their weight on Facebook weekly. Members of the private group were required to not mention their weight loss on social media during the trial. The results were the following:

- Public dieters enjoyed significantly greater weight loss than private dieters $F(1,291) = .999, p < .05$

- No significant interaction effect of gender and weight loss [$F(1,267) = .100, p = .752$], of age and weight loss [$F(3,289) = 1.933, p = .165$], or of the participants' own BMI and weight loss [$F(1,291) = 1.060, p = .304$]

- Weight loss was positively correlated to participants' number of weight loss posts ($F(1,147) = 9.749, p < .05$), to the number of likes a participant received ($F(1,147) = 21.642, p < .05$), and to the number of replies a participant wrote ($F(1,147) = 5.058, p < .05$)

- Weight loss was positively correlated to brand satisfaction ($F(1,289) = 57.914, p < .05$), purchase propensity ($F(1,289) = 37.987, p < .05$), and to positive word-of-mouth ($F(1,289) = 45.646, p < .05$

Summary of Findings

It was found that it is possible to increase the efficiency of weight loss programs by harnessing people's desire for self-enhancement via social media. The effect is similar across genders, ages, and body types, which suggests that weight loss brands could at least partly standardize their programs. Further, although the direction of causality is unclear, it was found that greater numbers of likes, comments, and replies were associated with greater weight loss. Companies would therefore do well to encourage active participation in customer-to-customer interactions. Unsurprisingly, it was also found that weight loss success leads to positive evaluations of a weight loss brand and positive subsequent behaviors.

Key Contributions

The paper extends previous research on self-enhancement via social media in the following ways: (1) it validates previous research that shows that people adapt their behaviors to social norms if they believe that they will be visible to other people on social media, (2) it extends these findings by providing evidence that in addition to prestigious consumer behavior and herd behavior, virtue-based self enhancement can be derived from health related behaviors, (3) the results contradict previous research that shows younger people to

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be more sensitive to, and prone to adapt their behavior to the influence of other people via social media. The presented results thus refute previous theory that social media is primarily a concern for young people. Finally, the positive effect of weight loss on commercial outcomes is congruent with the theory of functional congruity. It thus identifies weight loss as a product category that is consumed for functional rather than symbolic or experiential types of brand value; an insight that can guide future research as well as practitioners who design weight loss offerings.

References are available on request.

Customer Engagement and CRM

New Approaches to Measuring and Managing Customer Experience and Engagement

Customer Engagement in the Digital World

Measuring Customer Experience with Text-Based and Pictorial Scales

Markus Gahler, University of Augsburg
Jan F. Klein, Tilburg University
Michael Paul, University of Augsburg

Keywords: *customer experience, omnichannel, pictorial scale, scale development*

Description: *Because an omnichannel-capable CX measure is missing in research and practice, we develop and validate both a text-based and a pictorial scale, using data from nine studies. The empirical results reveal the sound psychometric properties of both scales, demonstrate the unique position of CX in relation to established marketing constructs, and indicate the measures' predictive validity in the field.*

EXTENDED ABSTRACT

Research Question

With the modern focus on customer centricity and complex omnichannel environments, researchers and managers alike seek more effective ways to measure and manage customer experience (CX). This demand raises a critical research question: How might we measure CX, directly and efficiently, as a multidimensional construct in omnichannel environments, taking a customer perspective?

Method and Data

We take a novel approach to develop a pertinent CX scale. Instead of solely developing a text-based scale, we propose a short, icon-based pictorial scale that provides a more efficient, convenient measure of CX. To develop and validate both scales, we combine several methodological approaches, including literature reviews, written experience descriptions, in-depth interviews, expert screenings, item sorting, association tests, online surveys in different industries, and field tests using mobile devices. Overall, we report on nine studies with 3,111 participants.

Summary of Findings

CX is a customer's subjective state during interactions with an experience partner that holistically reflects affective, cognitive, physical, relational, sensorial, and symbolic responses. Both scales can be applied in modern omnichannel settings, as they measure the six-dimensional CX con-struct for customer interactions with different experience partners (brand, personnel, other customers) at various touchpoints (online, offline) in different customer journey stages (prepurchase, purchase, postpurchase). The empirical results reveal the sound psychometric properties of both scales, demonstrate the unique position of CX in relation to established marketing constructs, and indicate the measures' predictive validity in the field. While the text-based scale is preferable for research applications, the pictorial scale enables managers to track CX efficiently in practice.

Key Contributions

For academic readers, this research offers a profound conceptualization of CX and two scales to measure CX in omnichannel environments, in direct response to calls to develop such CX measures. Measuring complex constructs with easy-to-understand icons also represents a new option for scale development efforts that attend particularly to scale efficiency and user convenience. For practitioners, we provide a diagnostic CX measure that can guide their managerial action. Using our pictorial scale, managers can measure CX directly, efficiently, and appropriately, thereby enabling them to make better CX management decisions. [The MSI financially supported this research.]

References are available on request.

Conceptualizing Multidimensional Online Shopping Experience: A Grounded Theory Approach

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Aurélia Michaud-Trévinal, University of La Rochelle

Thomas Stenger, University of Poitiers

Keywords: *online shopping experience (OSE), grounded theory, consumer cocreation*

Description: *Using grounded theory approach, we arrive at a conceptual model of OSE by clarifying its structure and dimensionality and proposing its working definition.*

EXTENDED ABSTRACT

Research Question

With proliferation of digital media, the attention of scholars and practitioners centered on online consumer experiences (OCE) due to both the growing online shopping marketplace and the apparent amenability of such experiences to web design changes and digital communications (Bleier, Harmeling and Palmatier, 2019). Despite numerous research efforts to understand, describe and measure OCE, the field remains fragmented by contexts, research approaches and theoretical interpretations (Bleier et al., 2019). Among various manifestations of OCE, online shopping experience (OSE) that is focused on consumer actions, feelings, and reflections during the process of online shopping deserves a special research emphasis due to its apparent impact on satisfaction and purchase intentions (Rose et al., 2012). Due to the variability of research contexts (e.g. product categories, cultures, shopping interfaces, etc.), data collection and analysis methods (focus groups, secondary data, experiments, surveys) and lack of a commonly accepted definition, empirical findings diverge in the number and character of constituent dimensions, as well as the nature of relationships among them. It appears that a comprehensive conceptual framework is needed to unify existing findings and clarify the OSE definition to help guide future research priorities (Trevinal and Stenger, 2014).

Method and Data

Out study addresses these issues by employing the grounded theory approach (Glaser and Strauss, 1967) to inductively identify emerging dimensions of OSE and categorize their inter-relationships. The data, collected from a theoretical sample of two focus groups and fifteen in-depth interviews of American online consumers, were content-analyzed using the constant comparison method. Specifically. the data and interpretations were derived from fifteen semi-structured personal interviews (30–45min each) and two focus groups (1–1.5 hours, 10 participants in each), conducted with online shoppers in the U.S. The same interview/question guide was used for both data sources. A theoretically-based convenience sample was selected, which reflected diverse age, gender and income strata of the online shoppers' population. As a result, 16 interview and 2 focus group transcripts were obtained, totaling 135 single-spaced pages. The respondents (21 females and 15 males) ranged from 21 to 52 years of age and represented a variety of occupations. The three-part guide started with an introduction, followed by three main question blocks: preferred and practiced OSE environment (temporality and location); discussion of shopping platforms and their characteristics, and user behaviors and feelings experienced during the shopping process.

Summary of Findings

We identified four major dimensions of OSE, reflecting affective, cognitive, behavioral and contextual foundations of the phenomenon and their constituent sub-dimensions. This categorization diverges from earlier tax-

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onomies of CEs (Brakus et al., 2009; Rose at al., 2012; Trevinal and Stenger, 2014) by a) advancing the agentic, cocreational aspect of Practices that underscores the fundamental shift of control in OSE creation from providers to consumers, and by b) incorporating the dimension of Context (reflecting external environments of OS) into the OSE construct. Our results evidence pervasive inter-relationships among the four identified dimensions, which combine to shape the holistic OSE, as opposed to the earlier assumed independence or linear associations among OSE components (Rose et al., 2012; Trevinal and Stenger, 2014; Verhoef et al., 2009). We find reciprocal and recursive connectivity among OSE dimensions throughout the OS discourse. OS experiences appear to be dynamic and complex, as both the consumer and the setting are subject to continuous change. Our findings revealed that OS experiences are not homogenous and can range from "ordinary" (Caru and Cova, 2003) to "extraordinary" (Arnould et al., 2004), influenced by such personal factors as intention and involvement, as well as by external stimuli mediated by OSE dimensions.

Key Contributions

This paper used grounded theory approach to arrive at a conceptual model of OSE by clarifying its structure and dimensionality and proposing its working definition. It contributes to marketing knowledge by a) advancing consumer cocreative actions and interpretations as an inalienable part of OSE, b) incorporating context as an integral component of OSE, c) advocating the dynamic and complex nature of OSE and d) aligning OSE conceptualization with a broad philosophical perspective of pragmatism. The proposed comprehensive framework has potential to incorporate earlier classifications of OSE elements into the four proposed metacategories of Values, Practices, Emotions and Context and offer a unifying platform to OSE researchers. The identified dynamic and complex character of OSE ranging from exploratory to conclusive, and from ordinary to extraordinary, confers potential roles of personal and environmental factors in transforming individual OSEs. This proposition, if validated in future research, can offer actionable insights to practitioners.

References are available on request.

Customer Experience Dynamics: Building a Dynamic Model Using Repeat Customers' Verbatim Textual Reviews

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EXTENDED ABSTRACT

Research Questions

Although highly relevant for marketing practice, few studies shed light on repeat customers to provide conceptual and empirical insights into their experience trajectories and customer experience management. Furthermore, most approaches to analyzing relevant customer experience issues are static in nature. We propose a customer experience trajectory (CET) framework from a dynamic perspective. The CET framework is comprised of CET states, depicted by repeat customers' preferred behaviors from lower to higher levels and two sets of mechanisms (four dimensions of perceived experiences and management actions) that trigger repeat customers' transitions between different levels of CET states. We argue that repeat customers migrate throughout their CET states over time and that not all migration strategies are equally valid. We address the following research questions in this study:

1. How many CET states can be identified?

2. How do the migration mechanisms influence the transition across the identified CET states? How can we decompose the short- and long-term effectiveness of the mechanisms?

3. Can repeat customers be segmented into different groups that respond differently to migration mechanisms as they move across their CET states?

4. How can experience providers best use our findings to strengthen repeat customers' experiences and trigger the desired behaviors?

Method and Data

We collect customers' verbatim reviews using a Python algorithm to trace all guests on the Airbnb website who visit the same hosts' places at least six times. After collecting 3,166 repeat customers with 31,736 comments, we applied the text mining technique to extract words and phrases from the unstructured text data. A list of words and phrases was provided to two linguist experts to help to develop customized dictionaries. This customized dictionary was created to capture the phenomenon of four customer behaviors and six management-related variables, incorporating the experience evaluation criteria on Airbnb. Moreover, we employed the standardized dictionary (the LIWC 2015 Dictionary) to capture the affective, cognitive, social, and physical expressions within the customer reviews.

We then applied a dictionary-based analysis to translate the unstructured text data into structured numeric metrics. There were 14 output variables in the final dataset, including four dimensions of customer experiences (affective, cognitive, social, physical), four customer behaviors variables (referral, revisit, compliment, complaint) and six management-related variables (accuracy, cleanness, communication, loca-

tion, check-in, and value). Finally, we developed a Hidden Markov Model based on the evolution of the CET states and assessed the impact of perceived experiences and managerial actions on desired behaviors.

Summary of Findings

First, we identify three CET states for repeat customers, ranging from a lower to a higher level with the increasing summative score of revisit, referral, and compliment behavior and a decreasing trend in complaints. Second, we determine two segments of repeat customers: the lower engagement, fewer complaints group, and the higher engagement, more complaints group. Third, we investigate the short-term effect of two migration mechanisms (the four dimensions of customer experiences and six management-related variables). We find that the affective experience is positively associated with a higher CET state but negatively associated with a lower CET state for both two groups.

Regarding the management variables, communication, cleanliness, and convenience of location exert positive, short-term effects on a higher CET state but negative effects on a lower CET state for both groups. Fourth, regarding the long-term effects of the migration mechanisms, repeat customers in both groups benefit from affective experiences. However, social experience seems to backfire, as it exerts the opposite effect on the desired transitional direction. Turning to the long-term effects of the managerial variables, both communication and location not only improve the transitional probability of switching upward but also act as guard mechanisms against moving downward for both groups.

Key Contributions

First, we contribute to the customer experience literature by providing insights into the evolution of repeat customers' experience trajectory. Second, we contribute to the customer dynamic literature because this study is among the first to uncover the coevolution phenomenon between customer behavior dynamics and customer experience dynamics in a single empirical model. Our third contribution to the customer experience management literature is the finding that management resources might be more effective when targeted at the more complaints, higher engagement groups rather than the fewer complaints, lower engagement group. We account for dynamics by modeling the transition among different segments through examining both the short- and long-term effects of two sets of migration mechanisms.

Our results provide essential managerial implications for devising various mechanisms and evaluating their effectiveness. Our estimates of repeat customers' responses to management activities are more precise, making practitioners better informed when making resource allocation decisions. We parsimoniously demonstrate that managers can deploy relevant migration strategies given the identified CET states and repeat customer segmentations. We contend that the most effective strategy for customer experience management must identify the right targets at their right stages, highlighting what matters to repeat customers and which actions are required.

References are available on request.

Extraction of Customer Experience Feelings Using Artificially Intelligent Chatbots

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Keywords: *customer experience, sentiment analysis, chatbot, artificial intelligence, storytelling*

Description: *In this study, we utilize artificial intelligence methods—chatbot interviews and text-based sentiment analysis—to examine recalled customer experience feelings*.

EXTENDED ABSTRACT

Research Question

Customer experience (CE) has become an important determinant of firm success, yet the challenge of attaining a more holistic understanding of CE on broader scale and in a cost, resource, and time effective manner still eludes academics and managers. In an attempt to address this shortcoming, we put forth and test a new approach, which involves artificial intelligence (AI) methods. Specifically, we base our study design on narrative storytelling and investigate the effectiveness of sentiment analysis (SA) for extracting CE-related insights (CE feelings) from qualitative primary data collected via chatbot interviews. Furthermore, we identify a considerable gap between industry and academia in the approaches for measuring CE; to this end, we posit that emerging AI methods such as the ones employed in our study will be key in abductively informing CE theory, as well as in providing a means for academics and practitioners to align on approaches to measure CE.

Method and Data

We start by developing a theoretical CE feeling model, which is vital for establishing semantic clarity and thus aiding our AI methods to accurately extract and analyze experiential data. The CE feeling model is developed from the extant literature and includes feeling sub-elements that reflect aspects of temporality, context, and specificity within service encounter. To collect the data, we utilize the

Prolific Academic crowdsourcing platform to draw in participants to interact with our chatbot. The questions asked by the conversational agent constitutes free-text and established scale items relative to each feeling sub-element. The participants (N = 193) were asked to recall a randomized combination of positive, negative, ordinary, and extraordinary experiences. The analysis process then evaluated the sentiment scores against established scale items for each feeling sub-element, as the participants answered the questions based on their recollections of the service experience.

Summary of Findings

The results demonstrate that SA could be used to measure CE feeling sentiments when input errors (i.e., errors resulting from participant inputs) are controlled for. The results also suggest that chatbot interviewers have potential to alleviate many of the downsides attributed to qualitative interviews and surveys (e.g., higher costs, requires more and resources, and is less scalable), as well as analysis of secondary data. The findings also point to potential for further enhancements in accuracy, which involve improvements to the chatbot and SA extraction algorithms. As such, our findings are promising.

We also outline a research agenda, which points to a number of ways through which the CE feeling model, chatbot inter-

viewers, sentiment analysis, as well as the entire method could further enhance the measurement of CE feelings as well as other CE elements (e.g., thoughts, sensations, and behaviors) in both academia and management.

Key Contributions

Our main contributions are as follows: (i) we develop a CE feeling model with high semantic clarity, based on the extant CE literature, (ii) we design and employ a novel data collection method, (AI chatbot interviews), (iii) we demonstrate the value of using SA versus established feeling scales, and (iv) we outline a research agenda for addressing the potential and challenges of using this method to better examine components of CE and other potential service management facets in both theory and practice. Importantly, we argue that the use of a chatbot interviewer to collect primary CE feeling data provides a unique starting point for organizations to address the automation, extraction, and assessment of subjective customer-centric constructs like CE in a cost, resource, and time efficient manner.

References are available on request.

Measuring the Impact of Engagement Initiatives: The Mediating Role of Engagement Factors

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Keywords: *engagement marketing theory, engagement initiatives, engagement factors, engagement, open educational resources*

Description: *These studies offer an empirical examination of a task-based engagement initiative according to the tenets of engagement marketing theory.*

EXTENDED ABSTRACT

Research Question

Firms develop engagement marketing strategies to increase customer engagement involving firm-directed engagement initiatives (Harmeling et al. 2017). Early research about customer engagement within the marketing discipline revolved around web-based activities and social sites. Recently, however, the scope of engagement research has expanded to include traditional exchange markets (Hollebeek et al. 2016). This research continues that expansion by positioning a study within the services marketplace of higher education.

The cost of postsecondary education is under increasing scrutiny by the public, politicians, and regulators (Davies and Harrigan 2019; Ripley 2018). One significant expense includes paper textbooks versus open educational resources (OER) which are a low-cost alternative. However, the impact of OER on engagement remains unclear. This research therefore explores the practical and theoretical impact of OER on engagement. From a practical perspective, how will the implementation of open educational resources, as a task-based engagement marketing initiative, impact customer engagement? Universities need an answer because if engagement remains neutral or rises with OER, current low adoption rates are perplexing. In attempting to answer this practical question, a larger lens also examines a fundamental theoretical question. How can we best detect and measure changes in customer engagement?

Method and Data

In this mixed-methods design, data was collected in 2018 and 2019 and included 2 unique samples for study 1 (N = 259) and study 2 (N = 395). Study 3 involved a resampling of 15 participants from study 2. The third study occurred after study 2 closed and involved different methods. Study 1 was designed to test and evaluate adapted measures within a new context and create a control group. Principal components analysis reduced the total number of items and ensured alignment with each construct. The relationships between textbook effectiveness, the factors of engagement, and overall engagement were assessed with PLS-SEM.

Study 2 was designed with an OER manipulation to complete the quasi-experiment and included another hypotheses analysis with PLS-SEM. Separately, an ANOVA was used to evaluate the control group (study 1) against the manipulation group (study 2). OER textbook effectiveness was statistically significantly higher in 4 of 8 courses. In those same courses, 2 factors of engagement were also statistically significantly higher.

Study 3 involved a round of phenomenological interviews with 15 student participants. The goals of this study included explication of how task-based engagement initiatives impact psychological ownership and exploration of new or unusual insights.

Summary of Findings

Tenet one of engagement marketing theory is strengthened because the impact of the engagement initiative is mediated by the factors of engagement. Further, these factors align with two engagement marketing mechanisms: psychological ownership and self-transformation. Second, within study

two and according to tenet two, findings show that a task-based engagement initiative impacts the cognitive engagement factor associated with psychological ownership while not impacting the emotion factor associated with self-transformation. On the contrary however, findings indicate a task-based engagement initiative impacts the self-transformative factor of behavior. This finding was unexpected and surprising. The qualitative interviews shed light on why psychological ownership may affect self-transformation. These reasons can be summarized as an increased proximity, availability, and convenience leading to higher service usage. Third, similarly designed task-based engagement initiatives are perceived as ineffective or effective, which is a determinant for measurable impact on customer engagement.

Key Contributions

First, common engagement factors are synthesized, integrated, and aligned with psychological ownership and self-transformation according to the two tenets of emerging engagement marketing theory. Second, a quasi-experiment along with phenomenological interviews are used to test and evaluate the impact of a task-based engagement initiative on customer engagement within the tenets of engagement marketing theory. Third, we review the homogeneity of similar task-based engagement initiatives to determine whether there is a uniform perception regarding effectiveness.

References are available on request.

Prepayment and the Budgeting Effects on Future Purchasing Behavior

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EXTENDED ABSTRACT

Recent research has provided important insights on consumers' preferences for prepayment mechanisms and on its impact on consumption of a given product or service. However, little is known about how prepayment influences *future* purchases of goods and services. We consider this question in a contractual setting within the services industry, involving different purchasing decisions over time. Building on mental budgeting theory to study the impact of prepayment on future within-category cross-buying decisions, we test our hypotheses using transactional and survey data from a nationwide landscaping service company. We find that prepayment has a negative impact on future cross-buying, and that this effect is more salient for the firm's new customers rather than existing customers. These results contribute to the prepayment and cross-buying literatures, by providing large-scale empirical evidence of (1) the negative effects of prepayment on future purchase behavior, and (2) how customer characteristics moderate this effect.

References are available on request.

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Consumers as Cocreators in Engagement with Firms: The Role of Expected Task Effort

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Keywords: *effort, consumer-firm engagement, engagement motivation*

Description: *Empowered by advanced technology and social media, consumers as cocreators have ample opportunities to engage with firms. This research proposes a framework that deals with the effect of expected effort on consumers' engagement intention. This effect is mediated by perceived probability of success and perceived value of engagement. Three experiments with different effort manipulations supported that these two mediators operate in tandem such that the mediating effect of the second mediator depends on the first one. We further demonstrated that the effect of effort on engagement intention is not explained by instillation of one's self and negative affect.*

EXTENDED ABSTRACT

Research Question

Advanced technology creates interactive channels and facilitates consumer engagement. As cocreators, consumers construct unique brand experiences through engaging in cocreative tasks such as creating products, providing ideas, and designing ads for firms. The current work explores how effort that consumers are expected to put into creative tasks influences the tendency to engage with firms. We offer insights into mechanisms underlying the impact of perceived effort level (low vs. high) on consumers' inclination towards engagement.

Method and Data

Three experiments were conducted to provide backing for our framework. We implemented two different ways to manipulate effort level, and measured and primed mindsets. All of the manipulations were effective. In the first two experiments, participants imagined a pen-customization task with a given picture that helped visualize (a) different elements of a to-be-customized pen such as shapes, materials, colors, texts, fonts, and the nib size and (b) the number of choices that should be considered for designing the feature for each element. In the third experiment, participants were presented with a scenario that described a collaborative task with a restaurant that solicits ideas for designing a creative ad.

Summary of Findings

Perceived probability of success and perceived probability of success are two mechanisms that underlie the effect of effort level on consumers' willingness to engage with firms. Two factors—instillation of the self (Experiments 1 and 2) and negative mood (Experiment 2)—could not explain this effect. Three experiments provided convergent evidence for two routes of mediation: Effort Level → Perceived Probability of Success → Willingness to Engage and Effort Level → Perceived Probability of Success → Perceived Value of Engagement → Willingness to Engage. Of note, the mediating role of perceived value of engagement depends on perceived probability of success. Controlling for global self-esteem (Experiment 1), experience in customizing (Experiment 2), and ad-related experience (Experiment 3) did not change the patterns regarding two routes of mediation, albeit the effects of these control variables were significant in some situations.

Key Contributions

The cocreation economy is contingent on consumer effort by putting consumers to work. Engagement implies both empowerment and hardship for them (Broniarczyk and Griffin 2014). They become disheartened if they are flooded with overwhelming information and an assortment of

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choices and confront higher levels of sophistication in cocreative tasks (Broniarczyk and Griffin 2014; Teichmann, Scholl-Grissemann, and Stokburger-Sauer 2016). Effort means a cost to consumers. Relative to benefits, the costs that engagement generates for consumers receive limited attention (Gemser and Perks 2015). Moreau, Franke, and von Hippel (2018) suggest an in-depth discussion of the motivation of consumer engagement, as this endeavor has implications for toolkit design, consumer segmentation, and so on. Since consumer engagement relies on empowered participation, it is important to understand engagement motivation when effort is inevitable. There are insufficient inquiries on consumer effort (Sweeney, Danaher, and McColl-Kennedy 2015) and far more meager research on effort in the domain of consumer-firm engagement. Townsend, Kaiser, and Schreier (2015) further call for investigating cocreation from the perspective of consumer psychology. In response to these clarion calls, we shed light on the mechanisms regulating the effect of effort level on engagement tendency in the cognitive metaframework about behavioral motivation (Mazis, Ahtola, and Klippel 1975; Wigfield and Eccles 2000).

References are available on request.

Consumer Suggestion Sharing: Prevalence, Motivators, and Inhibitors

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Description: *Direct-to-firm consumer suggestion sharing is shown to be a common behavior, despite representing only half or less of consumer improvement ideas; it appears to be motivated by potential self, other, and firm benefits and inhibited by a lack of belief in its efficacy, low self-benefit perceptions and the effort involved, among other factors.*

EXTENDED ABSTRACT

Research Question

Customer suggestions are ideas offered to companies for improving their products or services (McColl-Kennedy, Zaki, Lemon, Urmetzer, and Neely, 2018. One sees widespread references to customer suggestion-sharing in the burgeoning literature on customer engagement (Jaakkola and Alexander, 2014; Kumar and Pansari, 2016; van Doorn et al., 2010), customer cocreation (Hoyer, Chandy, Dorotic, Krafft, and Singh, 2010), customer participation (Bettencourt, 1997; Chan et al., 2010; Dong and Sivakumar, 2017), and customer citizenship behavior (Choi and Hwang, 2019; Choi and Lotz, 2018).

Regrettably, these multidimensional constructs conflate suggestion sharing with behaviors such as engaging in word-of-mouth and providing other customers with assistance (among other behaviors), undermining efforts to distinguish suggestion sharing behavior or its antecedents. There is limited research, empirical or otherwise, that explicitly addresses consumer suggestion sharing or its antecedents. As a result, researchers and practitioners currently operate with simplistic, and potentially misleading, notions regarding the nature and prevalence of such behavior and how to best manage it.

Because direct-to-firm consumer suggestion sharing represents a valuable yet understudied behavior, this research sought to provide a preliminary, inductive description of the prevalence of the behavior and its antecedent motivators and inhibitors.

Method and Data

We employed seven survey-based studies involving different combinations of three techniques—the critical incident technique (CIT), scenario responses, and direct reporting—to measure suggestion-sharing behavior and capture insights regarding its antecedents. The studies were administered via three surveys of students at a large western U.S. public university (total N = 567) and four surveys of U.S. adults accessed via MTurk and Prolific (total N = 834).

In the critical incident studies, respondents were asked to think of a time they shared a suggestion idea directly with a company or a time when they had conceived of a suggestion idea but did not share it. They were then asked to describe what motivated them to share it or to not share it.

The scenario studies asked respondents to read scenarios in which they had conceived of a suggestion idea and to state their likelihood of sharing the idea with the firm. They were then asked to describe both why they would and why they would not want to share it.

The direct reporting studies asked respondents about their suggestion-sharing behavior and their unshared suggestion idea generation. In addition, respondents described reasons why they would, and would not, share their suggestion ideas.

Summary of Findings

Across four CIT studies (N = 612), results indicate that approximately two thirds of respondents had shared a suggestion with a company. More than 70% of those suggestions were unsolicited, that is, made without the company asking for them. In three studies, respondents who had shared a suggestion (N = 274) characterized the method used. The top reported suggestion-sharing methods were face to face (39.8%), via email (20.0%) and via the company's website (15.3%).

Respondents to six studies (N = 1,157) reported sharing, on average, 2.26 suggestions in the prior year, with 30% of respondents sharing no (zero) suggestions. By contrast, respondents reported conceiving of 5.02 suggestion ideas in the prior year; only 7.8% reported that they had conceived of no suggestion ideas. Respondents conceived of approximately twice as many suggestion ideas as they shared with companies.

Inductive content analyses of text responses revealed five suggestion-sharing motivation themes (*It's good for me*, *I'd feel better*, *It's good for others*, *It's good for the firm*, and *Sharing is easy*) and eleven inhibitor themes, including *Nothing will change* (mentioned by 41.6% of respondents), followed by *It's not good for me* (26.1%), *It's too much work* (23.2%), and *They make contact unpleasant* (15.0%).

Key Contributions

Consumer suggestion sharing is an amply rich, common, and important, behavior to warrant focused study. Our results provide an empirical and theoretical foundation for future consumer suggestion-sharing research.

We establish a baseline on the prevalence of consumer suggestion sharing, indicating that a large majority of consumers share suggestion ideas with companies and highlighting the prevalence of face-to-face, unsolicited suggestions shared in services contexts. Interestingly, despite the excitement regarding social media as a customer communication and engagement channel, very few consumers appear to share their suggestion ideas that way. Approximately a quarter do not share suggestions at all despite conceiving of ideas for improvements that could be shared.

A rich schema of themes emerges that evinces the mental calculus behind suggestion sharing, with consumers evaluating their suggestion ideas and assessing the potential benefits to themselves, to others, and to the firm, considering the efficacy of taking action to try to induce change, and contemplating factors that make sharing their ideas painful or challenging.

Marketing's understanding of suggestion sharing has been constrained by a research focus only on multidimensional constructs. Further research is needed to help firms more ably avail themselves of consumers' desire to contribute to their and other customers' betterment.

References are available on request.

Back in Time: Time-Travel in Virtual Reality and the Preference for Vintage Products

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Keywords: *virtual reality, time perception, metaphorical mapping, vintage consumption, embodied cognition*

Description: *The research explores the influence of mental time-travelling in Virtual Reality vs. 2D for buying intention of vintage products.*

EXTENDED ABSTRACT

Research Question

The ability to mentally travel in time is seen as fundamental difference between humans and animals that enables future planning while simultaneously remember past experiences (Suddendorf and Corballis 2007). Thereby, time orientation is very important, because it influences consumers' preferences in context of time-related decisions (Zhang and Aggarwal 2015). As preferences and product choices are unstable (Hsee and Zhang 2004), research and practitioners are looking for determinants to forecast consumers' decision in various situations. Consumers' time orientation as well as their perception of sensorimotor experiences may help to predict product evaluation. Thereby, Virtual Reality (VR) opens up new possibilities in creating shopping experiences, because it allows almost natural movements while being in three-dimensional virtual environments. Although previous research suggests that VR will revolutionize online retailing (Grewal et al. 2012), it is unclear how it influences consumer preferences. We suggest that consumers' time perception affects preferences for products and that the differentiation between VR or 2D environments has a crucial role within this relationship. The aim of this research is to investigate, if VR influences the impact of mental time-travelling on consumer preferences. Moreover, the study examines how VR can strengthen consumers' time orientation which may influence their product choice.

Method and Data

We conducted an empirical study with 132 participants (62.1% female, M_{age} = 25.2), which were randomly assigned to a 2 (mental time-travelling: future vs. past) × 2 (display: 2D vs. VR) between-participants factorial design. In order to manipulate mental time-travelling, we first asked participants in past (vs. future) condition to write down two events that happened in past (vs. future). Afterwards, respondents were exposed to purchase situations in which they aim to buy an alarm clock in a VR (vs. 2D) online shop. Secondly, we activated the metaphorical link of "Past-behind" vs. "Future-in front" in the participants' subconscious by requesting respondents in past (vs. future) condition to walk backwards (vs. forwards) to see products in the store. In the VR condition, respondents were able to naturally walk backwards (vs. forwards) in the past (vs. future) condition, whereas participants in the 2D conditions were only able to walk mentally backwards (vs. forwards) by clicking on a button. At the end of the walkway, participants saw two different alarm-clocks and needed to choose one of them.

In order to test our predictions, we applied a moderated mediation using bootstrapping procedure with PROCESS (bootstrapped samples 10,000, Model 7, Hayes 2018).

Summary of Findings

The experiment revealed that dynamic sensorimotor experiences of walking backwards in VR interacted with mental time-travelling into past and led to higher perceived connectedness to past of participants. However, static sensorimotor experiences of walking backwards did not yield this interaction effect with mental time-travelling on connected-

ness to past. Thereby, our study confirms results of Known and Adaval (2018) by demonstrating differences between dynamic and static sensorimotor experiences to affect consumers' perception and further shows suitable options to implement dynamic and static variables. Moreover, we demonstrate that experiences in computer-generated environments presented via VR-headsets are comparable to experiences in real-world, which offers great potential for retailers.

Regarding the influence of mental time-travelling, our analysis did not detect a direct effect of perceived past time on connectedness to past. However, in interaction with dynamic sensorimotor experience (VR), an influence could be revealed. Specifically, the analysis provide evidence for a moderated mediation of mental time-travelling and display on purchase intention for vintage products with connectedness to past as mediator. Hence, the interaction of manipulating perceived time to past and VR display fostered connectedness to past which led to higher purchase intention for vintage products.

Key Contributions

We provide two main contributions: First, we contribute to emergent literature on VR by revealing new insights into effects of VR on consumer preferences. Second, we contribute to literature on consumers' time perception by demonstrating how time orientation can be influenced via VR: While previous research found that consumers are more likely to save for the future when they experience themselves as older person in VR (Hershfield et al. 2011) our study extends this finding to product choices. Specifically, we investigate how time orientation manipulated through VR influences choice of designed products with vintage or future appeal. We find that VR can strengthen consumers' connection to past which may have far-ranging implications for retail, health, and service providers. For example, travelling in VR could be used in mental health treatments. Moreover, VR offers potential to develop new virtual services such as providing mental time-travelling experiences.

To sum up, this paper underlines the strong relevance of metaphorical mapping and embodied cognition and urgency for further research in this field. Companies are currently designing and programming VR shops, therefore marketers need to make sure that the nature of interactions with virtual environments is designed to be supportive and not against company's intention.

References are available on request.

Luxury Brand Engagement in Social Media Websites

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Keywords: *content marketing, luxury brand engagement, luxury dreams, self-concept*

Description: *The paper explores the motivations of consumers' engagement with luxury brands on social media.*

EXTENDED ABSTRACT

According to McKinsey and Company (2018) report, the total global luxury market sales is €254 billion, 80% of this amount is influenced by digital technology, online luxury sales is expected to reach 20% of the total luxury sales in 2025, the millennial generation is the dominant of online luxury shopping, they account for some 130% of luxury industry growth, 98% of millennials use social media platform and they spend 17.5 hours on each social media platform per one week. BCG reveals that consumer engagement in digital environments will drive growth of luxury brands and retailers (BCG-Altagamma, 2019). In the literature, it has been noticed a significant diffusion of luxury brand-hosted social media research (Kim and Lee, 2017; Lee and Watkins, 2016), and the effect of using social media in brand equity and customer equity (Godey et al., 2016; Kim and Ko, 2012). However, it is still virgin what drive consumer to engage with luxury brands on social media. Hence, the aim of this research is to study the causes and motivations of consumers' engagement with luxury brands on social media platforms.

Research Methodology

The applicable methodology to explore the motivations behind luxury brand engagement on social media is to conduct sequential exploratory mixed-method design, moving from qualitative to quantitative methods. A series of studies have been conducted to achieve the research objectives. Starting from study 1, in-depth interview method was adopted to yield a clear understanding of the luxury consumers' perception about luxury brands engagement. The 25 semi-structured interviews lasted between 45 minutes to 1 hour and were recorded digitally, all the interviews were in English language, and transcribed verbatim. For data analysis, open coding and axial coding were used (Strauss and Corbin, 1990). Four antecedents were found, two are new to literature; post quality and brand ethereality, while two are from theory-driven; actual self-congruency and convenience. Study 2 is the scale development phase (Gerbing and Anderson, 1988), which established measurement items' for post quality and brand ethereality, and study 3 test the nomological model of study.

Summary of Findings

In contrast to existing and previous engagement studies, the findings reveal four factors that can be beneficial to luxury branding literatures. The findings help to explain why consumers engage with luxury brands on social networking websites. The study shows how actual self-congruency, brand ethereality, convenience, and post quality affect consumers' engagement with luxury brands, and the impact of consumers' engagement with luxury brands on brand loyalty and bandwagon consumption behaviour.

Theoretical and Practical Contributions

Our research irrigates both engagement and luxury fields through shed the light on consumers' motivations to luxury brands engagement. Our research explores the antecedents of luxury brand engagement in social media platforms; this paper highlight on some part of the project, this paper discusses the top new four antecedents of luxury brand engagement in social media platforms, which has not been studied before in the engagement marketing literature. Our work extends the model of Hollebeek et al. (2014) into the luxury social media setting. We found that consumers' engagement

with luxury brands on social networking websites are influenced by a mix of factors. The study responds to Hollebeek et.al's (2016) call to shed the light over the motivations of customer engagement in a service system (social media in this study).

The results gained through this study can help guide luxury brand managers how to better manage their brands on Facebook and Instagram. The results reveal that luxury brands management on social media should be different and distinctive from other brands, because the motivations to engage with luxury brands are different other type of products. Dreams, self-concept and content marketing are among the motivations of luxury brand engagement, thus, luxury brand managers need to be aware of their brand presence in social media platforms, they should consider an artist dimensions on their content marketing strategies to better keep the customer engaged, luxury brand managers should also consider how best to deliver creative and novel content, sensational design, congruence with customers' personalities.

References are available on request.

Rejection Management: Bright and Dark Sides of Rejecting Product Testers

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EXTENDED ABSTRACT

Research Question

Product testing programs—defined as a marketing instrument which allows customers to receive a product for free or at a reduced price in exchange for writing an online review or giving feedback to the company (Yao, Lu, Phang, and Ba, 2017)—have evolved as a popular marketing tool. However, in practice companies typically only offer a limited number of free test products and consequently not every person applying for participation in the program actually gets a chance to become a product tester. Instead, some applicants are rejected and thus, do not receive the free product but a rejection. Until now, it is not clear how a rejection as an answer to an application for product testing influences attitudes and behavior of rejected applicants. Therefore, our results help companies to make better decisions on designing an appropriate rejection management. The study aims to answer the research question: How will rejections of potential product testers influence their purchase intentions and negative word of mouth behavior?

Method and Data

In order to analyze the impact of a rejection on a rejected tester's behavior as well as the underlying psychological mechanisms we conducted a scenario experiment. We used a 2x2 between-subjects design and manipulated rejection of applying for a product test (rejected application versus no application) and the price of the test product (low price versus high price) on two levels. The context of the study was a product test of a digital camera offered by a fictitious brand. For the hypotheses tests, we employed the PROCESS procedure (Hayes, 2013).

Summary of Findings

Product tests have evolved as a popular marketing tool. However, so far research and practice seem to focus on accepted product testers and potential positive results of offering products for free. In our research, we take a different approach and look at the so far under-researched topic of rejections. Relying on attribution theory and the scarcity effect as well as a lab experiment, we find differential effects of rejecting product testers on purchase behavior of the respective product. While a rejection increases purchase likelihood via increased attractiveness of the test product, it also has a negative effect on purchase likelihood via increased skepticism towards the product test. The effect on skepticism is even more pronounced in case of high priced test products.

Key Contributions

Our results have three important implications for marketing practice. First, companies should actively manage the number of participants within their programs. If they want to avoid any feelings of skepticism and associated negative effects on sales as well as word of mouth behavior, they could consider accepting more applicants.

Second, companies can try to increase the attractiveness of the test product when rejecting potential product testers. For example, a rejection email could stress that only very few product testers were chosen as the product is very special.

Third, companies which consider launching product tests should think about avoiding or reducing feelings of skepticism. According to the results, the company should use test products with a low price for the product testing. By these means, the negative effects of rejections to product testing can be mitigated.

References are available on request.

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Attention on Product vs. Background: Presenting Different Product Categories in Virtual Reality and the Effect on Preferences

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Keywords: *virtual reality, processing fluency, shifted attention, purchase intention*

Description: *This research explores the role of shifted attention and processing fluency in 2D vs. Virtual Reality (VR) online product presentation.*

EXTENDED ABSTRACT

Research Question

Virtual Reality (VR) offers new possibilities in product presentation by enabling consumers to examine products in 3D by visualizing the proportion of product sizes and product variations. These possibilities are relevant in context of products that are only produced on request and require an exact planning in advance. Thereby, VR offers an advantage, especially for products where the fit with the environment is important. However, processing fluency theory explains that shifting attention to background when purchasing involves risks, because a stimulus is evaluated more positively, if processing fluency is high (Kahn 2017). So far, only few studies exist about processing fluency regarding products where environmental fit is key for purchasing. Also, the perception of fluency in context of product presentation in a VR vs. 2D online shop and its influence on purchase decision also represents a new research field.

This study aims to examine how VR vs. 2D facilitates processing of product presentations when shopping and thus promote purchasing decisions due to shifted attention and processing fluency. Thereby, two product categories will be examined more detailed: One product category, where background fit is not relevant as purchase criterion and another product category, where environmental information are particularly important for purchasing.

Method and Data

We conducted two empirical studies. The data for study 1 were collected by using an online survey. 129 respondents (65.9% female, M_{age} = 26.2) were randomly assigned to a 2 (media type: 2D vs. VR) × 2 (product category: flooring vs. camera) between-participants factorial design. Flooring represents the product category, where background information is relevant and camera the product category, where environmental information is not relevant for purchase decision making. Respondents were empathized with a purchase situation in which they aim to buy a camera or flooring. Self-recorded videos demonstrated the different purchase processes through 2D and VR. In order to test our hypotheses, we applied a sequential moderated mediation using PROCESS (bootstrapped samples 10,000, Model 84, Hayes 2018).

Study 2 was designed as lab experiment to validate the results of study 1. 89 participants (58.4% female, M_{age} = 26.8) were randomly assigned to 2 (media type: 2D vs. VR) × 1 (product category: camera) between-factorial design and were emphasized with a purchase situation for cameras. In the 2D scenario participants saw a 2D online store, whereas the VR condition included a VR online-shop using an HMD. To test our predictions, we run a one-way ANOVA using SPSS.

Summary of Findings

This study demonstrates that VR enables to include information about the environment that are relevant for purchase decision while shopping online. The results of study 1 reveal that VR is an influencing factor for consumers shifted attention and that product category moderates this effect. Accordingly, presenting floor coverings in VR vs. 2D leads to higher shifted attention. Second, the study also supports previous findings on processing fluency. Consequently, the increased shifted attention from the product floor covering to the environment makes visual processing more difficult and thus reduce buying intention. However, the presentation of the camera in VR vs. 2D promotes the focus on product so that the visual processing is facilitated and therefore the intention to buy increases. Accordingly, VR promotes purchase intention for products where background information is not relevant due to the higher focus on the product and the more fluent processing. On the contrary, VR indeed facilitate the integration of background information for products where that is an important determinant for purchasing. However, the shifted attention is unfavorable for purchasing because it reduces the processing fluency. To sum up, shifted attention and processing fluency have a decisive influence on the purchase intention.

Key Contributions

The study contributes to literature in two main ways: It first contributes to emergent literature on VR by providing new insights on consumers perception in three-dimensional virtual environments. It second contributes to literature of processing fluency by determining VR as influencing factor for consumers shifted attention while product category moderates this effect. Thereby we raise new findings for the effect of representation of different product categories on a 2D or VR display type. We show that VR intensifies the focus on product categories where product information is important and further allows integration of different settings for products where background information is relevant.

Based on our findings our recommendation for marketers is to use VR for product categories where product information is important. VR intensifies the focus on these products, which facilitates processing and therefore positively influences purchase intention. However, for products where background information is relevant, we suggest to wisely consider using VR for product presentation. VR allows integrating different settings, but our results also illustrate the risk of focusing too much on the background due to impairments of processing and the resulting decrease of purchase intention.

References are available on request.

Industrial Marketing—Supply Chain Management

New Paradigm in B2B Relationships

B2B Buyers Breaking Bad: Aggression in the Name of Rationality

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Keywords: *B2B buyers, aggression in business, rationality, marketing concept, qualitative research*

Description: *This qualitative inductive research describes aggressive behaviors of professional B2B buyers toward salespeople as a process of professional degeneration and moral disengagement.*

EXTENDED ABSTRACT

Research Question

Understanding customers and their behavior has always been a key marketing tenet. We know far less, however, about professional buyers in B2B than we know about B2C consumers.

The managerial literature paints a drastic picture of B2B buyers and their *"brutal relations"* (O'Marah 2016) with sellers. Reports speak about *"shocking tactics"* and *"predatory practices"* (England 2017) of buying firms. The clashes are played out at the individual level. Neumayer (2016), for example, referred to one automotive OEM's purchasing department as a *"torture chamber,"* where salespeople face *"hour-long grueling meetings without day-light, without a sip of water"* and *"hard fights full of threats and scornful remarks."* These reports contrast remarkably with the partnership rhetoric that dominates academic writing about buyer-supplier relationships.

In this study, we seek to understand how individual sellers and B2B buyers feel about the purported torture chambers:

• How do salespeople perceive buyer behaviors?

• How do buyers perceive their behaviors toward salespeople?

• How do buyers feel in their jobs?

Our particular emphasis is on how aggressive buyers can live with themselves and how they comment on the allegations.

Method and Data

The data collection encompassed in-depth conversations with buyers and salespeople, participant observation of buyer-supplier interactions, shadowing in the purchasing department of a multinational corporation, and written materials. Our data analysis followed an inductive approach (Thompson 1997). To understand phenomena from our informants' perspective, we coded transcript passages with first-order codes close to their language (Gioia, Corley, and Hamilton 2013) and aggregated them into broader, theoretical themes (Corbin and Strauss 2015).

We then interpreted the dynamic relationships between these themes (Rogers, Corley, and Ashforth 2017). We abstracted a model of B2B buyers' professional degeneration that starts with tough financial targets and ultimately leads to the suffering of salespeople as well as buyers and their families. To corroborate the model, we looked for the breaking bad narratives in every transcript of our buyer interviews. We found the full process in 1/3 of the buyer interviews and parts of the process in the others.

Summary and Findings

The salespeople study confirmed that salespeople experience psychological violence when the buyers exert pressure. Salespeople mostly endured the violence silently and quoted the "customer is king" maxim as an excuse.

In the buyer study, four themes stood out. First, buyers did not describe their behaviors as aggressive but as rational.

Second, buyers claimed that their behaviors were driven by tough saving targets from management. Third, buyers justified their behaviors as a self-defense against salespeople and as a service to their companies. Fourth, buyers reported that their habitualized toughness began to hurt their private lives.

We propose that there is a professional degeneration of B2B buyers that resembles the "breaking bad" of the TV character Walter Whyte: In three phases, the studied buyers internalized tough negotiation behaviors and developed an emotional numbness that harmed their private lives. At first, buyers de-emotionalized negotiations and used tactical aggression to reach their tough financial targets. Over time, buyers practiced the aggressive behaviors until they became second nature. Feedback loops reinforced the process: Self-defense narratives silenced moral doubts and buyers learned that the aggressive behaviors worked. In a third step, buyers internalized the tough behaviors such that they were unable to behave differently in private.

Key Contributions

First, our description of buyers' aggression exposes the dark side of business rationality. Buyers said they developed a focused, rational attitude to meet their tough savings targets. This rational attitude, however, gradually sled into aggressive behaviors that ultimately caused suffering for salespeople, buyers and their families alike. This is remarkably consistent with the Frankfurt School's critical view of rationality: Rationality once allowed humanity to dominate nature but went on to dominate its human masters (Adorno and Horkheimer 1972).

Second, our study exposes a negative unintended consequence of the marketing concept. Salespeople suffered from the buyers' aggression but quoted the marketing doctrine to excuse it. The "customer is king" maxim led salespeople into submissiveness.

Third, the salespeople's suffering calls for regulation that protects sellers from abusive customers just as current legislation contains rules protecting buyers from sellers. The salespeople's suffering calls managers to critically rethink the "customer is king" mantra in an environment where the king is a tyrant.

References are available on request.

Buyers' Strategic Demand Information Disclosure to an Upstream Echelon for Entry Encouragement

Kenji Matsui, Kobe University

Keywords: *channels of distribution, disclosure, demand information, entry, game theory*

Description: *This paper investigates whether a buyer purchasing products from a supplier should disclose its demand information to an upstream echelon when there is a potential entrant supplier, demonstrating that the buyer can increase its profit by disclosing the information because disclosure lures the potential supplier into the market.*

EXTENDED ABSTRACT

Research Question

Nowadays, information sharing among firms constituting complex supply chains has been a critical issue in the field of marketing from both academic and practical perspectives. In general, firms downstream of a supply chain tend to accumulate richer demand information because they are closer to end consumers and thus have more opportunities to interact with consumers than firms that are upstream. Given the growing importance of demand information sharing among supply chain members, our research question is: Should a buyer purchasing products from a supplier disclose its demand information to an upstream echelon when there is a potential entrant supplier?

Method and Data

We employ noncooperative game theory to construct a marketing science model. Because this paper is theoretical research, it uses no data.

Summary of Findings

The major finding based on our marketing science model is that a buyer can increase its own profit by fully disclosing information when there exists not only an incumbent supplier currently operating, but also a potential alternative supplier who waits for the opportunity to enter the upstream market. This finding means that the well-known result in the information sharing game in a supply chain can be reversed when there is an entry threat at the upstream supplier level.

Key Contributions

The present paper makes contributions to two areas of the marketing literature: the literature on information sharing and the literature on competition with consideration of entry threat. First, conventional wisdom proposed in previous game-theoretic studies suggests that a downstream firm should not disclose demand information to an upstream supplier if the buyer pursues only its own profit. Contrary to this previous result, we draw the counterintuitive implication that a buyer's information disclosure can increase its own profit. Second, contrary to many previous papers that suggest entry "deterrence" as an effective competitive strategy, we gain a new theoretical perspective that entry "encouragement" or "promotion" improves the profit of an incumbent firm, which is a contrasting result to that of existing models. In addition to the academic contribution, our result provides a practical insight that can be used as decision support by a downstream buyer, so that the buyer can secure an alternative source of products from another supplier through information disclosure, thereby enhancing its profit.

References are available on request.

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Understanding Shared Knowledge in Buyer-Supplier Relationships

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EXTENDED ABSTRACT

Research Question

Although knowledge overlap, i.e., shared knowledge, between buyers and suppliers is crucial for coordination, problem solving, supplier development, and monitoring, it is also costly and may reduce the potential for new knowledge combinations and increase fear for knowledge leakages. The question is therefore, how can buyers and suppliers manage this tension between shared and idiosyncratic knowledge?

To understand this question, we develop a framework that describes different types of shared knowledge based on two dimensions: the *mutuality* and *relationship specificity* of the knowledge. First, we separate between *relationship relevant* and *nonrelevant knowledge*. Second, for relationship relevant knowledge, we separate between *idiosyncratic* (i.e., nonshared) *relationship relevant knowledge* and *shared relationship relevant knowledge*. Third, for shared relationship relevant knowledge we further separate between *relationship specific* and *nonspecific knowledge*. Relationship specific knowledge develops through dialogue between the parties and has therefore a particularly high level of *mutuality*, i.e., the parties do not merely share the knowledge; they also know that they share it. For idiosyncratic and shared relationship relevant nonspecific knowledge, we further differentiate between different domains: *business*, *technology* and *formal knowledge*. For relationship specific knowledge, we separate between *knowledge of counterpart's organization* and *counterpart's mental models*.

Method and Data

The empirical part of the paper tests the logic of this framework and assesses the effects of the different types of idiosyncratic and shared (nonspecific) knowledge on relationship specific knowledge as well as the effect of relationship specific knowledge on two performance variables, buyer's cost reduction and innovation outcomes.

As context, we utilize buyer-supplier relationships in the Scandinavian wood industry, where most firms use the same underlying technological knowledge (wood technology). We rely on a single key informant from each buying firm, experienced purchasing managers. We obtained 305 complete responses.

Several of the measures are new. To develop these measures, we created a large pool of items and tested them on a sample of potential informants through nine in-depth interviews. We transcribed all interviews, and classified and counted all problems that the interviewees mentioned leading to several improvements. In addition, we sought feedback from industry experts and researchers that further improved the measures. Measure validation using structural equation modeling provides adequate reliability, convergent and discriminant validity.

We test the hypotheses using ordinary least squares (OLS). We also use two-stage least squares (2SLS) to assess poten-

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tial endeogeneity problems in the performance equations, but we find no evidence of endogeneity.

Summary of Findings

We find mixed support for our *first hypothesis* that shared technological, business and formal knowledge influence the degree of relationship specific knowledge. Shared technological knowledge (measured as an interaction term between buyer and supplier technological knowledge) has no relation with relationship specific knowledge. However, shared business knowledge (also measured as an interaction term) and shared formal knowledge (measured using a similarity scale) are both positively related to relationship specific knowledge. Supporting our *second hypothesis*, we find that relationship specific knowledge positively affects both performance outcomes. When we disaggregate relationship specific knowledge into knowledge of the counterpart's organization and knowledge of the counterpart's mental models, we find support for our *third hypothesis* that the buyer's understanding of the supplier's mental models interacts with the supplier's understanding of the buyer's mental models in affecting both performance outcomes.

In addition, the indirect performance effects of shared business knowledge and shared formal knowledge are all significant and positive, which suggests mediation. Formal knowledge similarity has a negative direct effect on innovativeness outcomes, which supports the main arguments in the knowledge redundancy literature. Finally, (nonshared) supplier technology and business knowledge are all significant and positive.

Key Contributions

This study develops and tests a framework for understanding shared knowledge in buyer-supplier relationships. Considering not only the amount, but also the mutuality and the relationship specificity of knowledge enables us to develop a new typology and a better understanding of why and how shared knowledge affects performance. The finding that two out of three types of nonspecific shared knowledge positively affect relationship specific knowledge indicates that nonspecific shared knowledge provides a platform for communication that facilitates establishment of relationship specific knowledge. These types of nonspecific shared knowledge also affect performance positively, but the effect is indirect and goes through relationship specific knowledge, which highlights the importance of relationship specific knowledge. That the buyer's and the supplier's understandings of one another's mental models interact in affecting performance support the theory that *cross-understanding* (the accuracy with which the parties understand one another's mental models) is particularly important because it enables the parties to communicate based on common ground. Through improved conceptual clarity, we thereby contribute to more rigorous future research on shared and idiosyncratic knowledge in buyer-supplier relationships.

For marketing practice, our findings have implications for the decisions on investing in the development of shared knowledge at the buyer-supplier interfaces.

References are available on request.

The Influence of Attribution and Entitlement Effects on Industrial Customers' Willingness-to-Pay for Ancillary Services

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EXTENDED ABSTRACT

Research Question

Industrial companies increasingly pursue servitization strategies. Extant research has investigated barriers and enablers of servitization, such as service business models, company-wide structures and processes, as well as individual functions. Pricing of ancillary B2B services represents a long-recognized, albeit under-researched domain, although researchers identified that setting prices represents a particularly nagging managerial problem in B2B contexts. Sales forces often find that B2B clients voice a low or no willingness-to-pay (WTP) for ancillary services, in particular when offered in conjunction with high-priced industrial goods. Based on entitlement theory, we aim at understanding the role of an underlying good's price as one of the determinants of customers' WTP for ancillary services. Further, based on attribution theory, we explore whether other factors, such as a decision-maker's perceived personal risk, might impact customers' WTP. In short, we explore the following two research questions:

Does an underlying good's price influence customers' WTP for ancillary services? More specifically, does a threshold exist with respect to a good's sales price, beyond which B2B customers exhibit a decreasing (or no) WTP for ancillary services?

Do individual factors influence organizational customers' WTP for ancillary services? In particular, does decision-makers' perceived personal risk drive their WTP for ancillary services?

Method and Data

First, based on expert interviews in the machine building industry, we assembled a comprehensive list of different types of services (e.g., guarantee extension) and specific levels for each type (e.g., no, additional 6 months, additional 12 months) that would cover most market needs. In total, we included 19 service types with 54 service levels (i.e., we detail each service with 2 to 4 service levels). Second, we contacted industrial buyers who had procured a machine in the past and intended to buy another machine with accompanying services in the future. We generated a unique dataset of responses of more than 440 managers collected through telephone-assisted online questionnaires. Third, to incorporate a hypothesized threshold in a nonlinear relationship between machine price and WTP we conducted a moderated, segmented regression analysis that regressed a manager's perceived personal risk and the machine price on WTP. We further conducted an additional robustness check to explore whether purchasing professionals perceived a breakpoint in the relationship between machine price and WTP for ancillary services. To this end, we

analyzed whether customers were less likely to exhibit a WTP different from zero if the machine price is high.

Summary of Findings

This study shows that decision-makers' WTP for ancillary services decreases if a capital good's costs reach a certain threshold; in the context of this research, WTP decrease if the machine price exceeds EUR 150k. Furthermore, decision-makers' WTP for ancillary services increases if s/he perceives a high personal risk attached to the buying decision. An additional robustness check confirms that the likelihood of exhibiting a WTP greater than zero (i) decreases significantly as the machine price increases, and (ii) increases as decision-makers perceive a higher personal risk. These findings help industrial companies optimize their pricing strategy for goods, services, and combination thereof and provides directions for selling ancillary services in B2B markets.

Key Contributions

From an academic perspective, our research indicates that industrial buyers' WTP for ancillary services is not only a function of their value perception, but is also driven by an entitlement effect as well as attribution theory. This insight adds to the emerging literature on the role of perceived entitlement in B2B markets. Our results also contribute to recent literature emphasizing the role of purchasing manager-specific variables for understanding organizational purchasing. Decision makers consider their individual goals and personal risk when determining their WTP for ancillary services.

From a managerial perspective, our research assists industrial salespeople optimizing their pricing, bundling and sales strategies. In particular, our research helps to decide when to offer bundles, whether to immediately sell ancillary services or to separate purchase decisions of physical goods and ancillary services, and how to increase a client's WTP by emphasizing the personal risk that may result from a poor purchase decision in the negotiation process.

References are available on request.

Physicians' Interest and Sample Need: Implication to Pharmaceutical Detailing

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Keywords: *pharmaceutical detailing, pharmaceutical sampling, physician's interest to meet sales rep, physician's sample need*

Description: *Using a national survey of physicians, we examine the physician's interest to meet the pharmaceutical firm's sales rep and their drug sample need.*

EXTENDED ABSTRACT

Research Question
The pharmaceutical firm's detailing and sampling effort of a new drug plays an important role for the success of the new drug launch. Their sales reps want to meet the physicians to introduce their new drug and provide samples but they should be efficient in contacting the physicians and offering samples since the detailing time is limited especially in the current regulatory environment and the sampling is costly. The study provides insights on how the pharmaceutical firms can better target the physicians for their detailing and sampling effort.

Method and Data
We set up a model of physician interest to meet the sales rep and a model of physician need for drug samples given their interest, and a relationship between the two. A national survey of physicians includes the physician's profile, patient volume, current drug usage, drug adopter category, drug attribute importance, new drug evaluation, perception about new drug attributes, competitor activities, and new drug trial and adoption intention.

Summary of Findings
The results of the model of physician's interest to meet the sales rep implies that the pharmaceutical firms can increase the chance for their sales rep to meet the doctors if they contact the specialist physicians who believe that the PCP is the gatekeeper for medical procedures. They can also increase the chance if they contact the doctors who think it is important for the pharmaceutical firms to offer product samples since they are more open to meet the sales rep. They can increase the chance if they contact the physicians who perceive that the new drug provides data to show effectiveness versus other products. The results of the model of physician's sample needs implies that the pharmaceutical firms are recommended to provide more samples if the doctors prescribes more and work in a larger institution. It is natural that the firm should provide more samples if the doctors think it is important for the firm to offer product samples. The firms are also recommended to provide more samples if the doctors perceive that the new drug is predictable in terms of how soon the drug will work and if they are to adopt the new drug later than sooner. The relationship between the two processes is shown to be statistically insignificant. The study further provides predicted probability of physician interest and number of samples they need for individual targeting.

Key Contributions
This study fills the gap in the literature in the study of pharmaceutical firm's detailing and sampling effort by directly examining the physician's interest to meet the sales rep and the number of samples needed and by providing managerial implications to the pharmaceutical firms.

References are available on request.

Managing Business-to-Business Trade Shows as Two-Sided Markets

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Keywords: *trade shows, business-to-business marketing, attendee experience, exhibitor performance, two-sided markets*

Description: *This study identifies and tests the antecedents and consequences for attendees, exhibitors, and organizers of business-to-business (B2B) trade shows from a two-sided markets perspective, and shows how the whole system is integrated to leverage all actors performance.*

EXTENDED ABSTRACT

Research Question

RQ1. How to increase attendees' participation and improve their experience at a B2B trade show?

RQ2. How to increase exhibitors' participation and improve their performance at a B2B trade show?

RQ3. How to integrate organizer's perspective into a system where both attendees and exhibitors are customers at a B2B trade show?

Method and Data

In depth interviews, structural equation modeling (SEM), endogeneity, mediation analysis, survey data and archival data from four B2B trade shows in different countries (Canada, Chile, Peru, and U.S.) in the 2015–2019 time period.

Summary of Findings

Our findings show that objectives and performance of attendees, exhibitors, and organizers are intrinsically associated. Drawing on qualitative and quantitative data, we first identify and operationalize the key performance measures for the three different actors in the system. Second, we identify and operationalize the antecedents influencing the performance measures. Third, we integrate attendees, exhibitors, and organizers perspectives into one full model.

Key Contributions

1. We establish the key performance measures for attendees, exhibitors, and attendees of B2B trade shows. This provides a meaningful, practice-based approach for further research and managers struggling with the challenge of controlling participation in such as marketing activity.

2. We develop actionable scales for managers and academicians interested in investigating the antecedents to attendees' experience and exhibitors' performance. This offers new streams for theory development and helps managers to better plan their participation in B2B trade shows.

3. We provide empirical evidence to the understanding of B2B trade shows as two-sided markets. This is an initial endeavor to integrate the whole system (i.e., attendees, exhibitors, organizer) in a unified model. Importantly, a two-sided market approach is challenging for organizers, as they need to deal simultaneously with both attendees and exhibitors in order to cocreate value.

References are available on request.

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International and Cross-Cultural Marketing

International Marketing Strategy

International Marketing Strategy

The Rise of Political Risk and Firm Performance Abroad: The Case of the American Cars in Mexico

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Keywords: *political risk, auto industry, cross-border risk management, cross-border risk mitigation, generalized synthetic control*

Description: *This study investigates the effect of a political risk in the form of a presidential change in the U.S. on the performance of American car sales in Mexico.*

EXTENDED ABSTRACT

Research Question

Political risk factors pose risks abroad for companies. In particular, presidential elections constitute a moment when political risk is articulated (Imai and Shelton, 2011). In this study, our research question is: How does a political risk in the form of a presidential change in the U.S. affect the sales of American cars in Mexico?

Method and Data

We collect a comprehensive and unique data set of model-level monthly sales data over a two-year period (2016–2017: a year before and a year after the U.S. presidential election). The presidential election in the U.S. in 2016 offers us an opportunity to assess the impact of a political risk in the form of a change in leadership and governing philosophy on the performance of domestic companies abroad. Protectionist policies of the new administration that favor the benefits of domestic companies can lead to improved sales for U.S. cars. On the other hand, increasing political tension between the two countries (i.e. the U.S. and Mexico) may hurt local consumer confidence toward American cars sold in Mexico. The final effect depends on consumers' motivation, opportunity, and ability to respond to shifts in the markets. A challenge to measuring the impact of such effects is to come up with robust counterfactuals against which to measure the effect. To address this challenge, we apply a novel method—generalized synthetic control—which creates robust counterfactuals. Such design is facilitated by having an extensive set of potential control car models in our data set.

Summary of Findings

We find that, on average, the U.S. car sales decrease by 17% relative to controls as generated by the generalized synthetic control method. Controlling for confounding factors such as inflation and seasonality through month fixed-effects (factors that vary monthly but affect sales of all auto manufacturers the same way), the results show substantial negative effect of the U.S. presidential election on American car sales relative to non-American brands. Importantly, we highlight product specific differences among these effects. For example, the negative impact is mitigated if the car quality is perceived the best. Our findings are robust to different samples and specifications.

Key Contributions

Our study implies that the effect of political risks on cross-border firm performance is more extensive and persistent than the impacts observed in the stock market.

References are available on request.

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Culturally Motivated Pricing

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Keywords: *strategic international entry, culturally motivated pricing, foreign versus local retailer competition, WTP across cultures*

Description: *When looking at the impact of consumer-level and country-level differences on a firm's decision to enter and subsequently price in markets with heterogeneous customers, I find that despite the mantra for overall globalization, it is not always the case that all retailer types have a presence in both domestic and international markets.*

EXTENDED ABSTRACT

Research Question
I aim to understand the impact of cultural factors on a consumer's WTP and how WTP, combined with macro factors (such as market uncertainties and GDPR), affect a firm's decision to enter a foreign market and set optimal prices in that market.

Method
I combine micro (consumer-level) differences that have been observed and reported across markets, with macro level differences (such as GDPR and the cost of doing business in unregulated markets) to build a game theoretic model of pricing in international and domestic markets. Specifically, in this paper I use analytical modeling to examine how merchandising competition between two retailers, one in an emerging market and one in a developed market, compare on pricing strategies.

Summary of Findings
Results from the analytical models suggest that, when it comes to diversifying across markets, there is not a one size fits all approach. Rather, the type of firm, macro and micro level differences all play a role in this decision. For the foreign firm the prestige consciousness of the Asian consumers offsets some of the losses in demand due to price sensitivity, making it a more viable option. Further, the foreign retailer benefits from the presence of prestige seeking consumers by being able to charge a higher price in the Asian market.

Finally, the presence of macro costs (market uncertainties and GDPR costs), makes it sufficiently clear that despite the mantra for overall globalization, it isn't always the case that all retailers have a presence in all markets (domestic and international). While it is easier to justify a move by a foreign retailer due to the positive benefits it accrues from the prestige seeking behavior of Asian consumers, it is harder to do so for the local firm.

Key Contributions
To the best of my knowledge, this study is the first to propose a theoretical model of these micro and macro variables together in the particular and pertinent context of these differential markets. While there is empirical work on the impact of national culture on firm entry decisions there exists no theoretical models addressing this important issue. Given the general call for studies to move beyond those that have been traditionally conducted in the United States, I seek to highlight this research in the retail industry. I believe this paper can provide strategic cues for MNCs operating across various markets as they engage in differential pricing tactics.

References are available on request.

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Alliance Portfolio International Diversification and Firm Geographic Scope

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Keywords: *product diversification, absorptive capacity, alliance portfolio, geographic scope*

Description: *We introduce an alliance portfolio perspective and develop a framework to study the extent to which a firm's portfolio of geographically diversified alliances influences its geographic scope (the extent of a firm's subsidiary presence across the world's geographic regions).*

EXTENDED ABSTRACT

Research Question

To which extent alliance portfolio international diversification influences firm geographic scope?

Method and Data

We test the hypotheses on a sample of U.S. high-tech firms engaged in strategic alliances during 2003-2015. We analyze a firm's geographic scope in terms of subsidiaries (entities with more than 50% ownership), the data on which has been extracted from the LexisNexis Corporate Affiliations database. Our final sample is an unbalanced panel of 985 firm-year observations involving 183 firms. To test the hypotheses, we perform an OLS estimation with firm and year fixed-effects, and standard errors that are robust to heteroscedasticity and autocorrelation.

Summary of Findings

We find that firm geographic scope varies with the level of alliance portfolio international diversification, following a U-shaped pattern. Specifically, we demonstrate that firms with alliances concentrated in relatively few geographic locations reduce the geographic scope as their alliance portfolio international diversification increases. However, the association between alliance portfolio international diversification and firm geographic scope is positive at a moderate to high level of alliance portfolio international diversification. Furthermore, we find that alliance portfolio geographic distance, firm product diversification and internationaliza-

tion absorptive capacity steepen the U-Shaped relationship between alliance portfolio international diversification and firm geographic scope.

Key Contributions

The present study advances our understanding of the role of alliance portfolio international diversification for firm international expansion. It integrates and extends the marketing literature on alliance portfolio diversity (e.g., Cui and O'Connor, 2012; Wuyts et al., 2004) and absorptive capacity (e.g., Narasimhan et al., 2006; Xiong and Bharadwaj, 2011) with the international business literature on international alliances (e.g., Leiblein and Reuer, 2004; Yu et al., 2011). Unlike prior studies that have focused solely on the alliance portfolio characteristics (e.g., Jiang et al., 2010; Wuyts et al., 2004), we examine marketing-related firm attributes—product diversification and internationalization absorptive capacity—as boundary conditions for the abovementioned main effect. We contribute to the marketing literature that distinguishes between different types of absorptive capacity, but has not yet examined the effect of what we call "internationalization absorptive capacity." Our findings can inform marketing managers that despite evident challenges of simultaneously managing portfolios of marketing, codevelopment and production alliances and subsidiaries in diverse geographic regions, such strategy may be viable to access and seize available opportunities abroad.

References are available on request.

In Pursuit of Complementarity in the Internationalisation Process: Evidence from Hybrid Retailers

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Keywords: *internationalization, retailers, product diversity, digitalization*

Description: *Examining the complementarity of product and international diversification when online channels are employed*

EXTENDED ABSTRACT

Research Question

What is the relationship between product and international diversification when digitalization is considered?

Method and Data

Our research setting is the retail sector, and specifically we focus on the largest retail MNEs having international presence in one or more foreign markets. Our research focus to the period between 2006 and 2016, because 2006 is considered the start of the "second half of the chessboard," i.e., the major take-off point of the current digital revolution (Brynjolfsson and McAfee, 2014), which has greatly influenced ecommerce. The main source of our data is the PlanetRetail database. PlanetRetail sources longitudinal information, such as the number of outlets each retailer has opened in a given country and a given year, on the largest retailers in the world. We merged the retail-specific information with firm-level data that we collected from Bureau van Dijk's OSIRIS database. Our final dataset consists of 139 retailers from 27 home-countries covering the period 2006–2016. One of the key concerns in our analysis is the potential endogeneity between product and geographic diversification (Mayer, Stadler, and Hautz, 2015). In order to address this potential endogeneity issue in assessing the effect of product diversification on international diversification, we used instrumental variables and two stage least squares (2SLS) model in a panel data framework.

Summary of Findings

We show that the relationship between product and international diversification as forms of corporate strategy is not monotonically negative, but can become positive once digitalization is taken into consideration. Although we confirm the negative (substitutive) effect for firms which follow an offline strategy, our contribution stems from showing that online strategies render product and international diversity complementary.

Key Contributions

Our main contribution rests in the identification of digitalization as a crucial parameter in the distinction between product and international diversification, as well as the effect of the former on whether this relationship should be considered complementary or substitutive.

References are available on request.

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Joint Roles of Digital Media Penetration and Communication Budgets for Corporate Brand Effects Across Nations

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Description: *This study focuses on cross-national effects of perceived corporate brand equity on consumers' intentional loyalty toward a multinational corporation (MNC) and on the joint roles of country-specific digital media penetration (i.e., internet and social media) and local corporate communication budgets across nations.*

EXTENDED ABSTRACT

Research Question

Apple, Coca-Cola or McDonald's are among the strongest corporate global brands (Interbrand 2019) and have continuously invested to strengthen this intangible asset and to attract consumers across nations (e.g., Davcik and Sharma 2016; Chatzipanagiotou et al. 2019). Although those investments have affected consumer perceptions and behavior, MNCs face communication challenges due to the double-digit growth of digital communication media (MagnaGlobal 2019). To analyze such challenges, this study aims to examine whether and how perceived corporate brand equity affects consumers' loyalty (i.e., Oliver 1999), and, in particular, whether and how the joint roles of digital media penetration (i.e., internet and social media) and MNCs' communication budgets in certain countries change the effects. The interplay between the degree of the country-specific digital media penetration (subordinate) and communication budgets (superordinate) building a three-way interaction with the corporate brand effects is important to investigate. Global brand managers in headquarters are responsible for the communication budgets across nations while managers in subsidiaries tend to be responsible for the individual media selection (e.g., Petersen et al. 2015). We apply mere-exposure theory and individuals' information processing of corporate stimuli, i.e., corporate brand equity, for acquiring behavioral tendencies (Zajonc 2001).

Method and Data

We developed a sample in cooperation with a German MNC active in the chemical/pharmaceutical industry. Quota sampling relating to age and gender was applied. After outlier elimination, 32,760 respondents remained for 44 countries surveyed in 2018. The data was normally distributed.

At the individual level, we measured corporate brand equity using four items of Verhoef et al. (2007, acc. to Keller 1993). The items of loyalty were adapted from Oliver (2015; 1999). At the country level, both internet and social media penetration were measured using data for the year of analysis from the We Are Social Report (2018). Corporate brand communication budget reflects the relative budget (as-is) in percentage of country sales based on information of the MNC. We controlled for age, gender, number of respondents per country and MNC's country experience.

Existing hierarchical data structure suggests that multilevel structural equation modeling is highly appropriate, as 14.74% the differences in loyalty can be attributed to country differences. Tests for (multilevel) reliability/validity, correlations, common method variance, multilevel measurement invariance and unobserved heterogeneity are satisfactory and not a problem. We tested the hypotheses using Mplus 8.3. Curvilinearity of the cross-level interaction effects with linear main effects were further tested (Dawson 2014).

Summary of Findings

Perceived corporate brand equity positively affects consumers' loyalty across nations. Both internet and social media penetration do not have a curvilinear moderating effect on the equity-loyalty link. An insightful additional observation shows that increasing corporate communication budgets abroad increase the equity effect, but this effect is decreased. At a low level of budgets they positively but weakly moderate the equity-loyalty link, while at medium level a strong positive moderation and at a high level a weaker positive link occur. The results of the three-way interaction show a positive moderating effect of both, internet and social media penetration, on the equity-loyalty link depending on MNCs' communication budgets. However, the interaction including internet (vs. social media) penetration is stronger and dominates in effect size. The curvilinear joint moderations are as follows:

• Low, medium and high interaction terms between *internet penetration* and communication budget each show strong positive effects on the equity-loyalty link (i.e., in strength increasing influence with increasing interaction terms).

• A low interaction term between *social media penetration* and communication budget shows a negative effect on the equity-loyalty link. A medium (high) interaction term shows a (even stronger) positive link. The moderation is u-shaped.

Key Contributions

A strong positive effect of perceived corporate brand equity on consumers' loyalty across nations enhances the results on product level. We contribute to mere-exposure theory by studying various degrees of exposure to global stimuli across nations (e.g., referring to calls, Gürhan-Canli et al. 2018) which enhances national studies and those comparing few countries not addressing country-related reasons for different results (e.g., Buil et al. 2013).

This study only shows the moderating roles of both internet and social media penetration by tendency, which are nonlinear. Mere exposure theory seems not to be appropriate. A joint effect of the local context (digital media penetration) and MNCs' decisions (communication budgets) on the equity effects emerges. The mere exposure theory is meaningful for the moderating role of budgets as an overexposure, i.e., an inverted u-shaped moderation, occurs (e.g., Montoya et al. 2017). The three-way interaction confirms a curvilinear moderating effect of both, internet and social media penetration, depending on local corporate communication budgets on the equity-loyalty link (i.e., internet stronger than social media). However, both digital media types can be used to strongly increase brand effects. Moreover, the curvilinear moderations differ for internet and social media.

References are available on request.

The Impact of Corruption Distance on MNEs' Entry Strategies: A Contingency Perspective

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Keywords: *corruption distance, entry strategy, ethical identity, policy arbitrariness, political instability*

Description: *This paper offers a nuanced understanding of the impact of corruption distance on MNEs' entry strategy choice by examining the moderating effects of host-country institutional uncertainty and the internal constraint of MNEs' ethical identity.*

EXTENDED ABSTRACT

Research Question

How to deal with host country corruption, which refers to the misuse or abuse of public power or authority for personal gains (Habib and Zurawicki, 2002; Robertson and Watson, 2004; Rodriguez, Uhlenbruck, and Eden, 2005), is a critical issue for multinational enterprises (MNEs). MNEs have to navigate the challenges associated with corruption distance—the discrepancy of corruption persuasiveness between a home country and a host country (Rodriguez et al., 2005; Uhlenbruck et al., 2006). Yet the empirical findings on MNEs' entry strategies under corruption are inconclusive (Sartor and Beamish, 2018). This study seeks to reconcile the contradicting findings by introducing two contingencies—host-country institutional uncertainty and the internal constraint of MNEs' ethical identity.

Method and Data

We referred to the name list of parent MNEs in the MSCI ESG 2007 database to build the sample frame. We obtained data related to foreign market entries in the period of 2000-2013 using event history analysis, based on archival sources of Lexis-Nexis and AB/Inform. A sample of over 500 foreign entries in 71 host countries is used in the analysis. Since the dependent variable is dichotomous, we employed binary logistic regression to test the hypotheses.

Key Contributions

Our study extends the literature on corruption and foreign entry strategy. Specifically, we offer a nuanced understanding of the impact of corruption distance on MNEs' entry strategy choice by examining the moderating effects of host-country institutional uncertainty and the internal constraint of MNEs' ethical identity. Moreover, this research investigates the role of institutional duality in shaping MNEs' entry strategy by proposing that corporate ethical identity is a crucial source of internal legitimacy pressure. MNE subsidiaries are subject to dual institutional pressures from host country and intra-MNE system (Kostova and Roth, 2002).

Summary of Findings

The findings reveal that corruption distance and institutional uncertainty dimensions, respectively, increase MNEs' preference for joint venture entry. Institutional uncertainty and ethical identity, however, weaken the positive impact of corruption distance on joint venture entry.

References are available on request.

Perceived Brand Globalness and Localness as Drivers of Perceived Quality: Introducing Cosmopolitanism as Moderator

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Keywords: *perceived brand globalness, perceived brand localness, consumer cosmopolitanism, perceived quality, brand attitude*

Description: *This paper analyzes the moderating effect of consumer cosmopolitanism on the relationship between perceived brand globalness (localness) and perceived quality.*

EXTENDED ABSTRACT

Research Question

In recent years, the concept of consumer cosmopolitanism emerged in international marketing research, which implies a preference for global and foreign brands. However, to date, empirical insights regarding cosmopolitans' brand preferences are scare or not clear-cut, limiting the concept's applicability for practitioners. In this research, we aim at answering the question, if and how perceived brand globalness and localness influence quality perceptions as well as brand attitudes when cosmopolitan orientations increase.

Method and Data

We conducted three online-questionnaires with German convenience samples (total N = 177, within-or between-subjects designs). Based on brand logos or pictures of branded products, participants evaluated real brands in low-price utilitarian or hedonic product categories (bottled water, chocolate bars, and detergent), followed by product category and consumer specific constructs. We conducted linear regression and PROCESS analyses, including the IVs perceived brand globalness and localness, the moderator cosmopolitanism, the mediator/DV perceived quality and the DV brand attitude. We also included various covariates (i.e. brand familiarity) and demographic controls.

Summary of Findings

Results show that (1) for low-price utilitarian products, (2) cosmopolitanism negatively moderates the effect of perceived brand localness on perceived quality and in turn brand attitudes, while there is no moderation regarding perceived brand globalness. Thus, as cosmopolitanism increases, perceived brand localness results in lower quality perceptions and attitudes. This finding is especially surprising, because literature states that cosmopolitans are outgroup oriented, while simultaneously not opposing the ingroup, that is, their own culture.

Key Contributions

(1) We merge perceived brand globalness (localness) and cosmopolitanism research by introducing cosmopolitanism as a moderator of the relation between perceived brand globalness (localness) and perceived quality. Investigating this aspect is important, given the fierce competition between global and local brands in the marketplace and the possibility that consumers' brand evaluations may depend on their orientations. (2) Our research helps cosmopolitanism to become a practical segmentation tool for marketing managers, since previous research has resulted in conflicting findings. A promising communication and branding strategy for low-price utilitarian brands could be to decrease their brand localness, if cosmopolitans are a target group.

References are available on request.

Adding Flavor to Ethnic Foods: The Effect of Ethnic Congruence on Authenticity and Perceived Taste

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Keywords: *congruent ethnicity, cosmopolitanism, perceived authenticity, taste, ethnic foods*

Description: *This study tests how ethnic cues influence food taste among different groups of consumers, with a particular focus on the implicit theory that ethnic food prepared or presented by ethnically congruent chefs or servers, or served in ethnically congruent settings, tastes better.*

EXTENDED ABSTRACT

Research Question

Knowing how ethnic cues influence food taste among different groups of consumers is pivotal to hospitality marketing, in particular in the growing sector of ethnic restaurants. As customer reviews on social media vividly illustrate, providing an "authentic" dining experience has become a successful trend (Lego, Wodo, McFee, and Solomon, 2002; Mintel, 2014). When judging food taste or quality in an ethnic restaurant, customers often assume that the chefs' or servers' ethnicity or the atmospherics of the restaurant affect product quality and should be congruent with the ethnic food. For example, Japanese chefs make better sushi rolls than do chefs of other ethnicity. As this lay-theory has not been empirically examined yet, our study investigates the role of congruent ethnicity on the perception of food tastes against the backdrop of accessibility-diagnosticity theory. Specifically, we pose two research questions: (1) How does ethnic congruence between food and chefs, servers and atmospherics influence perceived authenticity and the actual taste of food? (2) What is the role of customer cosmopolitanism in affecting these relationships?

Method and Data

We conducted a 3 (chef, server, atmosphere) × 2 (congruent/incongruent identity: Taiwanese/European) between-subject experiment. Six food booths were set up at two uni-versity campuses in southern Taiwan. A total of 252 subjects were recruited and randomly assigned to a setting, where they tasted a food sample and answered a survey in Chinese language, measuring the focal variables, *Cosmopolitanism*, *Perceived Authenticity* and *Taste*. To select the ethnic food for the food samples used in the experiment, a focus group interview consisting of 8 graduate students was conducted prior to the experiment with results suggesting European scones as the ethnic food item. Thus, identical scone samples were used in all the experimental settings.

Congruent Ethnicity was a dichotomous variable manipulated by presenting either Taiwanese or European chefs, servers, or atmosphere. To create incongruence (CE = 0), Taiwanese chefs, servers, or atmospherics (decorated table) were presented with the European scone food samples, and to create congruence (CE = 1), European chefs, servers, or atmosphere, were presented with the European scone samples.

Summary of Findings

Results showed that *Perceived Taste* of ethnic food (i.e., European scones) is significantly more favorable when congruent cues are present (i.e., European chefs, servers and atmospherics) compared to incongruent cues (i.e., Taiwanese chefs, servers and atmospherics) (Chef: M_{EU} = 6.34, M_{TW} = 5.88, t = –2.35, p = .02; Server: M_{EU} = 6.01,

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$M_{TW} = 5.22$, $t = -3.12$, $p < .01$; Atmospherics: $M_{EU} = 5.96$, $M_{TW} = 5.45$, $t = -2.09$, $p = .04$). *Perceived Authenticity* has a significant and positive influence on *Perceived Taste* and partially mediates the effect of overall *Congruent Ethnicity* on *Perceived Taste*. However, when considering the individual effects of congruent chefs, servers and atmospherics, *Perceived Authenticity* only mediated the effect of congruent chefs on *Perceived Taste*. Notably, the cue of congruent chefs is the most salient signal in adding flavor to ethnic food. To test the moderating effect of *Cosmopolitanism,* a linear regression was conducted. Results suggest that *Cosmopolitanism* moderates the effect of overall *Congruent Ethnicity* on *Perceived Taste*.

Key Contributions

The results of this study increase understanding of the accessibility-diagnosticity framework in a hospitality context, providing two important contributions. First, it empirically tested the implicit theory that ethnic food prepared or presented by ethnically congruent chefs or servers, or served in ethnically congruent settings, tastes better. Results of the taste experiment confirmed that the overall congruent ethnicity enhances the taste of ethnic food. The congruent cues of servers and atmospherics only have direct influence on perceived taste when perceived authenticity was not considered. Second, our study identified a personal factor, "cosmopolitanism" that augments the effect of environmental cues on food taste in ethnic restaurants.

Identifying the roles of ethnic cues in determining food taste provides important considerations for personnel recruitment, advertising, and restaurant decoration. Targeting cosmopolitan customers is promising for ethnic restaurants that adhere to congruent ethnicity. With this, the study contributes to hospitality marketing, in particular, marketing of ethnic foods, a growing sector of the food and restaurant industry. Study findings may also be applicable to other ethnic businesses and food contexts, such as ethnic food retailing or ethnic apparel products, offering opportunity for new studies.

References are available on request.

Analyzing the Importance of Endorsed Branding of Global Corporate and Global Product Brands Across Nations

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Keywords: *endorsed branding strategy, cross national research, multilevel structural equation modeling, global product brand, global corporate brand, image transfer*

Description: *We analyze the important direct and indirect effects of global corporate brand image through global product brand image on consumers' product purchase intention across nations and give novel insights into how these effects differ due to national culture and country development.*

EXTENDED ABSTRACT

Research Question

MNCs like Unilever or Henkel increasingly move their corporate or product brand dominant branding strategies toward an endorsed branding across nations to benefit from an image transfer across nations (Brexendorf and Keller 2017).

Scholars have often analyzed endorsed branding, mostly links of corporate associations and product judgements (e.g., Brown and Dacin 1997; Voss and Mohan 2016), less often the effects of corporate and product images on consumer behavior (e.g., Bian and Moutinho 2011; Voss and Mohan 2016). Few scholars have analyzed endorsed branding internationally. Country comparisons indicate endorsed branding being affected by national culture (Souiden, Kassim, and Hong 2006; Jakubanecs and Supphellen 2012) and country development (e.g., Heinberg, Ozkaya, and Taube 2018; Hsieh, Pan, and Setiono 2004). Scholars call for analysis across nations to ensure generalizable results (e.g., Halkias, Davvetas, and Diamantopoulos 2016).

Based on schema theory, we aim to address this research gaps and advance our knowledge on global endorsed branding strategies by analyzing whether and how MNCs can benefit from an indirect or direct image transfer of global corporate and product brands across nations. Moreover, we ask whether and how national culture and degree of country development change these effects.

Method and Data

Our data have been derived from a cooperation with a German MNC active in the health and nutrition industry. The MNC uses a standardized corporate brand and each product brand is clearly endorsed by the MNC's corporate brand visible at the front. In the year 2018 we have conducted a specific study on endorser branding in 35 countries. A marketing research agency is responsible for the data collection using a panel approach. After eliminating Mahalanobis distance based outliers, 8,222 respondents have remained within the dataset.

For measurement of variables at the individual-level, we relied on scales from previous studies (using five-point Likert-type scales), that were intensely pretested and for which translation-back translation method was applied. We measured country-level variables by relying on updated secondary data sources. We controlled for age, gender, brand familiarity, and the cluster size.

Reliability and validity yield satisfactory results. Intra-class correlation indicates that 9.8% of the variance in product purchase intention can be determined by country differences. Multilevel reliability based on multilevel alpha, multilevel composite reliability and maximal reliability could be confirmed (Hirschmann and Swoboda 2017). To test hypotheses, we apply a multilevel mediation structural equation model with cross-level interaction effects in Mplus 8.3.

Summary of Findings

Concerning our research question, the results imply that across nations, MNC's global corporate brand image has a direct and indirect effect through global product brand image on product purchase intention. These results support the theoretical reasoning of schema theory (Puligadda, Ross Jr, and Grewal 2012) and deliver important theoretical contributions.

Results show that the indirect effect of corporate brand image on product purchase intention via product image (i.e., endorsed branding strategy) is enhanced with increasing degree of embeddedness. These results go along with previous research (e.g., Song et al. 2018). Within countries incorporating embedded characteristics, cognitive schemata are highly similar (Shaw 1990) and therefore, easier to activate. Thus, the endorsed branding strategy leads to strong product purchase intentions.

We furthermore follow calls (e.g., Gürhan-Canli, Sarial-Abi, and Hayran 2018) and show for the endorsed branding strategy that the ease of brand schema activation facilitates with an increasing degree of country development. In contrast, in less developed countries, brand schemata are less constituted in consumers' mind due to little product brand knowledge (Sheth 2011). We conclude that for consumers in those countries, complex endorser branding strategies are difficult to be cognitively processed (in line with previous research, e.g., Alden et al. 2013).

Key Contributions

First, we empirically extend knowledge on the relationships between global corporate and product brands as well as con-sumers' product purchase behavior across nations. Scholars call for this research across nations to ensure generalizable results (e.g., Halkias, Davvetas, and Diamantopoulos 2016). We theoretically clarify, whether the endorsed branding strategy or the endorsement itself (i.e., the corporate brand) contributes to consumers' product purchase intentions and how this relationship changes across nations. A schema-theoretic framework is proposed. The predominant product schema in purchase decisions is linked to the corporate brand schema. Within endorsed branding, corporate images can be transmitted to product ones in order to attract consumers and increase product purchase intentions.

Second, we contribute to research by accounting for country differences. Scholars indicate the importance of national culture and emerging countries and call for research on related differences on global brands (e.g., Gupta, Pansari, and Kumar 2018; Gürhan-Canli, Sarial-Abi, and Hayran 2018). Managers of MNCs learn whether and how culture and country development leverage the image transfer and affect a more effectively endorser brand-management across nations.

Third, we methodologically contribute to research by accounting for country differences through multilevel mediation structural equation modeling with cross-level interaction effects, i.e., using continuous country-specific moderators.

References are available on request.

Consumers' Evaluation of "Indie" Companies Across Culture: The Role of Craftsmanship and Warmth in Product Quality Evaluation

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Vasileios Davvetas, University of Leeds

Keywords: *independent brands, indie, craftsmanship, warmth, culture*

Description: *The paper investigates how consumers in different cultures evaluate independent ("indie") brands—compared to nonindependent brands—based on factors like craftsmanship and warmth.*

EXTENDED ABSTRACT

Research Question

Can consumers perception of the product quality of independent ("indie") companies change depending on their cultural background?

Method and Data

Experimental design with consumers among four different countries.

Key Contributions

The paper contributes at investigating the role that cultural differences have in consumers' perception of independent (vs. non independent) companies. The findings enrich cross-cultural branding literature and assist decisions of competitive strategy, brand architecture, and international brand portfolio management.

Summary of Findings

An experimental study using a U.S. (individualistic) and a Chinese (collectivist) sample shows that (a) firm independence breeds product warmth, (b) consumers view products sold by independent firms as warmer than products sold by nonindependent firms in hedonic but not in utilitarian categories, and (c) firm independence increases perceived product authenticity in individualistic cultures but decreases it in collectivist cultures.

References are available on request.

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Will Country Animosity Perceptions Affect the Consumption of Popular Culture Products from China? The Case of Taiwan

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Keywords: *country animosity, China, popular culture consumption, survey, Taiwan*

Description: *This survey examines whether and how country animosity towards China could affect the consumption of popular culture products.*

EXTENDED ABSTRACT

Research Questions

Research Question 1: What are Taiwanese' country animosity towards China?

Research Question 2: How will the levels and types of country animosity affect Taiwanese consumption of Chinese television dramas?

Research Hypothesis 1: Economic animosity negatively predicts Taiwanese viewers' judgement of Chinese television dramas.

Research Hypothesis 2: Historical animosity negatively predicts Taiwanese viewers' judgement of Chinese television dramas.

Research Hypothesis 3: Contemporary animosity negatively predicts Taiwanese viewers' judgement of Chinese television dramas.

Research Hypothesis 4: Taiwanese viewers' judgement of Chinese television dramas positively predicts their intention to watch.

Research Hypothesis 5: Economic animosity negatively predicts Taiwanese viewers' intention to watch Chinese television dramas.

Research Hypothesis 6: Historical animosity negatively predicts Taiwanese viewers' intention to watch Chinese television dramas.

Research Hypothesis 7: Contemporary animosity negatively predicts Taiwanese viewers' intention to watch Chinese television dramas.

Method and Data

As part of a large study that covers other country-of-origin variables, these literature-based seven-point semantic differential statements include: (1) economic animosity against China (8 items) (α = .76); (2) historical animosity against China (4 items) (α = .68); (3) social animosity against China (7 items) (α = .83). These seven-point semantic differential scales use 1 to denote a less favorable perception of a country, meaning a higher level of animosity, while 7 denotes a more favorable perception of a country, meaning a lower level of animosity. Composite scores were computed for later regression analyses for all animosity sub-dimensions. For example, economist animosity against China composite score has a mean of 3.28 (SD = .84). Historical animosity against China index has a mean of 5.30 (SD = 1.28). Social animosity against China score has a mean of 2.74 (SD = .92). To measure Taiwanese viewers' judgement of Chinese television dramas, the authors employ seven-point semantic differential scales from Yang and Kang (2017b) to assess how they think of Chinese television dramas (9 statements, α = .92, Mean = 4.12, SD = 1.20). Intention to watch Chinese television dramas was measured by two seven-point semantic differential scales from Yang and Kang (2016). Taiwanese viewers' intention to watch Chinese television dramas index score has a mean of 3.48 (SD = 1.60, α = .93).

Summary of Findings

To answer RQ1, Taiwanese respondents have a higher level of economic animosity towards China (Mean = 3.28, SD = .84). Furthermore, it is noteworthy that overall Taiwanese hold a negative view of Chinese people (Mean = 2.74, SD = .92) as

seen in their social animosity scores. Numerically, judgment of Chinese television dramas does not seem vary too much (Mean$_{China}$ = 4.12, SD = 1.20). To answer RQ2 and seven RHs, the linear regression analyses find that both economic (ß = .23, t = 4.84, $p < .05$) and historical (ß = .21, t = 6.12, $p < .001$) animosity significantly predict viewers' judgment of Chinese television dramas (Model 1). However, social animosity towards China does not predict their judgment of Chinese television dramas (ß = .09, t = 1.96, $p > .05$). RH1 is partially supported. Furthermore, the positive ß coefficient means that the higher viewers' country animosity towards China, the less favorable they would perceive Chinese television dramas. For RH4, the linear regression analysis also finds that favorable product judgment of Chinese television dramas will lead to higher intention to watch (ß = .71, t = 27.86, $p < .001$) (Model 2). The linear regression analyses for RH5-RH 6 find that economic (ß = .17, t = 3.54, $p < .001$), historical (ß = .11, t = 3.02, $p < .05$), and social (ß = .19, t = 4.04, $p < .001$) animosity significantly predict Taiwanese viewers' intention to watch Chinese television dramas (Model 3). The empirical data lend support to RH5, RH6, and RH7.

Key Contributions

The empirical data confirm that understanding the role of country animosity is critical to explaining viewers' judg-ment and intention to watch popular culture products. This study may serve as an initial attempt to explore this interesting phenomenon from a quantitative method. Empirical findings demonstrate that country animosity has shown strong influence on Taiwanese audience's judgment of popular culture products like television dramas from China. It is likely that the consumption of television dramas constitutes a distinctive consumer behavior scenario when persistent animosity towards China has more powerful effects on their decision-making process. This may warrant further investigation of animosity types by including other dimensions (such as situation vs. stable animosity, or national vs. personal animosity as proposed by Jung et al. 2002). Future research will benefit from a more in-depth classification of the country animosity concept. With the rapid rise of U.S. animosity toward China (The White House 2018), this study might be extended to study how U.S. viewers may consume many programming contents now available through online streaming service platforms (such as *Netflix*, *Amazon Prime*, among others). Contemporary animosity is likely to play a more salient role in understanding how U.S. viewers will respond to Chinese programming contents.

References are available on request.

The Role of Culture and Message Framing: Hispanic Consumers' Response to Healthy Eating Appeals

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Keywords: *Hispanic consumers, self-construal, health marketing, culture*

Description: *Across three studies, the authors identify the influence of self-construal and culture on health appeals and find that Hispanic consumers display identity incongruent attitudes toward healthy eating appeals.*

EXTENDED ABSTRACT

Research Question

Hispanics have an interdependent self-construal compared to non-Hispanic Americans, who have an independent self-construal (Aaker and Williams 1998; Markus and Kitayama 1991). Extant research shows that consumers are persuaded by self-construal (Lee, Aaker, and Gardner 2000; Pounders, Lee, and Mackert 2015) as well as message framing (Aaker and Lee 2001; Smith and Petty 1996; Yoon and La Ferle 2018). However, less is known about the role of culture on health appeals' effectiveness to increase Hispanics' healthful choices. Are Hispanics more persuaded to make healthful food choices when appeals are congruent (versus incongruent) with their self-construal? Do Hispanics' perceptions of healthy eating influence their attitudes toward health appeals? We address these questions by evaluating Hispanics' self-construal and cultural perceptions of healthy eating.

Method and Data

To assess our hypotheses, we conducted three studies. Study 1 is a 2 (self-construal: independent, interdependent) $\times$ 2 (message frame: social, self) between-subjects study. Participants completed self-construal priming tasks (Aaker and Lee 2001) followed by manipulation checks. Next, they saw either a self-framed or social-framed advertisement and indicated how persuaded they felt by the advertisement (Reichert, Heckler, and Jackson 2001). Participants also reported identification with the Hispanic culture, country of origin, and dietary restrictions. The main objective of study 2 is to confirm Hispanics' cultural perceptions of healthy eating, as an individual activity rather than a social activity, mediate the effects of self-construal on advertisement attitudes. Study 3 demonstrates actual consumption choices when using appeals that either match or do not match the cultural characteristics of Hispanic consumers. Participants completed self-construal manipulation tasks (Aaker and Lee 2001) and manipulation checks. Next, they were randomly assigned to the social or self-framed advertisement condition. Participants indicated their perceptions of the message as social or individual focused and made a snack choice (healthy: baked potato chips, and unhealthy: fried potato chips). Next, they reported identification with the Hispanic culture, and theirs and their parents' country of origin (Chandon and Wansink 2007).

Summary of Findings

Interdependent (vs. independent) consumers are more persuaded by self (vs. social) framed healthy eating appeals and propose that this effect is mediated by cultural perceptions of healthy eating and moderated by message framing. Thus, we posit a cultural-identity incongruent effect given Hispanics' perception of healthy eating as an individual activity.

Key Contributions

This study contributes to the brand marketing literature by bridging the areas of culture and health marketing as well as

presenting a framework that confirms the influence of culture and establishes the backfire effect of identity congruence on health marketing communications. Marketing managers can integrate these findings into the development of health advertising campaigns to effectively promote health and wellness within the Hispanic community.

References are available on request.

Market Research

Advances in Modeling and Measurement

Making Product Recommendations Based on Latent Topics: An Analysis of Online Purchase Data with Topic Models

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Keywords: *recommender systems, topic models, latent dirichlet allocation, online purchase data*

Description: *This paper investigates the application of topic models to online purchase data for the purpose of new product recommendations.*

EXTENDED ABSTRACT

Research Question

How does different data preparation even affect topic models as recommender models?

Method and Data

Unigram, Bigram and Collaborative Filtering. Unigram is the simplest method and calculates marginal probabilities across all ordered items. Bigram is the current recommender method used by the online retailer considered for analysis. Collaborative Filtering is the most frequently applied method in practice. All recommender models are tested with six different variants of data preparation.

In both datasets, data are brought together where new items should be discovered to a customer context where new items should be discovered.

Key Contributions

The findings are especially relevant for marketing practitioners who want to implement topic models as recommender models in their online shops. Topic models are much more sensitive to data preparation than the tested benchmark models. To fully exploit their potential, it is important to further makes two contributions to academe. First, it contributes to the field of topic model literature by extending the field for which those models have been originally developed—to product recommendations. Second, it contributes to the recommender literature by examining different data preparation variants of online purchase data and their effects on recommender models. Such a comparison is lacking in current data preparation variant results. are usually presented for one

References are available on request.

Summary of Findings

The competitive analysis results show that topic models make

How to Enhance Online Hotel Ad Effectiveness Based on Real-World Data: Mobile Eye-Tracking and Machine Learning Tell

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ABSTRACT

Marketing researchers have adopted eye-tracking technology to extract information on consumers' eye-fixation and attention in order to fully understand their shopping behaviors under online and offline settings. One application is to examine the patterns of eye-fixation from different consumers on a certain website and to provide insights on the effectiveness of online advertisements. However, because of the complexity of data analysis and computational burden, it is quite challenging for researchers to track consumers' visual focus and investigate eye-fixation patterns in a dynamical way. In this paper, we try to solve the aforementioned challenges by utilizing the powerful computing tool of machine learning (ML) methods to investigate consumers' areas of interest (AOIs) on a hotel booking website using mobile eye-tracking technology. From the eye-tracking data collected from a field experiment, by applying the ML YOLO approach, we find that the mean average precision (mAP) is 92.35% which indicates high accuracy to identify AOIs. Furthermore, the findings show that different AOIs receive different levels of attention reflected on different eye-fixation counts and there exists consumer heterogeneity in the attention distribution amongst different AOIs. From the managerial perspective, this paper suggests that web designers can provide the online hotel ad layout according to personal preferences and make customized recommendations spontaneously based on a consumer's eye-fixation patterns and demographics. The insights provided from this research can help evaluate the effectiveness of the online hotel advertisements layout on the booking rate.

Keywords: *mobile eye-tracking, machine learning, online hotel ad layout, advertising effectiveness*

Description: *Combining machine learning and mobile eye-tracking technology, this research investigates the differences of consumers' eye-fixation counts with respect to different Areas of Interest of online hotel ads and then proposes suggestions for enhancing the advertising effectiveness.*

Introduction

The total spending on travel and tourism is reaching $1.1 trillion in 2018 (the U.S. Travel Association), which accounts for 5% of the U.S. Gross Domestic Product of the United States. Most of these expenditures happen on Online Travel Agency (OTA) websites due to its convenience. $7.5 Billion of the total spending went to hotel and lodging. The common OTAs include Expedia, Hotels, TripAdvisor, Priceline, Booking, Orbitz, etc. The online advertisement on each OTA has its unique attributes and layout. Obviously, each OTA pays much attention to the way of enhancing the effectiveness of its online advertisements because that's a key to increase the OTA's competitiveness and booking rate.

Many researchers have investigated the importance of different attributes (e.g, price, text, and image) of online tourism ads (Law and Hsu 2006; Pan, Zhang, and Law 2013). In addition, some of the previous studies try to link the perceived importance of different attributes with consumer's demographic information such as age, gender, and education

level (Pan et al. 2004; Marchiori and Cantoni 2015). To measure consumers' perceived importance, many methods (e.g, Verbal protocols and self-regulated survey) were used in different studies. In recent years, the eye-tracking method stands out in finishing data collection. Compared to data collected by self-regulated survey methods, eye-tracking data is more objective and less subject to bias (Scott et al. 2017). Russo (1978) also argued that eye-tracking data has excellent validity and detail compared with other methods (e.g. Input-output analysis and Verbal protocols) in his pioneering article: "Eye-Fixation Can Save the World." Since then, eye-tracking technology has been widely used in many research domains such as Marketing, Psychology, Reading, and Engineering (Rayner 1998; Duchowski 2002; Wedel and Pieters 2008).

According to three survey articles about the use of eye-tracking in Visual Marketing (Wedel and Pieters 2008; Wedel 2013; Scott et al. 2017), many researchers have addressed the impacts of top-down factors (e.g. memory, attitudes, emotions, and goals) and bottom-up factors (e.g. spatial location, color, lines, and size of objects) on the effectiveness of different kinds of advertisements in different scenarios. However, most of the eye-tracking studies deal with fixed stimuli or employ fixed eye-tracking devices because of their specific data characteristics of easy analysis (Scott et al. 2017). Mobile eye-tracking devices are seldom used due to the specific issue such that the visual stimuli observed by participants are always changing and each participant may view different scenes that complicate the analysis of data and even make it unfeasible when handling huge eye-tracking data using professional software (e.g. Tobii Pro Lab). However, it's much closer to real-world settings when employing mobile eye-tracking devices (Kassner, Patera and Bulling 2014).

In order to conduct research based on real-world conditions, this study, to our knowledge, is the first to propose to use the machine learning (ML) method to overcome the computational burden and complexity of mobile stimuli data analysis. The proposed approach can take place of traditional professional software such as Tobii Pro Lab to analyze mobile eye-tracking data collected in dynamic scenarios. From a field experiment, the authors, using a mobile eye-tracking glass, collect participants' eye movement data when they book a hotel on the OTA Booking.com website. The ML YOLO model is employed to extract and identify our focused areas of interest (AOIs) in the scene video recorded by the eye-tracking device. After training and testing its performance, we find that each average precision of all our focused AOIs is above 90%, and the mean average precision (mAP) is 93.25% which means that the proposed model identifies the AOIs successfully. The precision rate and recall rate are high while the false positive rate and missing probability are low. Meanwhile, to investigate participants' attention distribution, we compute their eye-fixation counts on each AOI. The results show that different AOIs receive different attention, and different participants have different attention distribution. This research provides insights on evaluating the effectiveness of the online hotel ads.

Section 2 describes the online tourism relevant literature and our research questions. Section 3 presents the proposed approach to analyze our focused AOIs by the ML method. In Section 4 we show the results. Finally, we give concluding remarks in Section 5.

Relevant Literature

Previous studies related to enhancing the effectiveness of online tourism and hospitality ads using eye-tracking method mainly investigated consumer's perceived importance of attributes such as price, text, and image. Law and Hsu (2006) found that five dimensions (Reservations information, facilities information, contact information, surrounding area information, and Website management) have different perceived importance through a large-scale survey, which indicated potential different perceived attention. Pan, Zhang, and Law (2013) investigated the effects of the number of hotel options, and the position of the hotel option in the OTA search engine results page (SERP). They found that hotel options near the top of the list received more attention than those showing up later which concluded the same results with later research (Ert and Fleischer 2016). Additionally, it was found that the hotel image can alleviate the perceived information-overloaded problem when a consumer's exposed to too many hotel options. Some studies concluded that pictures attract more attention than textual material (Aicher et al. 2016; Noone and Robson 2014). However, Kong et al (2019) found that web advertisement with text-only advertisement was the most efficient. It's worthy to conduct research to make it clear about consumer's attention distribution on these typical attributes.

Except that researchers investigated the importance of different attributes using the eye-tracking method, some studies furthermore tried to analyze the relationships between consumer's demographic information and their behaviors. Pan et al. (2004) explored the determinants of ocular behavior and found that the gender of subjects influences online ocular behavior significantly. Lorigo et al. (2008) surveyed the use of eye-tracking in investigations of online search about how users view the ranked results on SERP. The results show that the rank rather than gender has a strong influence on viewing behavior and viewing patterns. Hernández-Méndez and Muñoz-Leiva (2015) carried out a mixed design with an eye-tracking method and a self-administered ques-

tionnaire. They found that participants' duration of fixation on the banner does not reflect significant differences when comparing gender, and experience level. In terms of age, it was found that young people take longer to reach the banner and view it for longer periods of time than senior people. Marchiori and Cantoni (2015) found that younger people are more likely to change their opinion about tourism destinations based on brief exposure to user-generated content (UGC) on online social media.

Proposed Research Analysis

Research Questions

The extant literature reviewed above, suggests that consumers may respond differently to the same ad. We believe that displaying personalized ads and customized recommendations that take into account customers' attention can enhance advertising effectiveness. Further research should also look to shed light on the links between advertisement response and other consumers' demographics, such as weight and marital status. The present study investigates the following three research questions in the hospitality and lodging context:

1. Do different AOIs of online hotel ads attract different levels of consumers' visual attention (operationalized as consumers' eye-fixation counts)?

2. Is there consumer heterogeneity in the attention distribution amongst different AOIs of online hotel ads?

3. How does an information-overloaded environment (too many hotel options examined by consumers) affect consumers' ability to find their ideal hotel options?

Methodology

In this study, we focus on four AOIs including hotel picture, rating, price, and text information (including hotel name, address and others together in the middle of each hotel option). To track participants' eye movement data when they book a hotel on an online website, we use Tobii Pro Glass 2 mobile eye-tracking device. The scene camera resolution is 1920×1080 pixels with 25 frames per second (FPS). The horizontal recording angle/visual angle of the scene camera is 82° and the vertical recording angle is 52°. After finishing eye movement data collection using the mobile eye-tracking device, we propose to utilize the powerful computational ability of the ML algorithm to identify different AOIs in the huge recorded dynamic eye-tracking data. Here to identify and track our focused AOIs, we choose YOLO (You Only Look Once) version 3 algorithm which is widely used in object identification scenarios because of its high speed and high accuracy (Redmon and Farhadi 2018).

The collected eye-tracking data include live video stream (LVS) and live data stream (LDS). The LVS recorded by the scene camera is about what the participants are looking at and the LDS is the coordinates where participants' eye gaze point is in real-time. The eye gaze data consist of fixations and saccades (Busswell 1935). Saccades are rapid, ballistic jumps of the eyes, typically lasting around 20–40 milliseconds. Fixations are moments during which the eye is relatively still, typically lasting around 200–500 milliseconds (Rayner 1998). In this study, we compute eye-fixation counts to reflect participants' attention distribution on AOIs. With the LVS, we train our YOLO model and identify the AOIs. To measure the performance of the YOLO model, the typical metrics: mAP and precision-recall curve are used, respectively, as

$$(1) \qquad Precision = \frac{True\ positive}{True\ positive\ +\ False\ positive}$$

$$(2) \qquad Recall = \frac{True\ positive}{True\ positive + False\ negative}$$

After training and testing the model, the identified AOIs are synchronized and matched with the LDS according to timestamp and the Euclidean Distance. Meanwhile, eye-fixation counts in different AOIs are calculated to reflect consumers' attention on each AOI. Therefore, we know clearly what and where participants are looking at in real-time and their perceived importance of different AOIs. The whole frame of our methodology is depicted in Figure 1.

Study Design

Setup. This study is designed imaginary in a lab-setting environment. Each participant is asked to browse the SERP of hotels on the booking.com website and select one they will book. Each participant is told with four assumptions in advance. The first is that each participant is an adult. The second is that each participant will go to the University of Texas at Austin. The third is that each participant will stay there for 7 nights. The fourth is that each participant is alone. Participants are supposed not to click through each hotel option for details when browsing the hotel options. In other words, we only consider the browsing stage (Noone and Robson 2014) in this study. Besides each participant is supposed to finish the booking process in two to five minutes which may make a difference in an information-overloaded environment. Given that the previous study found that 20 hotel options seem to overwhelm the participants (Pan, Zhang and Law 2013), we choose the first 18 hotel options on SERP. Before the experiment, the SERP has been displayed on the computer which includes the first 18 hotel options. Participants will not need to search and can start to browse the results directly. The 18 hotel options are displayed by a laptop with resolution 1366*768. When participants are browsing the SERP, they can use the mouse to move the page up and down to scrutinize each hotel option.

Figure 1. The Frame of the Whole Methodology
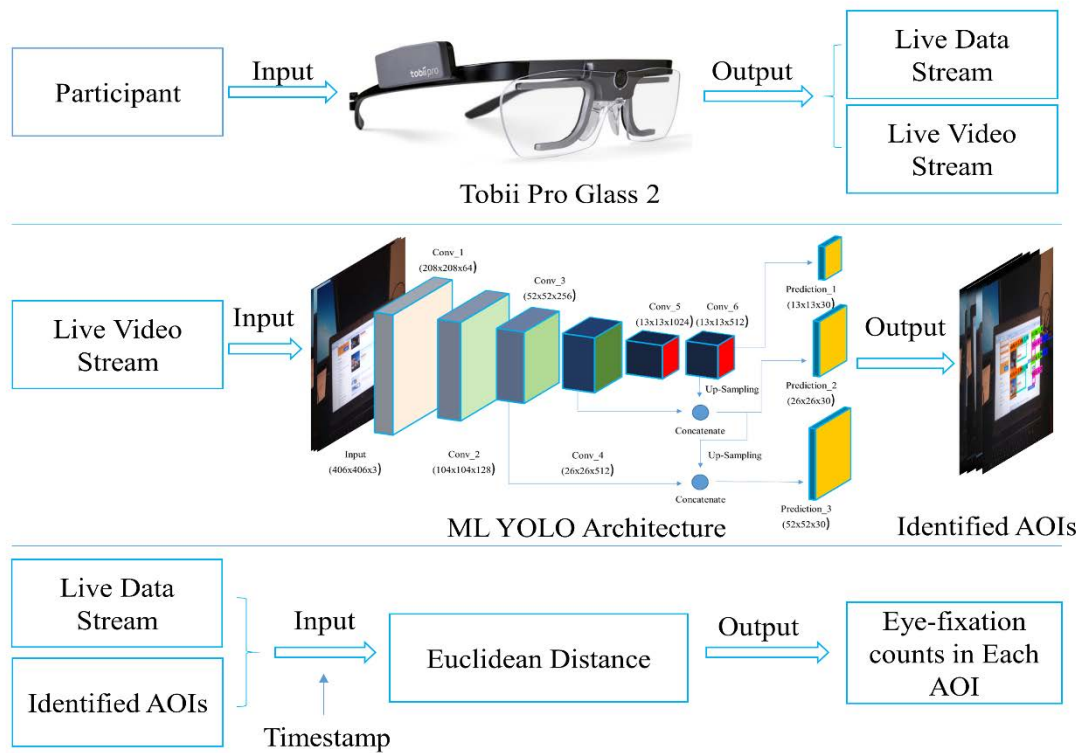
Procedure. Participants will sign in the consent form first and then they need to fill out a demographic survey. Next, they will wear the Tobii Pro Glass 2 under an instructor's help and calibrate it using the one-point calibration procedure. After calibrating successfully, they are told to find their comfortable sitting posture sitting at the front of the laptop and then they can start to browse the hotel options. When they make a decision, participants can stop and tell the instructor. At last, they will fill out an evaluation survey about their thinking importance of each AOI.

Data Processing

Four graduate students with normal vision (visual above .8 as a standard metric (Wang, Tsai and Tang 2018)) participate in our study. After finishing data collection, the LDS of three participants is valid while all LVS is useful. To train and test the YOLO model, every five frames from each live video are exported first which is reasonable considering that the FPS of the live video is 25. Each frame is like a screenshot showing what participants are looking at. Totally, we get 2,484 frames that are randomly divided into a training dataset (2,033 frames), validation dataset (225 frames) and testing dataset (226 frames). After that, we label each frame with the

four AOIs using Yolo mark software. Next, we train the YOLO model. In the initial training process, we set training parameters as epochs 50, learning rate .001 and batch-size 16. In the further training process, we set training parameters as epochs 50, initial learning rate .0001 and batch-size 16. However, it early stopped at the 66th epoch. So we continue to train it with training parameters: epochs 50, initial learning rate .0001 and batch-size 8. Again, it early stopped at the 87th epoch. The reason for the early stop is that the validation loss does not decrease in consecutive three epochs.

After training the model, we test its performance with the training dataset. We use the final model to identify AOIs in the LVS. Finally, after synchronizing the identified AOIs with LDS at each timestamp and using the Euclidean Distance to match each eye-fixation with the identified AOI, we get the participant's eye-fixation counts on each AOI and visualize them with different figures intuitively shown in the next section.

Results and Analysis

In this study, the results mainly include two parts. The first part is about the performance of the proposed ML YOLO model used to identify AOIs in eye-tracking data. The sec-

Figure 2. Train and Validation Loss Curve   **Figure3.** Mean Average Precision
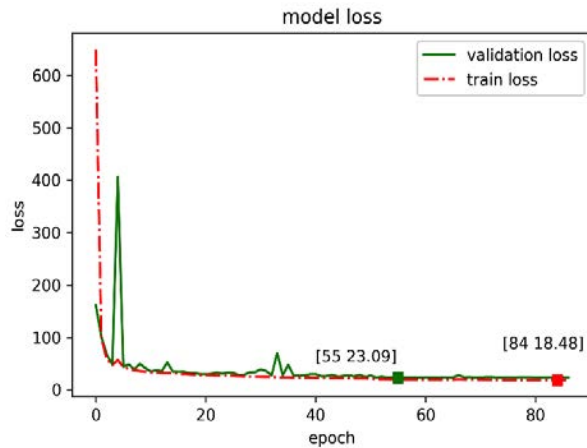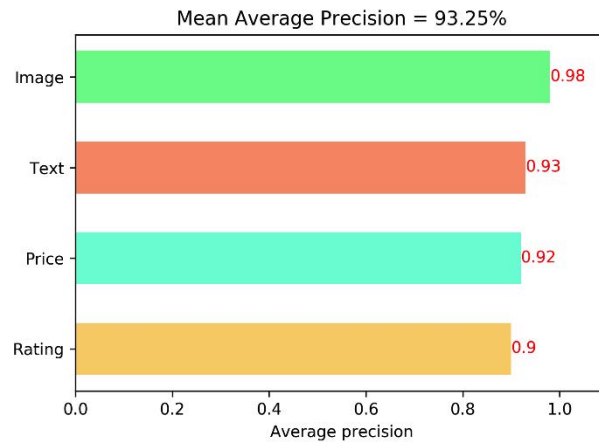
Figure 4. Average Precision of Hotel Picture   **Figure 5.** Screenshot of Identified AOIs
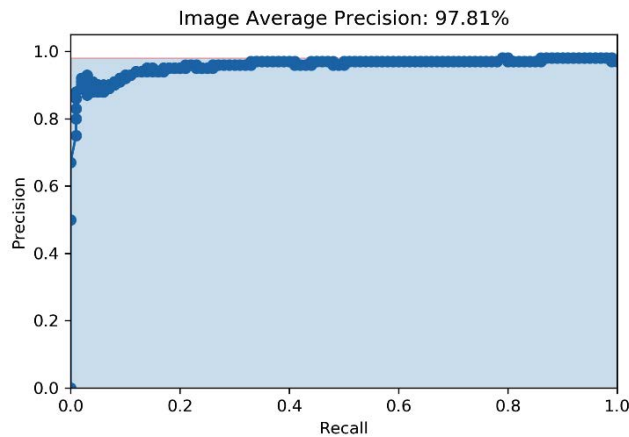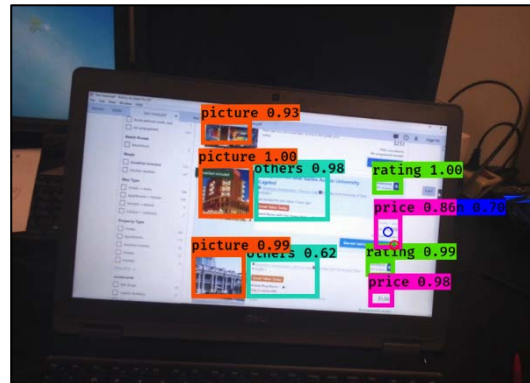
ond part is about participants' attention distribution on each AOI which is reflected by eye-fixation counts.

The train and validation loss curves of the YOLO model are displayed in Figure 2. The two losses decrease and stabilize around 18 and 23 respectively. The whole training process early stopped at the 87th epoch. The loss is used to measure the difference between the identified AOI and the true AOI. The less the loss is, the better the performance of the YOLO model is. Theoretically, train loss will decrease to 0. However, it's always a necessity to trade off the model accuracy and bias which is indicated by the train and validation loss. So, the loss curves mean a good training process.

The final model is selected to finish later procedures. The mAP and precision-recall curve of the image are displayed

in Figures 3 and 4. Results show that the average precision (AP) of each AOI is above 90% and the curve in Figure 4 is close to the top-left point. Besides, the mAP is 93.25%. These indicate a high probability to identify the right AOIs and a low probability to regard the wrong AOIs as the right AOIs. In brief, the performance of our trained ML model is excellent in identifying the AOIs with both high accuracy and low missing possibility. With the trained ML YOLO model, the AOIs in the live videos are identified and synchronized with the LDS. In Figure 5, we can see rectangles with different colors, names, and probability, which shows the identified AOIs. The red circle refers to the eye-fixation where the participant is looking at, and the blue circle means which AOI we assign the eye-fixation to according to the Euclidean Distance. To show participants' attention distribution, their eye-fixation counts on each AOI are computed.

Figure 6. Attention Distribution of Participant 2.

Attention distribution of ID2
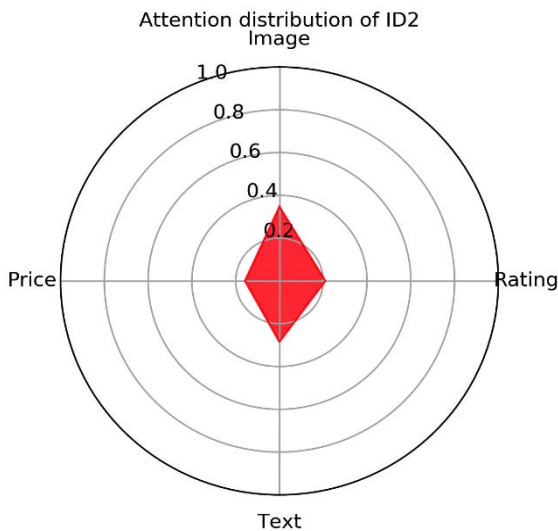
Figure 7. Attention Distribution of Participant 3

Attention distribution of ID3
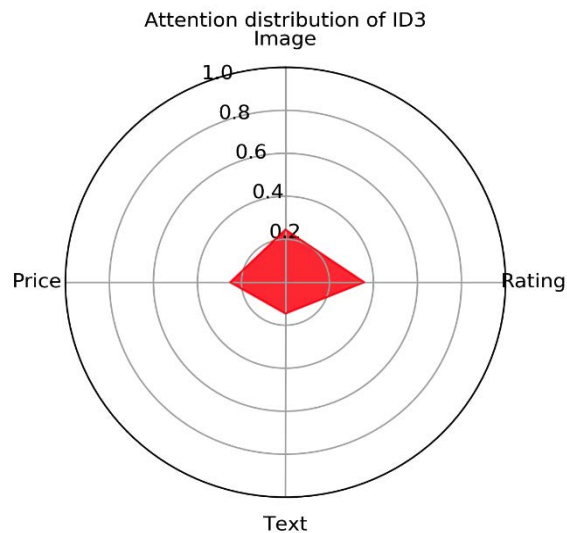
Figure 8. Attention Distribution of Participant 4

Attention distribution of ID4
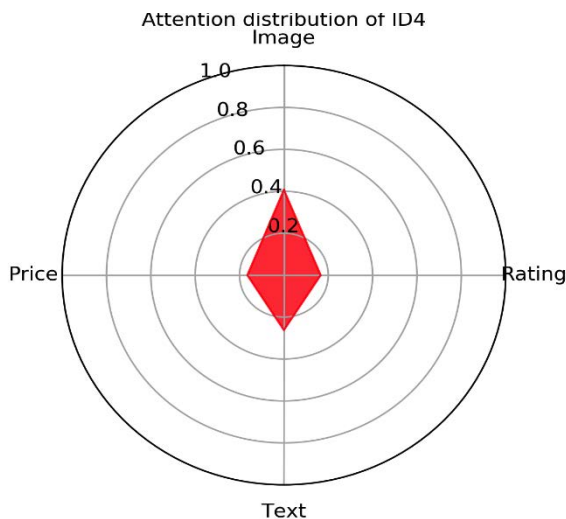
Figure 9. Total Attention Distribution

Attention distribution of All
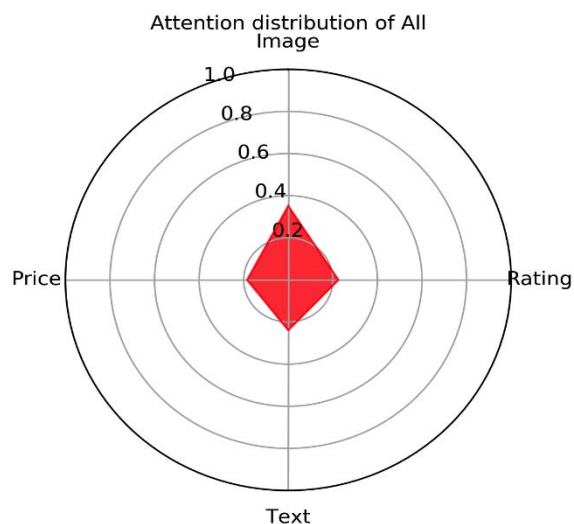
To describe participants' eye-fixation patterns on each AOI intuitively, we draw the polar plots. Figures 6, 7 and 8 show the eye-fixation patterns of each participant respectively. The eye-fixation counts are uniformed from 0 to 1. From Figures 6 and 8, we can see that these two participants pay the most attention (nearly 40%) on hotel image which is in the same line with previous researches (Aicher et al 2016; Noone and Robson 2014). However, participant 3 in Figure 7 pays the most attention to the hotel price and rating rather than the image, which indicates that he/she is trying to reduce his/her consideration set using different strategies, notably by focusing on price and rating (Pan, Zhang and Law 2013). So it's suggested that different consumers have different attention

distributions on different AOIs. From Figure 9, the hotel image is found to be focused most, while the hotel price and rating receive less attention. The text information receives the least attention. Participants focus much on hotel image which can be explained by the recovery psychology. Some hotel images such as natural images can help individuals recover from stress or fatigue (Wang, Tsai, and Tang 2018). So, the result shows that different AOIs have received different levels of attention. Figure 10 shows the eye-fixation counts result. The larger the counts on the AOI is, the more attention the participant pays on the AOI. Moreover, the larger the total counts of each participant is, the more time the participant used until he/she found the ideal hotel. From Figure 10, it's

Figure 10. Eye-Fixation Counts of Each Participant

Eye-fixation counts bar
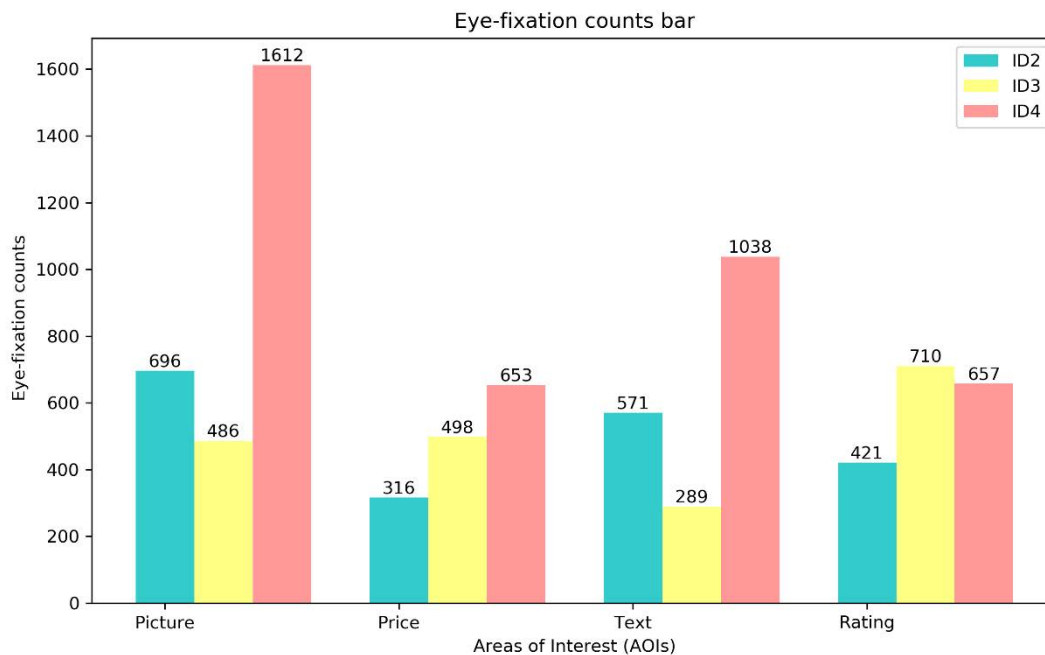
clear that participant 4 has the largest eye-fixation counts. The number of eye-fixation counts of participant 4 is about twice that of other participants, which may indicate that this participant encounters difficulty in finding the ideal hotel in the information-overloaded online environment. In summary, we have answered our three research questions based on real-world data analysis.

Conclusion and Discussion

Methodologically, we propose to employ the ML method into an online advertising setting. Our results show that the YOLO model identifies AOIs accurately and efficiently, which can tremendously reduce the workload from manual coding. To the best of our knowledge, this paper is the first to adopt the ML method into online advertising research using mobile eye-tracking study. It's the mobile eye-tracking device that makes experiments closer to the real-world setting. From the managerial perspective, the results show that different AOIs receive different attention and different consumers pay their most attention to different AOIs. As a result, the findings from our research provide suggestions on displaying the online hotel ad according to individual consumer's preferences based on their demographics and eye-fixation patterns. Different search filter parameters can be preset on the left side of the SERP such as the star rating, review score, etc. In addition, Web designers can pop up the focused AOIs or make more striking recommendations, so as to improve the effectiveness of the online ads on the booking rate.

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Modeling of Emerging Business Models

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EXTENDED ABSTRACT

Research Question

Emerging industries and, even more so, emerging business models, have been the subject of little research in marketing. Business models are, in fact, difficult to understand in a changing environment. When they are the subject of a typology, the movement of competitive adaptation and technological upheavals quickly undoes the schematizations that have just been developed. The evolutionary and dynamic nature of business models must therefore be better understood. To be able to better understand emerging business models, we must be able to understand their evolution and their progressive structuring and institutionalization.

Method and Data

We propose here to model the business models of mobile applications for iPhone. To do this, we have a database of 6,264 applications.

Summary of Findings

Five business models are present in the ecosystem of mobile applications for iPhone: age-limited pay games, free applications for millenials, free popular platforms, niche pay applications and free games for all audiences. For each business model, we provide examples from our database.

Key Contributions

By proposing a simple procedure for understanding evolving and dynamic business models, we seek to contribute to the literature on emerging business models, which lacks a concrete statistical procedure for building model taxonomies.

References are available on request.

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Scientific Pathways to Identify and Measure Formative Constructs

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Keywords: *philosophy of science, scientific method, formative construct, formative measurement, theory construction*

Description: *In order to address differing views regarding formative constructs and measurement, this paper integrates an updated philosophy of science perspective, scientific method, and fundamental claims about formative constructs and measurement; evaluates and proposes principles and criteria to justify the existence and meaning of formative constructs and measurement; establishes analytically-based support for these principles and criteria; and supports improved theoretical contributions and practical implications.*

EXTENDED ABSTRACT

Research Question

To address the confusion associated with formative measurement, updated perspectives and criteria are needed to claim the existence of formative constructs, to improve psychological measures, and to advance science.

Method and Data

Guided by updated philosophy of science perspectives and scientific methods, these proposed perspectives, methods, principles, and criteria foster systematic development and theory construction by specifying how formative constructs and measurement should be theoretically justified, analyzed, and empirically examined.

Summary of Findings

By integrating an updated philosophy of science perspective, scientific method, and fundamental claims about formative constructs and measurement, this paper fills gaps by evaluating and proposing principles and criteria to justify the exis-

tence and meaning of formative constructs and measurement, as well as establishing analytically-based support for these principles and criteria.

Key Contributions

Since philosophy of science in recent years has progressively sought to understand the way that science is practiced, we are now well positioned to understand the nature and status of science (Haig 2019). It is my contention that there are further implications of the relevance of philosophy of science to formative constructs and measurement in order to address differing views and confusion. Furthermore, this paper proposes principles and criteria justifying the existence and meaning of formative constructs and measurement, followed by analytically-based support. Lastly, this paper supports improved theoretical contributions and practical implications.

References are available on request.

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Marketing Analytics and Big Data

Marketing Analytics and Big Data

From Algorithm Aversion to Appreciation: Optimizing Algorithm Recommendation Disclosure with Dynamic Field Experiments and Deep Reinforcement Learning

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Keywords: *algorithm, disclosure, promotions, field experiments, deep reinforcement learning*

Description: *This paper finds algorithm disclosure (versus human editor) in product recommendations has a negative impact on customer purchases, a free promotion on recommended products increases algorithm appreciation by motivating more purchases of nonrecommended products, and the optimal policy derived from a deep reinforcement learning model could further increase algorithm appreciation on individual level.*

EXTENDED ABSTRACT

Research Question

Recently, many companies have rushed to disclose their deployment of algorithms such as artificial intelligence and machine learning tools (Aenlle 2018; Moshe 2018; Osterloh 2017; Welsh 2019). For example, Amazon, Burger King, Lexus, Toyota, UPS, and others disclose AI/ML algorithms in their campaigns and product recommendations (Griner 2018; Google 2019; Mogan 2018). From the aspect of the supply side, such algorithm disclosure may garner a myriad of business benefits because algorithms are advantageous over human judgments in computing big data and making individualized predictions (Egan 2019; Hosanagar et al. 2013). However, on the demand side, customers may have pushback and resistance against algorithms.

Against this backdrop, our research investigates three questions: (1) Does the disclosure of algorithm-based, versus human editor-based, recommendations decrease or increase customer purchases? (2) Can firms leverage free promotions to mitigate algorithm aversion? And (3) how to craft an optimal policy of algorithm disclosure so as to lower each individual's algorithm aversion and maximize the total sales revenues? These questions are critically important for managers to understand the algorithm disclosure effect, mitigation strategy, and the optimal policy for both the demand and supply sides.

Method and Data

We exploit data from dynamic field experiments on a digital reading platform with book recommendations to over 86,500 customers. These customers are randomized into four treatment groups, i.e., algorithm disclosure with free promotions (algorithm free), algorithm disclosure without free promotions (algorithm no free), human editor disclosure with free promotions (human free), and human editor disclosure without free promotions (human no free), and one control group (no recommendation from either algorithms or human editors). The data generation process follows a

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dynamic and recurrent experiment design, since customers in the four treatments receive a book recommendation each day continuously for seven days.

Extending the aggregated experimental findings, we craft an individual level optimal policy of algorithm disclosure through a deep reinforcement learning model – deep Q-networks (DQN). The optimal policy accounts for both between-individual and within-individual heterogeneity in dynamic changes of customer state variables over time and prescribes when and how (with or without free promotions) to disclosure algorithm for increased algorithm appreciation in the recommendation campaigns (Fader and Hardie 2010; Regenwetter, Falmagne and Grofman 1999; Simonson 2005).

Summary of Findings

Our data suggest that the algorithm (versus human editor) recommendation disclosure decreases customer purchases by 5.59%, which supports customers' algorithm aversion. However, this negative effect is mitigated by a free promotion. Interestingly, exploration of the underlying mechanisms suggests that customers respond to algorithm disclosure by forgoing the recommended books, but when there is a free promotion, they will read and purchase more nonrecommended books, thus increasing the total sales revenues of the platform. These results suggest that customers' algorithm aversion is bounded by the recommended books, but not towards the whole platform. They also indicate some customer strategic behavior: customers tend to generate more digital "footprints" for the platform algorithm to learn their preferences and recommend better-matched free products in the future. Thus, the free promotion seems to convert customers' algorithm aversion to algorithm appreciation.

We find that the DQN model derives an optimal policy that can further improve algorithm appreciation and lift the platform's total sales revenues by 4.7% to 15.8%, over and beyond the average treatment from the field experiment. These results are not only robust to different hyper-parameters but also interpretable. Also, we go beyond the counter-factual simulations and test the optimal policy out-of-sample. That is, we conducted a follow-up field experiment where besides the control and treatment groups in the first study, we added another randomized group that receives recommendations from the DQN's optimal policy. The results suggest that the DQN group wins the horse race and indeed attains higher total sales revenues than other treatment groups, confirming the optimal policy of algorithm disclosure in an online field test.

Key Contributions

Our work is broadly related to and extends the literature on AI/ML automation (Leung, Paolacci and Puntoni 2018; Luo et al. 2019), recommendation source (Senecal and Nantel 2004), recommendation framing (Gai and Klesse 2019), and optimal policy (Schwartz, Bradlow and Fader 2017). Adding to the literature on algorithm aversion (Castelo, Bos and Lehmann 2019; Logg, Minson and Moore 2019), we are among the first evidence to reveal that free promotions could reverse customers' algorithm aversion by boosting the sales of nonrecommended products. This enriches our understanding of the marketing-AI/ML interface regarding how free promotions effectively convert customers' algorithm aversion to algorithm appreciation.

Furthermore, extending the literature on randomized field experiments with A/B/n testing (e.g. Anderson and Simester 2004; Goldfarb and Tucker 2011b; Zhang et al. 2019), our work utilizes a novel and scalable DQN model to optimize total sales revenues based on dynamic field experiments. While conventional A/B/n tests are static with one-shot randomization, we deploy dynamic, multiple-shot field experiments for data generation processes. The optimal policy derived from the data and DQN model is valuable for managers to transform from one-size-fits-all mass marketing to individualized sequential communications. In this way, our DQN model empowers the marketers to make the right recommendations "for the right people at the right moment with transparency, speed, and precision" (Marketo 2017).

References are available on request.

Who Uses Store Credit? Factors That Influence Store Credit Usage Behavior: Evidence from jd.com

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EXTENDED ABSTRACT

Research Question

In recent years, retailers increasingly offer store credit to their consumers. Different from credit cards, the usage of store credit is restricted to purchases made at the retailer, and the store credit account is accessed through the retailer's portal. Despite the rapid growth in store credit services, little research has examined the effectiveness of such programs. In this study, we investigate what factors influence consumers' adoption and subsequent usages of store credit. We further examine whether these factors differ for the adoption and subsequent usage of store credit (different targeting of new versus established consumers).

Our theoretical analyses are built on a cost-benefit framework. For adoption, consumers need to incur switching costs as well as the cognitive effort of opening a new account. On the other hand, consumers gain from the increased financial flexibility associated with store credit, both materially and psychologically. For subsequent usages, consumers need to incur cognitive costs to operate their accounts and manage their store credit debt. As before, consumers gain from financial flexibility, but at a diminishing rate. Finally, cus-tomers benefit from using a single consolidated account for transactions and payments rather than through separate accounts from retailers and banks.

Method and Data

Previous studies have mainly used survey methods or lab experiment, which limits their ability to study the dynamics of consumers' credit usage over time. In this study, we empirically test the impact of focal factors on consumers' store credit usage behavior over time, from adoption to subsequent usage. Data is gathered from JD.com, one of the largest online retailers in China. We randomly select a data set containing 63,430 observations from 1,432 users observed from 2015 to 2018. We focus on both initial usage (adoption) and subsequent usage of store credit, and try to explain this through key influential variables from six dimensions: familiarity with the retailer, alternative payment methods, order channel, previous purchase behavior, store credit status and usage, and characteristics of the current order. These variables are dynamically updated at the beginning of each purchase occasion. Moreover, the characteristics of the current order is measured as the ratio between the

value of current order to the value of the previous average respectively. In addition, we calculate the variance inflation factor (VIF) for each predictor and confirmed there was no problem with multicollinearity. Finally, we also test and exclude the quasicomplete separation problem in logistic regression.

Summary of Findings

We find that the length of time since registering online has a positive effect for the adoption of store credit, but has a negative impact on subsequent usage. Heavy users are less likely to adopt and subsequently use store credit. However, average per-order spending is positive for adoption, but negative for subsequent usages. Deal-prone consumers, based on relative discount, are less likely to start using store credit, but this has no influence for subsequent usages. The available credit limit and the average monthly spending through store credit both have a positive effect on subsequent store credit usage. In addition, alternative payment methods, measured by the number of credit and debit cards both have a negative influence on the adoption and for subsequent usages of store credit. Finally, consumers are more likely to adopt store credit when purchases are made through a mobile phone, compared to a PC. However, mobile phone users are less likely to use store credit for subsequent usages.

Key Contributions

The theoretical contributions are threefold. Firstly, we extend the previous literature on consumers' credit usage behaviors from traditional credit card to store credit. Second, with a dynamic longitudinal data set, we can empirically explore whether and which factors influence consumers' propensity to use store credit rather than rely only on survey or lab experimental methods, which are mostly limited to static measures. Third, we identify antecedents of consumers' adoption and subsequent usage of store credit and obtain understanding how this underlying process changes between those two stages.

In addition, we provide managers with a comprehensive cost-benefit framework to analyze the role of antecedents on the adoption and subsequent usage of store credit respectively. Managers can use these factors to create static segments, as well as dynamic segments by analyzing consumers' real-time transaction data, e.g., through a decision support system. Managers could monitor and predict each person's probability of store credit usage as their behavior changes, and use special incentives when the propensity to use store credit is low (e.g., give an instant discount when using store credit or provide temporary extra credit).

References are available on request.

Retail Pricing Decisions and Category Sales Performance

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Keywords: *category management, demand estimation, retail pricing*

Description: *Our study addresses category management pricing decisions of retailers and their impact on category sales performance.*

EXTENDED ABSTRACT

Research Question

Retailers make complex decisions when dealing with category management (CM). Instead of focusing on independent product brands, the CM approach considers the interdependence of different brands in the same category and set prices to maximize category performance (Karande and Kumar, 1995; Basuroy, Mantrala and Walter, 2001; Hall, Kopalle and Krishna, 2010). However, due to the great variety of brands sold within a category, coordinated pricing decisions can be challenging (Tellis and Zufryden, 1995; Gooner, Morgan and Perreault Jr., 2011). Our study addresses CM pricing decisions of retailers and their impact on category sales performance. Using a unique dataset of sales from independent retailers, we estimate price elasticities of coffee using a nested logit model. Based on the demand parameters estimated by the two-level nested logit and following Bjornestedt and Verboven (2013), we can predict pricing effects on category performance for each retailer and find an optimal price strategy that maximize category profits. Finally, we analyze how market and store-specific characteristics influence category performance.

Method and Data

We analyze fine-grained retail price data (stock keeping unit—SKU level) of 120 independent operated grocery retailers spread located in a metropolitan area. Our unique dataset consists of store-level scanner microdata of daily transactions of ground-roasted coffee in 67 weeks including price, quantity sold, brand, product characteristics, specific retailer characteristics and location. Using longitudinal panel data and a nested logit model, we estimate the demand

for ground coffee and obtain price elasticities for all brands within the category. The application of a nested logit model is appropriate under category management, since it accounts for demand correlations between different brands by nesting products into groups of closer substitutes based on discrete product characteristics. In this way, the model also accounts for market segmentation. Considering the demand parameters and price-elasticities estimates, we predict cross-product pricing effects on category performance for each retailer and, thus, find an optimal price strategy that maximizes category profits. Moreover, we compare the optimal and observed profit for each independent retail store and show that accounting for the interdependence between product demands yields higher category profits. Finally, we use this difference in profits as a dependent variable and identify market and store determinants of category performance.

Summary of Findings

The aim of this paper is to provide evidence on the impact of pricing decisions on category profits of retailers accounting for market heterogeneity. Overall, our study proposed the application of a nested logit model for ground coffee demand estimation considering interdependent product demands and consistent with random utility theory. We show that the use of an optimal price vector for the retailer's portfolio of products would yield higher profits than those observed by all retailers in our dataset, regardless of the store size. Finally, we identify market and store determinants of such profits. Our findings and proposed analytical model contribute to existing studies of category management by setting pricing strategies that take into consideration its

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impact on other products and by accounting for market and store-specific characteristics that are often ignored. Also, our findings provide managerial guidelines on taking pricing decisions that will positively impact category performance and yield an optimal price vector for all its products, considering market heterogeneity.

Key Contributions

In this paper reporting preliminary results of an ongoing project, we attempt to make three key contributions. First, we augment existing marketing literature by predicting different price decisions effects at the SKU level on category performance (Zenor, 1994; Basuroy, Mantrala and Walters, 2001; Hall, Kopalle and Krishna, 2010; Gooner, Morgan and Perreault Jr., 2011). Second, we propose a novel two-level nested logit for demand estimation, accounting for customer heterogeneity across different dimensions of product characteristics. This proposed analytical model contributes to previous studies by considering, by construction, the impact of pricing decisions for one product on other products in the category for demand estimation (Karande and Kumar, 1995; Van Heerde, Leeflang and Wittink, 2004). In this way, the estimated price elasticities can be analyzed under a category management approach. Third, using our empirical results, we offer managerial implications on how retailers should set prices of certain products to maximize category performance and account for market heterogeneity, by considering market and store-specific characteristics.

References are available on request.

Discovering Underlying Mechanisms of Customers' Decision to Rate Products Using Latent Dirichlet Allocation Model

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Keywords: *online text reviews, text mining, topic modeling, machine learning, gradient boosted decision trees*

Description: *In the present study, we utilize Latent Dirichlet Allocation Mode and investigate the extent to which reviews can predict numerical ratings by utilizing.*

EXTENDED ABSTRACT

Two valuable pieces of information—reviews and their corresponding numerical ratings—are accessible for potential customers to examine before they make a purchasing decision. An extensive body of marketing literature has scrutinized the influence of customers' reviews by linking such aspects as the volume and valance of reviews and their relationship to product sales or customers' purchase intention. Utilizing a heuristic-systematic model of dual process theory, this study aimed to understand the relationship between reviews and their corresponding numerical ratings. We used an unsupervised machine learning technique called Latent Dirichlet Allocation to categorize customers' reviews. Comparing results from four supervised machine learning models—linear regression, decision tree, random forest regression, and gradient boosted decision tree—our findings demonstrated that reviews that mainly consist of heuristic cues (i.e., reviews involving topics with low cognitive efforts) are significant predictors of numerical ratings. However, reviews mainly consisting of systematic cues—that is, reviews involving topics with high cognitive efforts—do not predict their associated numerical ratings.

References are available on request.

Marketing Performance and Metrics

Reputation and Stakeholder Value

Marketing Actions and Capital Markets

The Impact of Corporate Social Irresponsibility Events on Consumer and Shareholder Perception: A Study of Five Countries

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Keywords: *consumer perception, stock returns, corporate social irresponsibility, crises*

EXTENDED ABSTRACT

Research Question

1. How do consumers from different countries respond to CSI events in terms of brand perception?

2. Is the consumer response to CSI events relevant for investors' reaction on stock markets?

Method and Data

Using a quasi-experimental design (research focus I), this paper investigates the impact of historical CSI events on consumer brand perception (daily brand metric data). Examination of 536 CSI events that appeared in 77 leading media outlets from 2008 to 2014 shows that CSI events have a negative impact on consumers from the U.S., Germany, the U.K., France, and Mexico. Furthermore, using the event study method (research focus II), this paper also shows that the immediate consumer response to CSI events is the essential determinant of the stock price drop.

Summary of Findings

Our study identifies how CSI events can destroy consumer brand perception and the financial reputation in several countries. First and most importantly, CSI events have a negative impact on consumer brand perception in all analyzed countries. Furthermore, in countries such as the U.S., the U.K., and Mexico, where patriotism plays a pronounced role, national CSI events of foreign companies are more likely to be criticized than ethical misconduct of national companies. With respect to the stock market analyses, we show that consumer responses determine the impact of CSI events on stock return. We find this effect for local consumer responses as well as for international consumer responses.

Key Contributions

A deeper understanding of the consequences of CSI events has several implications for practice. First, given that many companies operate in an international context, executives' understanding of national peculiarities and anticipation of potential CSI events is highly relevant. By identifying how consumers from five countries react to CSI events with respect to brand- (e.g., brand origin) and CSI-specific characteristics (e.g., CSI event type), we give country-specific guidance on how companies can prevent potential damages. Second, this study helps managers infer how changes in consumer perception metrics affect the financial value of a company. Many executive managers have difficulty influencing the value of their shares in times of crisis.

This study also vitally contributes to crisis theory and research. First, we adapt the theory of cultural values to explain how the perception of CSI varies across countries. Second, we use the efficient market hypothesis to predict how consumer responses to CSI determine stock return.

References are available on request.

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Drivers of Corporate Reputation and Its Differential Impact on Customer Loyalty

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Keywords: *corporate communication, corporate reputation, consumer behavior, longitudinal analysis*

Description: *This paper analyses the corporate reputation-loyalty link by taking into account a cognitive component as well as an affective component of reputation and sheds light on the drivers of those components to provide managers with actionable guidelines on how to manage their reputation.*

EXTENDED ABSTRACT

Research Question

In our paper, we offer a nuanced perspective on the corporate reputation-loyalty link by following Schwaiger (2004) and taking into account a cognitive component (i.e., competence) as well as an affective component (i.e., likeability) of reputation and assess their impact on loyalty. We employ the NPS as a loyalty measure and check whether the results of NPS are robust by contrasting it to a conventional measurement, namely corporate brand purchase intention (CBPI). Our results help managers to enhance loyalty more efficiently by focusing their communication efforts on the strongest leverage in the reputation-loyalty link. In Study 1, we address the following research question:

RQ Study 1: Which dimension of corporate reputation (i.e., competence or likeability) contributes more to the formation of trust and customer loyalty?

The second goal of this paper is to shed light on the drivers of competence and likeability to provide managers with actionable guidelines on how to manage and enhance their reputation. In subsequent analyses of reputation drivers, we focus on performance-oriented signals—largely stemming from firm's self-interest to generate profit—and benevolence-oriented signals—primarily aiming to generate public goodwill. Beside those signals, we include two additional reputation drivers, namely perceived brand globalness

(PBG) and familiarity, in order to address the following research question in Study 2:

RQ Study 2: How do reputational drivers impact affective and cognitive corporate brand evaluation?

Method and Data

Our data set incorporates the evaluation of six companies operating in the pharmaceutical industry in 24 countries. Data was collected annually by a professional market research agency, resulting in three consecutive waves. Reputation was measured using Schwaiger's (2004) reputation model. To measure loyalty (i.e., NPS, CPBI), we relied on two items adapted from Chaudhuri and Holbrook (2001) and the established NPS scale introduced by Reichheld (2003). We utilize a panel regression approach, which allows to account for unobserved heterogeneity on the firm-, country-, and year-level. To assess the mediating role of trust, we follow a three-step approach (Baron and Kenny, 1986; Luo and Jong, 2012) by regressing reputation on trust and by estimating the effect of reputation on loyalty with and without trust. In addition, in Study 2, perceived brand globalness (Steenkamp et al., 2003) and familiarity (Rego et al., 2009) were measured on single-item scales. To capture performance-oriented and benevolence-oriented signals, a total of 21 firm characteristics that range from innovation, quality perceptions, and reliability

to safety, environmental responsibility, and fairness, were used for analysis. In order to reduce the amount of numerous and potentially correlated firm characteristics, we performed an exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) before estimating the impact on the endogenous variables in our model. In line with our proposition, performance-oriented signals load on Factor 1 (α = .944) and benevolence-oriented signals load on Factor 2 (α = .950).

Study 1: Summary of Findings

Main Effect. The estimation including both reputation dimensions explains 96% of variance in CBPI and NPS. The results show a stronger effect of likeability (β_I = .663, β_{III} = .597, p < .01) than competence (β_I = .357, β_{III} = .334, p < .01) on both focal variables (i.e., CBPI, NPS). Thus, the assessment of likeability contributes more to the prediction of loyalty.

Mediation. If we add trust to the baseline estimation, we observe that trust exerts a positive influence on CBPI (β = .436, p < .01) and that the effects of competence (β_I = .357; p < .01; β_{II} = .202, p < .01) and likeability (β_I = .663, p < .01; β_{II} = .398, p < .01) on CBPI diminish. Comparing the estimation containing competence and likeability only with the estimation including trust, trust exerts a marginally significant and positive influence on NPS (β = .188, p < .1) while the effects of competence (β_{III} = .334, p < .01; β_{IV} = .267, p < .01) and likeability (β_{III} = .597, p < .01; β_{IV} = .482, p < .01) on NPS decline. Thus, we can infer from the results that trust serves as a mediator in the relationship between reputation and both loyalty metrics. By regressing competence and likeability on trust, we observe that both components of reputation exert a significant influence. As expected, competence (β = .620, p < .01) and likeability (β = .731, p < .01) have a positive effect on trust. Adding both exogenous variables to the estimation, the results reveal a stronger effect of likeability (β = .608, p < .01) than competence (β = .356, p < .01) on trust. Moreover, the coefficients for likeability decrease stronger for likeability in the regression with CBPI (β_Δ = .265) and NPS (β_Δ = .115) than the coefficients for competence in the estimation with CBPI (β_Δ = .155) and NPS (β_Δ = .067). Hence, trust mediates the effect of likeability on loyalty stronger than it does for competence.

Study 2: Summary of Findings

Competence. The first estimation explains 62% of variance in competence. The results indicate that performance evaluations (β = .720, p < .01) have the strongest impact on competence followed by the perception of a benevolent firm (β = .311, p < .01). PBG exerts a marginal positive influence (β = .057, p < .01) on competence. Familiarity reveals a marginal negative effect (β = -.030, p < .01).

Likeability. The second estimation has an explanatory power of 52% in likeability. The results reveal that likeability is primarily associated with benevolence (β = .563, p < .01) followed by performance (β = .277, p < .01). PBG and familiarity show reverse effects compared to their impact on competence. While familiarity exerts a positive influence (β = .172, p < .01) on likeability, PBG shows a marginal negative effect (β = -.086, p < .01).

Key Contributions

In Study 1, we reveal that the affective component of reputation contributes more to the prediction of loyalty than the cognitive component. The results also indicate that trust mediates the impact of likeability on loyalty stronger than the impact of competence. To ensure that our inferences are not driven by the conceptualization of the dependent variable, we utilized two alternative measures of loyalty, namely future purchase intention and NPS. The effects and implications remain robust for both variables highlighting the accuracy of our implications. However, so far, companies operating in the pharmaceutical industry lack knowledge on how to manage each of the two distinct reputation dimensions. Hence, the aim of subsequent Study 2 is the identification of each component's (i.e., competence, likeability) distinct drivers in order to give clear managerial advice on how to improve reputation judgments and thus loyalty perceptions. The results of Study 2 demonstrate that performance-oriented signals are the strongest predictor of competence across all 24 countries included in our sample. In contrast, our driver analysis reveals that benevolence-oriented signals are the most powerful drivers of likability. These findings are valid for all countries of interest. Hence, managers in the pharmaceutical industry should focus on those two distinct factors to enhance consumers' perceptions of their two-dimensional reputation.

References are available on request.

Marketing Background of CEOs and Corporate Social Performance (CSP)

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Keywords: *corporate social performance, CSR, upper echelons, CEO, functional background*

Description: *We examine how the marketing background of the CEO enhances the firms' corporate social performance and moderators to this effect.*

EXTENDED ABSTRACT

Research Question

We aim to provide new insights by addressing the following two research questions: (1) does a CEO's previous functional experience in marketing help or harm CSP, and (2) what conditions moderate this relationship?

Method and Data

We compile a comprehensive panel dataset of 3,348 CEOs from 1,973 U.S. publicly-traded corporations for the period between 2001 and 2016 to investigate the impact of CEOs with prior functional experience in marketing on CSP. We use KLD as the source of our corporate social performance data. CEO functional background is determined using a text mining procedure from BoardEx data. In our analysis, we control for factors that have been previously shown to influence firm CSP, and we account for endogeneity and alternative explanations.

Summary of Findings

We reveal that CEO marketing functional background has a significant positive impact on CSP, but other CEO functional backgrounds do not. This is moderated by environmental and organizational factors affecting the CEO's discretion.

Key Contributions

Breaking with the view the sole purpose of the corporation is to serve shareholders, the Business Roundtable—an influential group of 200 top CEOs, recently stated that firms must also consider the interests and obligations of other stakeholders. Thus, firms should invest in their employees, protect the environment, and deal ethically with customers and suppliers (Benoit 2019). This strongly suggests that corporate social performance (CSP) should now be considered a critical metric when assessing firm performance.

For marketing scholars, we reveal that CEO marketing functional background has a significant positive impact on CSP, but other CEO functional backgrounds do not. This provides valuable new insight on how marketing contributes to this performance metric. Second, drawing upon upper echelons theory, we test how specific factors affecting CEO discretion may moderate the relationship between CEO functional background and organizational outcomes. For practice, our study indicates the benefits of CEO marketing background on CSP and it provides a wealth of new guidance for firms about other CSP antecedents. For socially-conscious investors, our findings, based on the largest sample to date, offer new guidance for what conditions facilitate CSP, allowing these audiences to improve their processes for scanning—and evaluating—firms on these dimensions.

References are available on request.

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End-State Value: Connecting Marketer Performance to Consumer Well-Being

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EXTENDED ABSTRACT

Research Question
Does customer value produce positive bottom-line outcomes for both marketers and customers? We propose that existing customer value measures, which focus on product attributes and consequences of product use, fail to connect with consumer well-being even though they predict key marketing outcomes (e.g., satisfaction). We further propose that a newly-developed end-state value measure, which focuses on the impact of market offerings on consumers' desired states of being, will predict both consumer well-being and key marketing outcomes.

Method and Data
We employed an online experiment to compare the relative performance of attribute, consequence, and end-state value measures in predicting marketer outcomes (product satisfaction, word of mouth, repurchase intention) and customer outcomes (life satisfaction). Participants were 869 U.S. consumers recruited from Amazon Mechanical Turks. Data was analyzed with Partial Least Squares Structural Equation Models.

Summary of Findings
We find that the end-state approach to customer value predicts outcomes both for the marketer (repurchase intent, word-of-mouth, satisfaction) and for consumer well-being (as life satisfaction), while attribute and consequence approaches predict marketer outcomes but not consumer well-being.

Key Contributions
This research uncovers a new approach to customer value that better aligns with marketing's aim to create mutually beneficial outcomes for firms and customers. This approach enables two desirable features for measuring customer value. First, end-state measures can be created without extensive qualitative research to distill the attributes or consequences of a specific product, which can save research development resources. Second, since end-states are product agnostic, related approaches and measures can be applied across disparate product categories, which will be useful for studying things such as cross-category competition.

References are available on request.

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WOM and Financial Performance: How Does Word of Mouth Differ from Word of Mouse?

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EXTENDED ABSTRACT

Word of mouth (WOM) is the act of passing information from one consumer to another (Higie, Feick, and Maggio-Price, 1987). Traditionally, all WOM was offline, i.e., "Oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as noncommercial, concerning a brand, product, or a service" (Arndt, 1967). Today, consumers have the opportunity to share thoughts about brands/products via the internet, resulting in electronic (hereafter online) WOM (Hennig-Thurau, Gwinner, Walsh, and Gremler, 2004).

Despite their similarities, online WOM and offline WOM differ in multiple ways. The most obvious difference is the mode of communication. Offline WOM is one-to-one oral communication whereas online WOM is usually written and broadcasted (one-to-many), usually to an individual's social network. These differences make consumers less willing to engage in online WOM compared to offline WOM (Eisingerich, Chun, Liu, Jia, and Bell, 2015). The motivations behind online and offline WOM also differ, with emotions playing a stronger role in offline WOM (Lovett, Peres, and Shachar, 2013). Finally, the downstream consequences differ as well, since speaking about a brand connects to consumers more than writing does (Shen and Sengupta, 2018).

In recent years we have seen a number of studies on the impact of WOM on firm financial performance. However, this stream of research is highly unbalanced. Most focus on the impact of online WOM (Babić Rosario, Sotgiu, De Valck, and Bijmolt, 2016; Luo and Zhang, 2014; Tirunillai and Tellis, 2012; Yu, Duan, and Cao, 2013). There are only a few studies on the influence of offline WOM on the firm. These consider the impact on retail sales (Fay, Keller, Larkin, and Pauwels, 2019) and market expansion (Libai, Muller, and Peres, 2012). The two studies of offline WOM on financial performance were focused on the airline industry (Luo, 2007, 2009) which has some unique operating characteristics, e.g., weather, which may limit the generalizability of the findings.

Since offline WOM is quite different from online WOM, we should not assume the findings regarding the impact of online WOM on the firm can be simply generalized to offline WOM. While some authors suggest that online WOM will supplant offline WOM as a driver of consumer behavior (Eisingerich et al., 2015; Hennig-Thurau et al., 2010), current research shows that offline conversations about products and brands are still more plentiful (Fay et al., 2019). The more surprising finding is that offline WOM cannot be predicted by online WOM (Fay and Larkin, 2017).

To our knowledge, no research has studied the effects of online and offline WOM on firm performance across industries. To provide more generalizable insights, we undertook a cross-industry analysis of the impact of online and offline WOM on key financial outcomes including stock returns and return volatility. The main research questions of this paper are: (1) What is the impact of offline word of mouth on firm financial performance? and (2) How does the impact of offline WOM differ from online WOM? Our key independent variables are volume measures for online and offline WOM where volume is defined as the total number of WOM messages sent in a channel. It is the most basic and most studied WOM metric (Babić Rosario et al., 2016).

In our sample of 183 firms, which market more than 400 top brands in the U.S., we find that both online and offline

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WOM volume have favorable impacts on future stock returns and volatility. However, the levels of effects are different. For stock returns, while both effects are positive, the influence of online WOM is slightly higher. With respect to stock return volatility, both effects are negative. Although, the effect of offline WOM is stronger, i.e., more beneficial to the firm. In summary, while online WOM may have a bigger impact on stock return, offline WOM is more effective in reducing shocks and stabilizing stock prices.

One of the key contributions of this paper is that we utilize measures of offline WOM that reflect conversations between consumers. It is through this personal exchange of brand-related information that the future behavior of the receiver (and in many cases the sender) is influenced. This influence, in turn, changes marketplace outcomes for the brand and affects firm value. Prior research on complaints in the airline industry (Luo, 2007, 2009) measure communications between customers and a regulator (i.e., the FAA). While this is a form of WOM, it lacks the critical component of consumer-to-consumer communications that have been part of this stream of research from the beginning.

Our second contribution involves the breadth of our aggregated findings with respect to the number of industries represented in our data. Most studies on the impact of online/offline WOM focus on limited industries (Luo and Zhang, 2014; Tirunillai and Tellis, 2012). In contrast, the brands in our study include multiple industries such as automobile, personal care, food, financial, retail, apparel, etc. In addition, a number of airlines and consumer electronics brands are included. We show that the beneficial effects of offline and online WOM on stock market performance are wide-spread and not limited to a few selected product categories.

Our third contribution is that we compare the impact between online WOM and offline WOM side-by-side. This has not been done empirically since the prior research only focuses on one communication channel or the other. This comparison is exceptionally important for the managers since it highlights the importance of monitoring consumer WOM online as well as across the back fence. Also, it will help the managers on decisions regarding resource allocation.

References are available on request.

Shareholders' Reactions to Sports Sponsorship Announcements: A Meta-Analysis

Kamran Eshghi, Laurentian University

Keywords: *sports sponsorship, event study, abnormal return, metaanalysis*

Description: *In this metaanalysis study, I investigated the aggregate effect of sports sponsorship announcements on the shareholder value.*

EXTENDED ABSTRACT

Research Question
The number of studies on the marketing–finance interface has escalated in response to increased interest in the value of marketing investments, such as sports sponsorship. Empirical literature finds contradicting results on the value shareholders place on sports sponsorship investments. Some studies show that there is a positive effect on stock return, while other studies show a negative effect on stock return upon sports sponsorship announcements. Moreover, there is inconsistency in how event studies are conducted in the context of sports sponsorship. These variations could affect the cumulative stock return of the sports sponsorship announcements. Therefore, the main research question is, "do shareholders and investors view sports sponsorship as a good investment or not?" The second research question is that "what factors do explain the variations in the observed cumulative abnormal return due to these investments?"

Method and Data
To answer these questions, I embark on a meta-analysis study to find the aggregate effect of sports sponsorship announcements on the stock return. Additionally, I try to identify the factors that could explain the heterogeneity in the previous results by conducting a specific type of meta-analysis named MetaAnalytic Regression Analysis (MARA). I used 3,120 sports sponsorship announcements from 35 studies conducted between 1997 and 2019 as my sample.

Summary of Findings
On aggregate, shareholders view sports sponsorship favorably. The average cumulative abnormal return is .234 percent that is significant. Overall, shareholders view sports sponsorship investments more favorably when a functional and geographical congruence exists between sponsors and sponsees. In addition, this study shows that the differences in the CAR can be explained by controlling for confounding events, sponsorship time period, and in which country the samples are taken. Specifically, the studies that control for confounding events exhibit higher returns in comparison to the studies that did not control for them. Moreover, I also find that the more recent studies show weaker abnormal returns in comparison to the older ones. Finally, I observe that CAR is positively correlated with congruence between sponsor and sponsee.

Key Contributions
This study is the first meta-analysis study to investigate the reactions of shareholders to sports sponsorship announcements using an event study. Second, this study contributes to sports sponsorship literature by integrating the stream of research. The robustness of individual study findings is assessed, and several empirical generalizations established in the process. The results show that on aggregate, shareholders view sports sponsorship more favorably, which is in contrast to most of the recent studies that found negative or no effect. Third, the differences in abnormal return from sports sponsorship announcements are shown to be affected by (a) controlling for confounding events, (b) time period of sports sponsorship samples, and (c) the event's country of origin. Finally, this study demonstrates that shareholders view sports sponsorships more favorably when there is congruence between sponsors and sponsees, and when firms invest in the Olympic Games.

References are available on request.

Managerial Learning Dynamics in Marketing Strategy Development and Its Impact on New Product Capital Market Returns

Peng Zhang, University of Georgia
Anindita Chakravarty, University of Georgia

Keywords: *marketing dynamics, new product development, marketing strategy management, marketing finance, capital market returns*

Description: *This study investigates how new product managers proactively respond capital market returns of the new product preannouncement and use it along with other stakeholders' reactions to undertake marketing strategy development during the prerelease period.*

EXTENDED ABSTRACT

Research Questions

Three research questions are to be addressed:

1. How may managers dynamically learn from investors, prospective customers, competitors, and mass media to implement marketing strategy adjustment after new product preannouncement and before its formal launch (be it narrowcasting, broadcasting, or multicasting)?

2. How may managers' unobserved uncertainty drive such a dynamic managerial learning process during the preannouncement period?

3. Which source of the information may be the most effective for managers to learn, in terms of both short-term stock returns improvement and long-term new product profitability?

This study makes three-fold contribution. First, this is, to my best knowledge, the first study comprehensively examining firms' new product launch marketing strategy adjustment through the dynamic managerial learning process. Second, it will empirically quantify managers' underlying mental uncertainties behind the dynamic managerial learning process. Third, the modeling results based on this study will also benefit managers by assisting them to more efficiently undertake their marketing strategy adjustment before launch.

Method and Data

To empirically address our research questions, we employ a four-step approach in this study. First, we measure the cumulative abnormal stock returns (CARs) during new product preannouncement periods based on the Fama-French and Carhart four-factor model. Next, we adopt Park, Chintagunta, and Suk's (2019) method to extract the unpredicted component of launching firms' preannouncement CARs. Third, we investigate the dynamic managerial learning process in terms of launching firm managers' earned and owned media strategy trade off, based on their interactions with prospective customers, competitors, and mass media. At last, we holistically examine whether the unpredicted preannouncement CARs, as the initial step strategically taken by the launching firm managers, may trigger the follow-up dynamic managerial learning and marketing strategy adjustment, which eventually lead to the changes in CARs during the release period.

Key Contributions and Findings

The contribution of this study is two-fold. First, this is, to our best knowledge, the first study comprehensively exam-

ining firms' new product launch strategy. The proposed four-step empirical research design substantively quantifies the dynamic managerial learning process from the time of pre-announcement up to formal launch. Second, the empirical results based on this study will benefit managers by assisting them to better optimize their marketing strategy across "owned," "paid," and even "earned" media outlets. We are currently still fine-tuning a few parameters, and the final modeling structure is subject to changes. We promise to complete the analysis as soon as possible.

References are available on request.

Underwriter Efforts, Marketing Effects, and Financial Performance of Chinese IPOs

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Gang Hu, Hong Kong Polytechnic University

Siyuan Yan, Hong Kong Polytechnic University

Keywords: *underwriter's compensation, marketing effects, IPO underpricing, long-term performance*

Description: *This paper examines the underwriter's efforts in the initial public offering (IPO) process and their marketing effects on IPO performance in both the short and long term.*

EXTENDED ABSTRACT

Research Question

Gao and Ritter (2010) suggest that the marketing of financial securities is a research area that has been largely ignored. So far, only limited research has been devoted to understanding the role of marketing in the underwriting process. IPO underwriters, acknowledged as the most important financial intermediary in the security offering process, have valuable functions in determining the offering price and stimulating investor demand. The underwriter, on behalf of the issuer, is the key agent responsible for providing comprehensive services to ensure the success of the security issuance and offering. According to Papaioannou and Karagozoglu (2017), major underwriting functions include valuation, marketing, distribution, and certification. In our view, these functions are closely related to the concept of the "4Ps" in marketing of product, price, promotion, and place (e.g., McCarthy, 1964; Armstrong and Kotler, 2017). Thus, the underwriter's marketing function is of great significance in enhancing the realization of other functions. Specifically, in this paper we aim to explore the following research question: Do underwriters' efforts (reflected in their compensation, the underwriting spread) generate positive marketing effects for the IPO firms leading to larger financial benefits (i.e. less underpricing) in the short run and better long-term performance?

Method and Data

Conceptually, we integrate the underwriter's major functions documented in the finance literature into the traditional marketing principle of the "4Ps." Our empirical analyses are conducted for the sample period after a major regulatory change in the Chinese IPO market: the deregulation of underwriting fees in 2005. Along with the implementation of the Chinese IPO sponsor system in 2005, the removal of the original restriction of a 3% maximum underwriting spread allows the underwriter in the IPO process to be compensated appropriately through the underwriting fees for functions and services. Thus, we expect that the Chinese deregulation of IPO underwriting fees provides an ideal and distinct setting to examine the possible relationship among IPO underwriting fees, underwriters' marketing efforts, and the effects of those efforts on IPO outcomes. Based on a sample of 1,436 Chinese IPOs during 2005–2015 in the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE), we estimate the abnormal IPO underwriting spread to proxy for the underwriter's efforts. Subsequently, we conduct three hypothesis tests to examine the marketing effects and corresponding economic consequences related to the underwriter's efforts.

Summary of Findings

First, we find that underwriter's efforts produce significant short-term marketing effects as measured by pre-IPO institutional investors' participation, offer price up-ward revision. The empirical results confirm that underwriter's efforts have marketing effects and they enhance information production to uncover the intrinsic value of the offering shares

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by inducing institutional investor participation in the IPO book-building. Furthermore, we document a positive and significant correlation between the abnormal underwriting spread and long-term marketing effects measures including post-IPO analyst coverage, media coverage, institutional holding, and aftermarket liquidity. The results suggest that the underwriter's efforts yield long-term marketing effects for the issuer, thus improving the publicity and visibility and reducing information asymmetry and pricing uncertainty. Finally, we find that underwriter's efforts are significantly and negatively associated with IPO underpricing. The results suggest that underwriters can make additional efforts to price the offering shares more effectively to reduce IPO underpricing. In addition, we find that the underwriter's efforts are positively associated with issuing firms' long-term financial performance as measured by postlisting buy-and-hold abnormal return and Tobin's Q. Such evidence confirm that the marketing efforts made by the underwriter in the pre-IPO stage have positive impacts on issuing firms' post-IPO market value in the long run.

Key Contributions

Our contributions are two-fold. First, the prior literature shows a link between marketing efforts and underpricing, with limited empirical evidence on measuring marketing effects. In this paper, during a time period in which Chinese IPO underwriting fees were deregulated and compensation reflects the efforts, we demonstrate that greater underwriter's efforts exhibited in the form of marketing effects lead to higher capital raised by the issuers. We use a comprehensive list of measures of marketing effects, both in the pre-IPO stage and aftermarket, including institutional investor participation, upward offer price revision, post-IPO analyst coverage, post-IPO media coverage, post-IPO institutional holdings, and aftermarket liquidity, to support this conjecture. We believe that such a finding on the marketing effects fills an important gap in the literature. Second, we document the long-term marketing effects of the underwriter's efforts, leading to better long-term financial performance for the IPO firm. A large body of literature focuses on the certification effects of underwriter reputation. In this study, after controlling for the underwriter fixed effect, we show that underwriter's efforts also have an independent influence on the IPO valuation and long-term performance, allowing a relatively clean separation of the impact of underwriter reputation.

References are available on request.

The Effect of Stock Repurchase on Firm Performance: Moderating Role of Diversification and Marketing Myopia

Yuan Wen, Washington State University
Babu John Mariadoss, Washington State University

Keywords: *stock repurchase; diversification; marketing myopia; marketing capability; firm performance*

Description: *This research examines how a firm's stock repurchase strategy affects firm performance under two important contingencies: diversification and marketing myopia.*

EXTENDED ABSTRACT

Research Question
We address the research gaps by asking the following research questions: (a) How does stock repurchase influence marketing outcomes and firm performance? (b) How do different firm contingencies influence the effect of stock repurchase on marketing and firm performance?

Method and Data
We test our hypotheses using the panel data analysis, in which the related data are from a sample set of firms for the period from 1989 to 2015, obtained from the Compustat database. We control for the endogeneity by using the Heckman treatment effects model with corrections (Bendig et al. 2018; Saboo, Chakravarty, and Grewal 2016). We include the inverse Mills ratio as a control variable that captures the omitted factors that impact stock repurchase in our equations.

Summary of Findings
We find that a stock repurchase strategy reduces marketing capability as well as long term performance, and increases short-term performance. When firms conduct diversification strategy, the effects of stock repurchase on a firm's short term and long-term performance will be weaker. Furthermore, when firms are both diversified and marketing myopic, the negative moderating influence of a firm's diversification on the relationship between firms' stock repurchase and short (long) term performance becomes weaker.

Key Contributions
First, our study advances the literature on marketing capability. Marketing research has examined marketing capability from a marketing perspective; however, few research studies investigate the antecedents of marketing capability from the perspective of financial strategies. In this paper, we consider the changes in marketing capability as they relate to one of the most important financial payout policies—stock repurchase. Second, we find that the tradeoff between short-term performance and long-term performance is affected by stock repurchase. We contribute to the literature by identifying a different mechanism for the effect of stock repurchase on short-term and long-term performance by drawing from the resource-based view as well as market-based assets theory. In addition, this study also explores important firm contingencies (e.g., diversification and marketing myopia) that influence the effect of stock repurchase on marketing capability and performance, and builds a comprehensive framework to explain the effect of stock repurchase on subsequent performance.

References are available on request.

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Deconstructing Marketing's Effects on Firm Value

Anusha Reddy Gondi, Indian School of Business
Prakash Satyavageeswaran, Indian Institute of Management Udaipur
Sundar Bharadwaj, University of Georgia

Description: *This paper studies the reallocation of marketing expenses among advertising, promotion and distribution expenses because of financial crisis and the effect of this reallocation on firm performance.*

EXTENDED ABSTRACT

Research Questions

We answer three research questions in our study.

1. What is the base effect of marketing expenses (and its components of advertising, promotion and distribution) on firm performance?

2. How does marketing spend shift among advertising, promotion and distribution expenses when there is a financial crisis?

3. What is the effect of this shift in marketing spends on firm performance during a financial crisis?

Method and Data

We use panel data from public and private sector Indian companies across multiple sectors from Prowess database. Marketing expenses are split into advertising, promotion, and distribution expenses as provided in the database. We use data for years 1988-2017 to estimate our equations. We use a fixed effects panel model accounting for endogeneity using control function approach.

Summary of Findings

In the base effects, during the normal periods, we find that total marketing expenses, advertising and promotion expenses have a significant and positive effect on sales and market value. While distribution expenses have a positive impact on sales, they have no effect on market value. The 2008 financial crisis leads to a decrease in total marketing expenses and each of its individual components. Crisis also leads to a decrease in market value and sales. Advertising has a positive effect on market value both pre and post crisis. The effect though is stronger post crisis. But advertising expenses have no effect on contemporaneous sales. Surprisingly, promotions have no effect on market value or sales during this period. Distribution has no effect on market value but has a positive effect on sales and the effect is stronger post crisis.

Key Contributions

Our study contributes to theory by helping improve the understanding of marketing's contribution to firm value by studying the effect of actual marketing expenditure and its components (of advertising, promotion and distribution expenses), instead of proxies, on firm value. Past studies have either used proxies such as SG&A or advertising expenditure to understand the effect of marketing expenses on firm value. Our study provides insights on the effect of sales promotions and distribution expenses on firm value across sectors contributing to the sparse literature on promotions and distributions. From a practitioner perspective, our study helps marketing managers take better decisions in allocating their marketing expenditures over the different levers of advertising, sales promotion, and distribution during a crisis.

References are available on request.

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Marketing Strategy and Implementation

Effects of Customer and Product Configurations on Acquisition Performance: Insights from Business-to-Government Markets

Shuai Yan, Iowa State University
Ju-Yeon Lee, Iowa State University
Brett W. Josephson, George Mason University

Description: *This research explores the performance implications of mergers and acquisitions (M&As) activities of firms in the business-to-government (B2G) marketplace, and finds that B2G market penetration (acquiring a firm with the similar customers and products) and B2G diversification (acquiring a firm with the unique customers and products) yield positive abnormal stock returns.*

EXTENDED ABSTRACT

Research Question

The U.S. federal government is increasingly becoming an important customer for firms to pursue and marketing academics to explore. Yet, the idiosyncratic nature of government regulations on the procurement process stifles growth opportunities. Thus, to achieve growth, firms often turn to mergers and acquisitions (M&As) since they represent the most viable path to attaining critical capabilities necessary to expand. These capabilities stem from integrating valuable government customer and product knowledge stores. Firms can either acquire customer/product information that is similar (penetration) or unique (expansion) to their own. Firms then use these additional insights to improve their efficiency or their effectiveness. Unfortunately, extant literature on M&A in general, let alone in highly regulated markets like B2G, does not provide sufficient insights into the performance implications of the different customer-product configurations that derive from M&A activities. These *customer-product configurations* ultimately influence M&A performance and their impact is ambiguous. Therefore, we develop and test a conceptual framework to determine *the impact of a firm's customer-product configuration strategies on M&A performance*.

Method and Data

Our data comes from multiple secondary sources, including USAspending.gov, Thomson ONE Banker, and CRSP/COMPUSTAT. To examine M&A configuration performance, we employed an event-study approach based on 553 M&A announcements (2002–2017) made by federal contracting firms. Event study methodology allows us to assess the value created by the M&A announcements and evaluate the success of M&As (Sorescu et al. 2007). Following the Fama-French four-factor model (Carhart 1997; Fama and French 1993), we used the acquirer's cumulative abnormal returns (CAR) as the outcome variable and empirically examined the effects of customer and product configurations on the acquirer's abnormal returns from the M&A announcements.

Summary of Findings

Overall, most of our theoretical hypotheses receive empirical support. We find that two configurations generate positive abnormal returns to the acquirer whereas one produces a negative return. First, customer penetration–product penetration (*B2G market penetration*) strategy has a positive effect on the acquirer's abnormal returns from M&A announcements. B2G market penetration increases the

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acquirer's cost efficiency through greater economies of scale, as the acquirer and the target can share similar stores of customer and product knowledge. As a result, it likely enhances the acquirer's margins of serving the customer. Second, customer expansion–product expansion (*B2G diversification*) strategy increases the acquirer's abnormal returns. Customer expansion strategy focuses on addressing the needs of new customers, which can be complemented by new products that bring a diverse and broad new store of product knowledge. In this way, the acquirer can leverage new product capabilities and create the offerings to meet the needs of new customers. Yet, customer penetration–product expansion (*B2G product development*) strategy has a negative effect on the acquirer's abnormal returns due to limited cost synergy improvements. We did not find a significant effect for customer expansion-product penetration (*B2G market development*) strategy.

Key Contributions

This study contributes to marketing theory in several ways. First, it is the first study that systematically exam-ines M&A activities in B2G markets. Firm knowledge of serving government customer is highly unique and difficult to develop due to the regulatory nature of the market-place. However, most marketing studies have examined the role of knowledge in business-to-business (B2B) and business-to-consumer (B2C) market, but ignored highly regulated markets like B2G. Therefore, we contribute to the literature by identifying strategies that firms deploy in highly regulated markets. Second, we demonstrate the effects of *customer-product configuration strategies* on acquisition performance. Extant studies on M&As and other interfirm relations predominantly focus on the role of industries, products, and brands of merging parties. However, to the best of our knowledge, no paper has empirically tested the role of merging parties' customer portfolios and its interactive effects with products. This is a significant omission as both components serve as key factors in M&A success.

References are available on request.

Out with the Old, in with the New? Retailer Banner Conversion after Acquisition

Arjen van Lin, Tilburg University
Katrijn Gielens, University of North Carolina at Chapel Hill

Keywords: *retail strategy, mergers and acquisitions, retail formats, international retailing*

Description: *Using data on all acquisitions by the world's largest grocery retailers during a period spanning almost two decades, we study the drivers and performance implications of retailer banner conversion after acquisition and show the circumstances under which converting the acquired outlets to a new banner works best.*

EXTENDED ABSTRACT

Research Question

Many retailers use mergers and acquisitions to grow. Yet, successfully integrating acquisition targets is not easy. In retail, one of the main integration challenges is whether a retailer should convert acquired stores to its own banner. In this paper, we study the drivers and performance implications of retailer banner conversion after acquisition. Specifically:

1. How do retailer capabilities and experience and the fit of those capabilities with the target's operation and market drive retailers' decision to convert acquired outlets to their own banner?

2. What are the performance consequences of banner conversion and how are they influenced by the retailer's experience and capabilities and the fit of those capabilities with the target's operation and market?

Method and Data

We study all acquisitions by the world's largest grocery retailers in 1999–2017 using the SDC Platinum and Zephyr databases. In total, we include 528 acquisitions from 54 retailers originating from 19 countries in 6 regions. We used a historical analysis approach and extensive field research to collect information on the acquired chains and conversion decisions. Data on retailer banner performance are obtained from Planet Retail.

Summary of Findings

In 42.0% of the acquisitions the acquirer decided to convert the stores. Our results show that the conversion decision is highly contingent on various retailer, target, and market factors. We use a treatment-model approach to assess performance before/after acquisition of converted/nonconverted chains, controlling for the endogeneity of conversion. On average, retailer banner sales productivity growth is higher for converted cases. In addition, converted operations are less likely to be divested. Nonetheless, these effects show large variation. In a next step, we include moderating effects to capture the sources of variation systematically. This will show when conversion is preferred.

Key Contributions

Previous research studied the antecedents and performance implications of corporate brand redeployment after M&As. Yet, the complete overhaul of a retail banner is more complex and goes beyond the brand name, combining a new name and a new product. Also, insights in potential boundary effects are limited. While previous research studied the banner standardization-performance relationship, what strategy to use in which setting is not known. Managerially, knowing in what cases which strategy works best could help retailers make better-informed conversion decisions in the future and increase M&A success.

References are available on request.

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Channel Deletion: Antecedents and Consequences

Binay Kumar, Georgia State University
V. Kumar, Georgia State University

Description: *This study investigates the impact of channel deletion on firm performance, and also examines the important determinants of channel deletion.*

EXTENDED ABSTRACT

Research Question

Channel related issues have always been considered important by marketing thinkers and practitioners. With the advent of online, mobile, and social media channels, firms have included an array of channels in their channel mix. In this multichannel environment, firms confront diverse issues including, channel conflict, cannibalization, and cooperation. The proliferation of channels has also increased marketing costs without providing commensurate benefits and is detrimental to a firm's competitive position. While channel additions have not yielded the expected benefits, firms are finding ways to reduce costs. Channel deletion is an emerging phenomenon in the real world and is currently receiving special attention in the industry given its ability to reduce costs of operation. However, there is a dearth of research on this channel deletion phenomenon. The goal of our study is to gain an understanding of the antecedents and consequences of channel deletion. In particular, we seek to answer the following questions: (1) What is the effect of channel deletion on firm value? (2) Is the effect of channel deletion on firm value changes in the presence of a certain firm- and market-specific boundary conditions? (3) What are some of the important factors that influence channel deletion?

Method and Data

We address some of our research questions by developing and empirically testing hypotheses that relate channel deletion to firm value. For our study, we use data from multiple sources including, Lexis Nexis, Factiva, Newswires, Compustat, and CRSP. We utilized an event study design to calculate the firm value associated with channel deletion. Next, we use the regression model to examine how certain characteristics of the firm and industry influence the direction and magnitude of firm value.

Summary of Findings

In our analysis, we find that channel deletion has the potential to create firm value, i.e., channel deletion has a positive effect on firm value. Further, the effect of channel deletion on firm value is influenced by certain firm-specific and market-specific boundary conditions. For example, the stock market favors channel deletion more when the firm has a higher reputation. Overall, study findings show that while the market response to channel deletion is positive on average, this positive effect is influenced based on the features of the firm and industry characteristics.

Key Contributions

Our study makes important contributions to the existing channel literature. From a theoretical perspective, our research explains how and why channel deletion affects firm value and what are some of the factors that moderate these effects. We find that significant value creation is associated with channel deletion. Our study also provides insights into the key drivers underpinning the firm's decision to delete a channel. From a practitioner viewpoint, our study helps managers better understand the returns arising from channel deletion as well as the important determinants of channel deletion. This would help managers in making more informed decisions about channel deletion.

References are available on request.

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Distributor Market-Driving Capability Under Suppliers' Direct Market Access

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Keywords: *market-driving capability, suppliers' direct market access, resourced based view and market orientation*

Description: *This study focuses on the research questions about how distributors can respond to the suppliers' direct market access to ensure survival and growth?*

EXTENDED ABSTRACT

Research Question
Suppliers' direct market distribution continues to bring challenges to distributors in business-to-business markets. Yet, little is known about how distributors can survive in this disintermediation environment. The authors address this void by proposing the effectiveness of distributors' market-driving capability in enhancing firm performance and exploring its antecedents. This study focuses on the following two research questions:

1. How can distributors respond to the suppliers' direct market access to ensure survival and growth?

2. How can distributors build their market-driving capability, especially when the pressure from suppliers' direct market access mounts?

Method and Data
We tested our framework using survey data collected from 125 distributors in the semiconductor industry. We adopted a key-informant approach and solicited the participation of one person in each distributor firm. To reduce the concerns about common method bias, we applied Lindell and Whitney's (2001) marker variance (MV) approach to statistically assess the potential bias. We performed structural equation modeling to test our hypothesis and multigroup analysis for the moderating effect tests.

Summary of Findings
This study shows a significant effect of distributors' market-driving capability on firm performance, and the power further heightens when the threat of suppliers' direct market access is high. Moreover, following proactive market- shaping perspective, we confirmed the roles of upstream supplier diversification, service-orientation, and downstream customer integration in the build-up of market-driving capability. Interestingly, suppliers' direct market access weakens the effects of upstream supplier diversification and service-orientation, but strengthens the effect of downstream customer integration on the distributor's market-driving capability.

Key Contributions
First, we bring to light the importance of market-driving capability for distributors. We posit that as a middleman, distributors' ability to drive or "make" the market is the key to success. As a response to the call of Moorman and Day (2016) for studies regarding effects of different marketing capabilities on firm performance, this study broadens and deepens our understanding of how distributors can response to supplier disruptive competition and survive through disintermediation situation with market-driving capability. Our second contribution rests on examining the antecedents to the distributors' market-driving capability. Following a proactive market-shaping perspective, we confirmed the roles of upstream supplier diversification, service-orientation, and downstream customer integration in the build-up of market-driving capability. Practically, this study shed lights on the effectiveness of the distributor market-driving capability and highlights the importance of customer integration regarding the build-up of market-driving capability when supplier direct access is high.

References are available on request.

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Implementing Marketing Strategy Changes: Minimizing Channel Partners' Negative Responses

Divya Anand, University of Missouri
Lisa Scheer, University of Missouri

EXTENDED ABSTRACT

Research Questions

1. How do channel partners respond to the focal firm's marketing strategy change decisions that have negative ramifications on the channel partners?

2. How can the focal firm impede or enhance the impact of such strategic change decisions?

Method and Data

The study is still at the conceptual model development phase. We hope to start the data collection in the spring semester of 2020.

Key Contributions

My study contributes to marketing literature in three ways:

1. Provide a step-by-step guideline for firms planning to implement a strategic change that may result in negative ramifications for the channel partners. This research acknowledges that marketing strategic changes are an inevitable part of any business organization and at some point, every firm faces a change decision that may impact some of the key stakeholders in their ecosystem negatively.

2. Marketing literature, to the best of my knowledge, has not yet addressed the concept of demotion of channel partners, wherein channel partners neither holds the same relationship with the focal firm nor exits the distribution network system- they operate at a new, reduced level in the system.

3. Drawing from social comparison theory, I posit a mediation mechanism governed by resentment and perseverance among the channel partners to propose that despite poor relationship quality, demotion may result in positive sales. This could be an interesting result, given that prior studies in relationship marketing often suggest that an actual/ perceived destructive act by a focal firm may lead channel partners to dissolve the business partnership.

Summary of Findings

The study proposes that direct demotion will trigger the dual effect of resentment and perseverance among the demoted channel partners. The mediation mechanism of resentment will result in negative sales, however, the mediation mechanism of perseverance will enhance the sales of the demoted channel partners. The key boundary conditions that might enhance or impede this effect are perceived unfairness of change decision, compensatory rewards to the demoted channel partners, expected financial loss incurred by the channel partners due to change and the right mix of communication strategies between the focal firm and its channel partners during the change implementation phase.

References are available on request.

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Can Dynamic Pricing Be Fair? An Empirical Investigation on Various Strategies of Applying Variable Prices for One-Time Transactions and Term Contracts

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Keywords: *dynamic pricing, price strategy, price fairness*

Description: *This paper investigates how different strategies of Dynamic Pricing affect perceived fairness for one-time transactions and term contracts.*

EXTENDED ABSTRACT

Research Question

The fairness perception of customers plays an important role for companies when considering introducing *Dynamic Pricing*. The aim of this study was not only to investigate the perceived price fairness of *Dynamic Pricing* and thus the expected reactions, but also to find out whether and how companies can influence it. Potential methods have been derived from previous research and were empirically tested. Particular attention is paid to potential differences between one-time transactions and term contracts.

Method and Data

In order to be able to answer the research question in the best possible way, an empirical approach and an experimental research design were chosen. As it was also a matter of detecting possible differences between one-time transactions and term contracts, a taxi ride and an energy contract were chosen as representatives of the respective type of product. Two online experiments were conducted. The first experiment ($N = 465$, $N_{taxi} = 203$; $M_{age} = 36.4$ years, $SD_{age} = 11.5$, 73.5% female) examined the perceived fairness of *Dynamic Pricing* in the case of constant, decreased and increased prices compared to fixed prices. Participants were randomly assigned to one of the eight conditions of a 2 (taxi/ energy) × 4 (fixed

price/ *Dynamic Pricing* without price change/ *Dynamic Pricing* with price decrease/ *Dynamic Pricing* with price increase) between-subjects design. The second experiment ($N = 349$, $N_{taxi} = 150$; $M_{age} = 35.8$ years, $SD_{age} = 11.2$, 77.1% female) investigated possible strategies to increase the perceived fairness of *Dynamic Pricing* in the case of increased prices using a 2 (taxi/ energy) × 3 (no measure/ highlighting of beneftis/ indication of maximum price) between-subjects design.

Summary of Findings

The first experiment indicated that perceived fairness of the *Dynamic Pricing* scenarios without price change and with price decrease does not differ significantly from that of the fixed price scenarios. Only *Dynamic Pricing* in conjunction with a price increase has a significantly negative effect on the perceived fairness. The results of the second experiment revealed significant differences between one-time transactions and term contracts in terms of the effectiveness of different strategies to improve perceived fairness of *Dynamic Pricing*. For one-time transactions, a positive effect could be demonstrated by highlighting the benefits, while this was not the case for term contracts. Despite the positive effect concerning one-time transactions, there is still a significant dif-

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ference to the fixed price scenario. For the indication of a maximum price, no significant effect could be observed either for one-time transactions or for term contracts.

Key Contributions

This study provides deep insights into the perceived fairness of *Dynamic Pricing* in the case of constant prices, price increases and price decreases. In particular, the former and the latter have been neglected in previous research. In addi-

tion, the effectiveness of some potential measures to improve the perception of *Dynamic Pricing* was partly demonstrated and partly disproved and differences between one-time transactions and term contracts were uncovered. Those results are of importance for business practice when considering introducing *Dynamic Pricing*—a pricing strategy that is getting more and more common.

References are available on request.

Value Creation of Sustainable Innovations: How and When Do Sustainable New Products Contribute to Firm Value?

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Sundar Bharadwaj, University of Georgia

EXTENDED ABSTRACT

Consumer demands for sustainable products are increasing and serving as key drivers of sales growth. As a result, stakeholders and companies have greater incentives to create sustainable innovations that serve the needs of consumers and the greater good, both environmental and social, to increase firm value. However, corporate sustainability (CS) literature is limited in the area of product-related CS with a dearth of studies measuring its financial outcomes. Therefore, this study seeks to determine how sustainable innovations—products that modify existing or introduce new to market ones that provide environmental and social benefits—influence firm performance. Using stock market returns to assess firm value, the authors investigate the effects of sustainable innovations on firm value to provide guidelines for marketers and managers. An empirical test on a dataset of new product launches in the consumer packaged goods (CPG) industry show that sustainable innovations with attributes that encompass both consumer and societal benefits have a positive effect on short-term stock market returns (CAR). Furthermore, the study investigates how firm-specific characteristics such as sustainability ratings, innovation type, advertising spending, market share, and brand strategies moderate this relationship.

Research Questions
- Do sustainable innovations add value to the firm and are certain types of new products more beneficial to the firm than others?

- What firm-specific characteristics act as contingency factors to influence this relationship?

Method and Data
Panel data was constructed from various secondary sources. We obtained data from the Product Launch Analytics database, which provides comprehensive and detailed information on consumer packaged goods (CPG) introduced since 1980. Information includes the product introduction date, product descriptions, brand and product categories, manufacturers, and product tags, as well as information about sustainable claims (e.g., organic, fair trade, not artificial). Using the introduction dates, we matched these with companies listed in the Center for Research in Security Prices (CRSP) and Compustat to calculate our variables of interest. Finally, data for corporate sustainability (CS) ratings were obtained from MSCI's Kinder, Lydenberg, and Domini Research and Analytics Inc. (KLD) database.

Using the event study methodology, we tested whether cumulative abnormal returns (or CARs) over several windows were different from zero using the production introduction dates listed on Product Launch Analytics (Non-CRSP data events) and EVENTUS from the Wharton Research Data Services (WRDS).

Summary of Findings

- Sustainable innovations are beneficial to abnormal stock returns, even with short windows.

- Not all sustainable products benefit the firm and only the sustainable ones have a positive relationship with financial performance.

- Corporate sustainability (CS) ratings that are relevant to the firm show positive and significant moderating effects.

- Branding strategies have a positive moderating effect while advertising and market share have negative ones.

Key Contributions

Managerial implications. We provide guidelines for marketers to evaluate sustainable innovations by indicating the types of such products that are beneficial to firms' performance through financial analysis. Also, we examine firm-specific contingency factors that alter this relationship to help managers anticipate where and how they should expect to achieve payback benefits from investments in sustainable innovations.

Theoretical contributions. We expand on research in the domains of sustainable products and product-related corporate sustainability (CS). Using corporate sustainability (CS), marketing-finance, innovation, and consumer behavior literature, we distinguish between the various types of sustainable innovations. Furthermore, we empirically test the relationships between sustainable innovations and financial performance, contributing to marketing's influence and knowledge base by using common performance outcomes that also matter to other disciplines.

References are available on request.

Whitelisting Versus Sophisticated Ad Recovery: Effective Strategies to Overcome Ad Blocking

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Pradeep Bhardwaj, University of Central Florida

Keywords: *digital marketing strategies, ad blocking, whitelisting, sophisticated ad recovery, consumer valuation*

Description: *This paper studies the strategic choice of using either Whitelisting or Sophisticated Ad recovery to overcome Ad blocking by consumers.*

EXTENDED ABSTRACT

Research Question

Advertising as a source of revenue for digital platforms is under threat by the availability of blocking software such as AdBlock. As usage of such softwares grow, platforms have begun evaluating various solutions to bypass ad-blocking software, and two notable options have gained prominence in recent years: whitelisting and sophisticated ad recovery (SAR).

This raises interesting questions about the conditions in which each strategy is optimal for a platform in a competitive market. We explore this question, as well as the conditions in which asymmetric outcomes exist in a competitive environment in which one platform adopts whitelisting but a competing platform chooses to adopt the SAR strategy. We also explore the extent of consumer surplus under various conditions.

Key Contributions

With a game-theoretic model and duopolistic framework, our study identifies conditions in which digital platforms might adopt symmetric strategies and those in which two ex-ante symmetric firms might prefer asymmetric strategies to combat ad-blocking usage. The analysis suggests that consumer price sensitivity, the costs of whitelisting and SAR services, and the additional utility to consumers obtained from SAR represent important determinants of the digital marketing strategies of media platforms.

Summary of Findings

When the relative fees of whitelisting and SAR are known to the platforms, both platforms adopt whitelisting when the proportion of low-value readers is high or the extra utility due to SAR is low. In contrast, both platforms likely adopt the SAR strategy when the extra utility due to SAR is high and the proportion of low-value readers is low. Furthermore, the asymmetric equilibrium holds for intermediate values of extra utility due to SAR and for a low range of the proportion of low-value readers or an intermediate proportion of low-value readers and a high range of the extra utility due to SAR.

When the relative proportion of low value and high value readers is known, we find that both platforms may adopt a whitelisting strategy when the ratio of the whitelisting fee to the SAR usage fee is low, but they likely prefer a SAR strategy if the extra utility due to SAR is high and the ratio of the whitelisting fee to the SAR usage fee is high. The asymmetric equilibrium holds when the extra utility due to SAR is high, the ratio of the whitelisting fee to the SAR usage fee is low, or the extra utility due to SAR is low and the ratio of the whitelisting fee to SAR usage fee is in the intermediate range.

References are available on request.

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When Marketing Capabilities Configurations Hinder Versus Help Firms' Performance

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Carol M. Megehee, Coastal Carolina University
Arch G. Woodside, Yonsei University

Description: *This study explores and empirically tests how market capabilities combine with isolating mechanisms to produce high (vs. nonhigh) business performance.*

EXTENDED ABSTRACT

Research Questions

RQ1: Which organizational contingencies (e.g., firm size and competitive intensity) combine with marketing capabilities and isolating mechanisms in achieving high market performance?

RQ2: Do deviations from a certain strategic objective (short-term profit-taking strategy with long-term marketing plan-nisms in achieving low market performance?

Method and Data

Method

This study employs configuration theory. Configuration theory posits that for a specific business strategy there exists an ideal set of (i.e. a complex "gestalt" of multiple, inter-dependent, and mutually reinforcing) organizational charac-teristics that drive the business towards its strategic goals. Proponents of a configurational approach take a systemic and holistic view of organizations, where patterns or profiles rather than individual independent variables are related to an outcome such as performance.

Data

This study uses a sample of 572 Hungarian firms. The sam-pling frame was based on US Standard Industrial Classifica-tion (SIC) codes, following US industry-specific and area-specific classifications. The sampling frame was obtained from Dun & Bradstreet's company directory of Hungarian firms, which contained a pool of 18,293 B2B and B2C firms (B2B and B2C firms were equally represented in the sam-pling frame).

Summary of Findings

The findings support the previously untested premise of causal ambiguity according to which understanding the causal chain that links marketing capabilities reduces intrafirm ambiguity that may lead to a better understanding of marketing capabilities' performance effects. FsQCA results indicate that the five marketing capabilities we iden-tify combine—in most instances—with isolating mecha-nisms and yield high market performance along the contin-gencies that affect them.

Key Contributions

First, from an RBV perspective, we provide new insights by isolating the causal linkage among five marketing capabili-ties and their effect on market performance and profit mar-gin. Second, this study's results add to the discourse about marketing capability substitution and imitation. Knowledge-based capabilities—that are "cospecialized" and are strongly embedded in organizational processes—are stronger candi-dates to increasing ambiguity. But even such barriers of imi-tation cannot prevent competence substitution, as the variety of capabilities that can be considered as potent substitutes is

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fairly large and are observed in equifinal configurations leading to a particular outcome.

First, we demonstrate how reducing intrafirm linkage ambiguity (i.e., ambiguity among decision-makers about the link between marketing capabilities and performance can help managers to make better decisions about the manipulation of marketing capabilities. Second, managers may improve their decision-making abilities by understanding that causal ambiguity can be a two-edge sword, as it may block imitation by rivals but also block factor mobility. Third, managers need to be aware of the fact that barriers to imitation are never insurmountable. Some barriers to imitation (e.g., target routines involving idiosyncratic and tacit knowledge deeply embedded in organizational routines) will be higher than others (e.g., consumer relations based on one-way interactions) and therefore more difficult for rivals to overcome.

References are available on request.

Does Market Orientation Improve Retail Efficiency? A Two-Stage Validation Using Bootstrapped Data Envelopment Analysis

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Jose Ablanedo-Rosas, University of Texas at El Paso

Keywords: *market orientation, retailing efficiency, benchmarking, data envelopment analysis, bootstrapping*

Description: *Retailers that adopt a market orientation can improve their efficiency, as demonstrated by the two-stage data envelopment analysis conducted in this study.*

EXTENDED ABSTRACT

Research Question

This investigation addresses the following questions; can retailers improve their efficiency if they emphasize the use of market-oriented inputs? Moreover, which of the behavioral components expressed by market orientation is more effective at improving a retailer's performance?

Method and Data

This investigation evaluates the application of the market orientation framework in the retailing industry using objective data. Leveraging a sample of 95 publicly traded retailers in the United States, a two-stage data envelopment analysis was conducted. In the first stage, a benchmarking exercise was performed to find the relative efficiencies of each retailer using inputs aligned explicitly to the three components of market orientation following the constant return to scales technique. The three inputs utilized include social media followers, number of stores, and total number of employees. The output variables used include total revenue, average sales per square foot, net profit margin, and earnings per share. Subsequently, in the second stage, a bootstrapping procedure along with a Tobit regression was employed to revalidate market orientation in the retailing context and analyze three drivers of efficiency. Namely, e-commerce sales, net advertising spending, and ownership type were examined as drivers of efficiency.

Summary of Findings

Collectively, the findings suggest the following: (1) retailers that adopt a market-oriented strategy can outperform their competitors and improve their efficiency, specially if interfunctional coordination is emphasized, and (2) retailers that complement their strategy with actions aligned to the market orientation tenants can further drive the efficiency generated by such strategy.

Key Contributions

This investigation contributes to marketing literature in several ways. First, it extends prior research by decomposing market orientation into its three subcomponents and assessing the individual contribution to retailers' efficiency. Furthermore, the inputs selected for the study are suitable representations of each of the market orientation components, thus shedding light on the potential advantages of adopting a market-oriented strategy. Second, the current study contributes to the scholarly conversation regarding retail efficiency by employing a nonparametric technique called data envelopment analysis and analyzing objective data in order to gain further insight into market orientation's effects on retail performance.

References are available on request.

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Rethinking Imitation Strategy

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Keywords: *imitation strategy, conceptual paper, imitation, marketing strategy*

Description: *We provide new insight into imitation by synthesizing different perspectives to develop a new imitation strategy construct and a new conceptual framework of imitation strategy as well as several exemplar research propositions.*

EXTENDED ABSTRACT

Research Questions

1. How should imitation strategy be conceptualized and defined?

2. What are the external boundaries of imitation strategy?

3. What are the subdimensions of imitation strategy?

4. What new, nonobvious and falsifiable propositions regarding imitation strategy are generated using this new conceptualization?

Summary of Findings

Drawing from two different perspectives to rethink the construct of imitation strategy, we explore external boundaries and subdimensions of imitation strategy. First, using a substantive perspective, we examine the definitions of imitation in previous academic literature, which allows us to identify overlooked parts of the construct. We also diagnose how imitation has been viewed in industry based on practice-based articles. Moreover, we explore other concepts that are similar to but distinct from imitation. Second, we use a theory-based perspective to synthesize predictions and findings of relevant theories as well as examine important questions on imitation.

Integrating these insights from different perspectives, we provide a new definition of imitation strategy based on the "two dichotomy" marketing strategy framework (e.g., Morgan, Whitler, Feng, and Chari 2019). Building on these, we offer novel and falsifiable propositions that we expect will change industry practice and enhance research in marketing and management surrounding imitation strategy. First, imitation can generate positive effects for imitatees and for social welfare. Second, imitation strategy leads to greater imitator innovation. Third, prohibiting imitation may deter innovation. Fourth, imitation strategy increases market-level customer satisfaction. Fifth, learning orientation enables imitation to lead to innovation. Sixth, IPR protection reduces positive impacts of imitation strategy. Finally, for superior performance, every firm should imitate regardless of the current performance.

Key Contributions

By shifting the presumptively negative framing of imitation strategy to one that is presumptively positive, we expect our new framework and definition of imitation strategy to lead to a new stream of research as well as drive the practice of imitation. We expect this different framing of imitation strategy will positively influence a wide range of stakeholders including: firms; consumers; imitator firms; the economy; and society.

References are available on request.

Marketing Intensity and Firm Performance: The Mediating Role of Information Risk

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Ranadeb Chaudhuri, Oakland University
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EXTENDED ABSTRACT

Firms communicate with investors by making company information available to the public. However, certain private information resides within firms and some are not equally disseminated across different market participants. The discrepancies of information held by firms and different groups of investors create information asymmetry, which in turn spurs information risk. Extant literature identifies information imprecision and dispersion as the two focal aspects of information risk (Bhattacharya et al. 2012). According to this view, investors' valuation inaccuracy denotes imprecision whereas their disagreement pertinent to firm values signifies information dispersion. The effects of information risk on firm value and financial cost are critical. Previous studies suggest that asset prices fall significantly when information risk increases (e.g., Easley et al. 2002; Kelly and Ljungqvist 2012). Most notably, investors in firms with high information risk cannot adjust their investment to incorporate new information (i.e., firms retain greater private information) and hence, demand higher returns to compensate for higher risk (Easley and O'hara 2004). Such firms will have higher cost of capital (Bhattacharya et al. 2012; Easley and O'hara 2004; Levi and Zhang 2015). As cost of capital is an essential benchmark used internally by companies (as an internal rate of return aiding investment decisions) and externally by investors (as an average required rate of return expected from investment in firms' debts and equity) (e.g., Brealey et al. 2020), reducing information risk is mere compulsory.

Most marketing-finance interface studies focus on the contribution of market-based assets on firm value (see Hanssens et al. 2009; Srinivasan and Hanssens 2009). Only a few of these studies emphasize firm risk in their frameworks (e.g., Bharadwaj et al. 2011; Dotzel and Shankar 2019; Rego et al. 2009). Yet none of marketing literature explicitly examines the influence of marketing activities on information risk. Against this background, we aim to examine the relationship between the intensity of marketing spending (hereafter, marketing intensity) and information risk. It is logical to expect the indirect effect of marketing intensity on firm performance via information risk because information risk potentially affects costs.

We examine these perplexities via a signaling theoretical lens. According to this theory, certain firms' information serves as meaningful signals to reduce information asymmetry (Connelly et al. 2011; Spence 1973). These signals permit receivers to separate high quality from low quality firms (Kirmani and Rao 2000), assisting in investors' decision making. However, only strong and meaningful signals can cut through the noise. "Quality" and "behavioral intention" are two crucial signaling aspects where information asymmetry is critical (Connelly et al. 2011; Stiglitz 2000). In firm valuation context, the important signal should reflect the ways firms use their financial slack to generate revenue as well as their source of funds, which potentially reflects explicit and implicit costs associated with company capital structure. In accordance with this line of thoughts, we contend that the marketing intensity acts as a quality signal because this expenditure is allocated to increase product visibility, sales (i.e., near-term revenue), and brand equity (i.e., long-term revenue)—altogether, firm revenue quality. As high-quality firms are more likely to participate in this signaling process due to costly marketing spending, this signal can help investors distinguish between healthy and unhealthy firms. We additionally conjecture that firm leverage reflects high quality information concerning capital

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sources. Extant literature shows that debt implicitly creates control mechanism and motivates managers to spend cash flow efficiently (Jensen 1986). On the contrary, high leverage incentivizes managers' risky investment (Jensen and Meckling 1976). Because leverage signals information on the capital source, it can be deployed together with marketing intensity to triangulate managerial intent (e.g., a highly leveraged firm having high marketing intensity may signals strong intent to grow near- and long-term revenue). When signals are coherent, communication becomes more effective and ultimately mitigates information asymmetry between firms and market participants (e.g., Fischer and Reuber 2007).

We tested our models on a compiled data set of 39,256 firm-year observations between 1995 and 2014 and find significant empirical evidences supporting our hypotheses. Within a simultaneous system of equations, variation in one of the exogenous variables is likely to have both direct and indirect effects on the endogenous variables. In the current study, we conjecture that a change in a firm's marketing intensity has a direct effect on its financial performance—an increase in marketing intensity increases the firm's performance. However, a change in marketing intensity also has an indirect effect on firm performance through its effect on the information environment—higher levels of marketing intensity makes the firm's information environment rich, thereby reducing information asymmetry and information risk. This reduced information risk translates into higher firm performance. The impacts of marketing intensity on information risk between high and low leverage firms are apparently asymmetric.

These findings shed new light on the relationship between marketing expenditure and information risk and provide unique contribution to the extant literature in several ways. First, we show that corporate resources allocated to marketing activities directly mitigate information risk and successively improve firm performance. We particularly extend the literature in marketing-finance interface by showing that this expenditure can help mitigate cost of capital by lowering information risk—an under-researched idiosyncratic risk in marketing (see review in Srinivasan and Hanssens 2009). The finding additionally advances our understanding of the role and influence of marketing in a firm. Second, the effect of leverage on firm performance is ambiguous. Financial leverage positively affects firm performance primarily due to monitoring benefits, free cash flow, and positive signal of profitability (Ghosh and Jain, 2000) but the burden of financial stress motivate managers to earmark cash to recurring interest and principal obligations, cutting marketing budgets and hampering customer satisfaction in the process (Malshe and Agarwal 2015). Our study suggests that managers can avoid suboptimal leverage when taking into consideration marketing intensity information. Finally, the findings indicate that investors may be able to use marketing intensity together with firm leverage to separate high quality from low quality stocks when they construct their investment portfolios.

References are available on request.

What Drives New Freelancers' Engagement on Sharing Economy Labor Platforms?

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Keywords: *freelancer engagement, sharing economy, surface traits, low control platforms*

Description: *Freelance-oriented and capable individuals are more successful and engaged in low-control sharing economy labor platforms.*

EXTENDED ABSTRACT

Research Question

Sharing economy labor platforms tend to be low-control platforms where the voluntary service providers or freelancers choose the assignment. Low-control platforms require job/price negotiations, agile job deliverables, and cultural understanding. These factors are not suitable for all the freelancers, especially inexperienced ones. Therefore, platforms suffer from low freelancer engagement, evidenced by low persistence and inconsistent service performance quality.

To be successful, individuals need to be intrinsically motivated and psychologically oriented (willingness) for a freelancing role. Simultaneously, the freelancers need the relevant skills and experience (capacity) to fulfill the clients' requirements. Willing and capable freelancers are likely to have a higher success (job completion rate) leading to predictable pay and self-development. The dependent variable, consisting of persistence and performance quality variables, is the freelancers' level of engagement with their job and lifestyle. Freelancers' trust on the platform increases the level of engagement for successful freelancers. Freelancers' involvement with platform activities and resources indicate their trust.

- What are the relevant surface traits that make an individual freelance-oriented?

- Does the interaction of a freelancer's orientation and capacity jointly result in the freelancer's engagement mediated through the freelancer's success rate?

- Do the freelancers' trust in the platform moderate the above relationship?

Method and Data

This study follows a triangulation approach. First, an interdisciplinary review of marketing, management, and entrepreneurship literature, identifies the internal motivations and psychological traits of freelancing-oriented individuals. Second, popular press and consulting firm reports confirm the managerial relevance of investigating these components. Third, freelance orientation is conceptualized into a multidimensional formative construct comprising of six indicators: authenticity, customer-orientation, self-efficacy, agility, role-fitness, and cultural competence. Fourth, semi-structured iterative interviews with freelancers, clients, and platform managers confirm these indicators. Finally, surveys capture freelancers' level of freelance orientation across platforms.

The authors combine freelance orientation with the freelancers' nonpsychological traits (capacity) available on the labor platforms, such as education, experience, and skill. Their interaction leads to the individuals' success in freelancing services captured through the survey/platform. The dependent variable, the freelancers' level of engagement, consists of persistence variables such as satisfaction captured through surveys and platform-specific performance variables such as job quality, timeliness, and service quality. Finally, the moderator freelancers' trust in the platform is

recorded through the survey as well as their platform's resource utilization.

Summary of (Expected) Findings

• Freelancer orientation and freelancer capacity, individually and jointly, lead to freelancer's higher rate of success.

• Freelancer's success is positively related to freelancer's engagement.

• Higher trust in the platform leads to higher engagement for successful freelancers.

Key Contributions

This study makes four contributions to literature. First, marketing and management literature, including strategic human resources, has studied traditional frontline service employees. However, freelancers are not employees, rather independent contractors without benefits, supervisory support, and workplace influencers. As a result, many of their findings are not applicable in our setting. Second, this study introduces the classification of platforms into high- and low-control to further understand the sharing economy landscape. Extant literature classifies sharing economy platforms based on their monetization of underutilized assets—capital (car in Uber) or labor (cognitive/physical skills in Upwork/Handy). Labor platforms tend to be low-control platforms putting the focus on the voluntary service providers or freelancers. Third, this study expands persistence-based approaches. Prior research suggests extrinsic approaches to persistence, such as incentive-based (performance-based pay) and value-based (training) rather than freelancers' motivations and traits. This study proposes an alternative intrinsic approach to account for providers' surface traits: internal motivations and psychological traits within a specific situational context (here, freelancing). Lastly, the study offers two new constructs to marketing theory—freelance orientation and freelancer engagement. Managers can design strategies and allocate funds to support high potential engaged freelancers who will persist and perform on the platform.

References are available on request.

Sleeping with Strangers: Estimating the Impact of Airbnb on the Local Economy

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Keywords: *sharing economy, Airbnb, spillover effect, peer-to-peer markets*

Description: *We investigate a positive spillover effect of the sharing economy on industries that are complementary to it by estimating the impact of Airbnb entry on the local restaurants' revenues.*

EXTENDED ABSTRACT

Research Question
We investigate a positive spillover effect of the sharing economy on industries that are complementary to it by estimating the impact of Airbnb entry on the local restaurants' revenues.

Method and Data
We employ a difference in difference strategy that exploits the geographical and temporal variation of the entry of Airbnb. Our main estimation is based on a panel data of the revenue of restaurants, located in Texas, aggregated at the zip code level for a period of 14 years from 2005 to 2018, with rich sets of data for covariates such as household income, city population, unemployment rate, number of airline passengers at a nearby airport, hotel revenues, number of grocery shops, and average Yelp ratings. Also, we complement this zip code-level data with an alternative set of data of alcoholic beverage revenue at the restaurant level.

Summary of Findings
We show that a 10% increase in Airbnb listings is associated with a .05% increase in restaurant revenue. At the sample average year-over-year Airbnb growth, this translates to a 5% contribution to the average year-over-year growth in restaurant revenue. Moreover, we show that these results are driven by zip codes traditionally considered as nontouristy.

We complement this analysis with several robustness checks. First, we show that our results are robust to the use of an alternative dataset of alcoholic beverage revenue at the restaurant level. We show that a 10% increase in Airbnb supply leads to a .08% increase in alcoholic beverage revenue for a restaurant. Second, we perform a falsification check in which we show that the effect of Airbnb is not statistically significant on industries that should not be affected by Airbnb. Third, we show that our results are robust to alternative measures of Airbnb supply (1) nonparametric, categorical variable, (2) distance-based measure. In both cases, we obtain results that support our main findings. Finally, we perform a placebo test and show that our results are indeed driven by the intensive margins of Airbnb supply but not by the extensive margins of Airbnb supply.

Key Contributions
This paper makes several theoretical contributions. First, our findings contribute to the literature on the sharing economy by providing causal evidence for the spillover effects of the sharing economy on complementary industries. Secondly, we also contribute to the literature on peer-to-peer markets by providing evidence that flexible supplies fueled by the sharing economy may enable the overall market to accommodate excess demand. Third, we contribute to the literature on tourism by showing that the economic impact of tourism, conventionally concentrated on the typical touristy places, can spread out to conventionally nontouristy areas through sharing economy businesses such as Airbnb.

Also, this paper provides managerial implications for both marketing practitioners and policy-makers. By showing the positive relationships between the sharing economy and

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tourism-related industries, we shed light on potential marketing opportunities between platforms and industries because they can access the same customer base. Second, the current research provides policymakers with insights that can help them further evaluate the impact of the sharing economy on cities and neighborhoods. We argue that this is particularly important given the current situation in which regulatory policy on sharing economy remains mostly unsolved.

References are available on request.

E-Commerce Platform Information Environment and Consumer Behavior

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Jonathan Z. Zhang, Colorado State University
Gang Peng, California State University, Fullerton

Keywords: *e-commerce platform, online content, marketing capability, brand reputation*

Description: *The core of our analysis is to examine how different factors, i.e., online content, seller marketing actions, consumer and seller characteristics, and brand reputation affect customer behavior such as click or not click, buy or not to buy, consumer frustration and consumer browsing time on the e-commerce platform.*

EXTENDED ABSTRACT

Research Question
We empirically examine three research questions:

1. What factors influence consumer behaviors on e-commerce platforms, and how do the various factors interact?

2. How does brand reputation influence consumer purchase behaviors on the platforms?

3. How do sellers' marketing capabilities affect consumer behavior on the platforms?

Method and Data
Our final dataset of platform information environment is constructed from three different sources. Our sponsoring/partnering company provides data on click and purchase decisions, browsing time, customer gender and tenure, the types of smartphone that the customer purchased, and advertising and sales promotion activities. We then extract information from the company's e-commerce platform and construct variables such as UGC, FGC, seller type, customer frustration, and seller marketing capability. The third data source includes an online ranking of brands, mainstream media sources on brand reputation, and online sources on the brands' country of origin are from public available sources such as firm websites.

Summary of Findings
First, we build an integrated framework that models real-world e-commerce platforms. Second, our research suggests that the impact of online content varies dramatically depending on the outcome variables and can have both linear and curvilinear effects. Third, our empirical results suggest that brand reputation continues to be a critical factor for products competing in an online environment. However, the effects are nonlinear and nuanced. That is, brand reputation has an inverted U-shaped effect on customer click, browsing time, and purchase, and a U-shaped effect on postpurchase frustration. Fourth, our results suggest that in an online environment, marketing capabilities not only have a positive effect but also exhibit increasing return. Lastly, we demonstrate how the interaction of brand reputation, marketing mix, and customer variables come together to influence consumer behaviors. Accordingly, implications for brands, sellers, and platforms are discussed.

Key Contributions
This study suggests that various online content has differential and curvilinear relationships with behavioral outcomes. Moreover, the study demonstrates the positive effect and the increasing return of marketing capability on consumer behaviors. Finally, this research paints a more nuanced view of brand reputation in online environments and demonstrates that brand reputation interacts with marketing-mix variables and customer characteristic variables.

References are available on request.

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Brand Authenticity: Literature Review, Definition, and Antecedents

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Keywords: *branding, authenticity, social responsibility, transparency, believability*

Description: *This paper proposes a new brand authenticity definition that not only addresses authenticity holistically, it does so in a comprehensive manner, addressing all aspects of brand authenticity and capturing a complete picture of this key construct, including impactful antecedents.*

EXTENDED ABSTRACT

Brand authenticity has been the subject of a considerable volume of research over the past fifteen years. However, even with this increase in focus, a review of literature shows that there still is no widely accepted conceptualization and definition for brand authenticity. Furthermore, many of the definitions that are in literature only address specific areas/aspects of brand authenticity. This paper will propose a new brand authenticity definition that not only addresses authenticity holistically, it will do so in a comprehensive manner, addressing all aspects of brand authenticity and capturing a complete picture of this key construct. Additionally, antecedents to brand authenticity will be identified, as a first step in developing a broadly applicable model/framework of brand authenticity. Brand transparency, brand believability and corporate social responsibility are proposed as influential triggers of brand authenticity.

Research Questions

• Broad acceptance for both the conceptualization and the definition of brand authenticity is lacking in prior literature. How can brand authenticity be addressed holistically, addressing all aspects of brand authenticity and capture a complete picture of this key construct?

• What are the impactful, key antecedents to brand authenticity that will increase positive brand authenticity perception for brands in the future?

Summary of Findings

If a definition of brand authenticity is to fully address the complete scope and key areas of this variable, it must not only consider tried and true indicators, such as being genuine, open and honest, it also must be contemporary and forward thinking and include areas that encompass consumer's desired feelings of individualization and customization, as well as the rapidly changing conditions that are immersing the marketplace. These conditions are met in our proposed new definition of brand authenticity. Our new definition also addresses brand authenticity in a more holistic manner compared to definitions proposed in prior literature.

In terms of significant antecedents to brand authenticity, establishing high levels of brand transparency gives customers access to the information they crave but they have to believe the information that is being communicated to them is true and that firms are sincere, which is where the significance of brand believability comes in. Additionally, as social responsibility's influence on consumer's perception of brands continues to gain significance, this variable plays an important role in its relationship with brand transparency, as well as brand believability, in terms of influences on brand authenticity.

Key Contributions

While recent research has shown that high levels of brand authenticity continues to lead to positive consequences, such as consumers viewing brands they perceive as authentic as "reflecting its core values and norms" and as "being true to itself and not undermining their brand essence" (Fritz, Schoenmueller and Bruhn, 2017), the proposed antecedents that lead to perceived brand authenticity have thus far been

diverse and not widely-accepted. With Millennials/Generation Y consumers possessing more spending power than any previous generation before them, combined with the significance they place on brand authenticity, this construct will only increase in importance in the future. Furthermore, the generation after Millennials, Generation Z, place an even higher importance on a brand's authenticity when making key purchase driving decisions (Malkova, 2018). Our research, comprehensive literature review and hypothesis development identify key antecedents that can lead to high levels of perceived brand authenticity in a generalizable and consistent manner.

References are available on request.

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References are available on request.

Product Development and Innovation

Innovating Through Cutting Edge Technologies

Innovating Through Design: Aesthetics, Design Thinking, and Lean Discovery

The Crucial Role of Customers in Innovation

Utilizing Organizational Capabilities to Improve Innovation

Retail Innovation: Managerial Perspectives on the Adoption and Implementation of Consumer-Facing In-Store Technology

Francesca Bonetti, University of Manchester; University of the Arts London
Patsy Perry, University of Manchester
Stephen Doyle, University of Manchester
Lee Quinn, Coventry University

EXTENDED ABSTRACT

Research Question

What are the reasons for adoption (or nonadoption) of consumer-facing in-store technology (CFIT) in fashion retailing and the related processes for implementation?

Method and Data

In the pursuit of richer insights into the rapidly emerging phenomenon of technological advancements, the present study adopts an interpretivist approach to investigate issues of change involved in CFTI adoption and implementation in retailing. Technology adoption at an organizational level is recognized as an in-depth, complex phenomenon (Rowlands, 2005), which involves understanding the organization from the perspectives of the actors involved (Uduma and Sylva, 2015). Data were collected through in-depth interviews utilizing a semi-structured interview template, which was developed from an extensive literature review to inform the research objectives (Patton, 2002; Yin, 2003). The sample of key industry informants derived from the wider community of technology providers, consultants and fashion retailers, and consisted of 15 consultants, 13 technology providers, and senior informants from 14 global fashion retailers. The data were analysed following an inductive process of applied thematic analysis (Guest et al., 2012; Miles et al., 2014; Corbin and Strauss, 2008). Beginning with an initial open and free analysis of the transcripts (Corbin and Strauss, 2008), coding labels were revised as data collection and analysis proceeded iteratively (Spiggle 1994). This rigorous interpretive process continued until data saturation meant no new themes were emerging from the analysis.

Summary of Findings

Findings from the wider community of retailers, technology providers and consultants suggest that there are different reasons for change embracement as well as different attitudes of retailers. Reasons may concern marketing and brand promotion, to generate PR buzz; this relates to a more tactical motive, where CFIT implementation may be a short-term initiative, with more visible technology. Other reasons relate to innovative vision and mindset as part of the company's longer-term business strategy, where digital is perceived as a strategic component and key enabler. Here, technology was fully integrated into back-end system infrastructure and operations, to provide a front-end technology and service to the customer.

Processes of change related to technology implementation in a retail context are multiple and complex, and unique to each organization. These may emerge in a nonprescriptive or chronological order: initial idea conception, technology development, trial, training, integration, technology constant

update and maintenance. They involve various implications related to the integration of different type(s) of technology (e.g. budget, performance assessment and HR involvement for staff training; distribution partners' degree of adoption and integration of technology), depending on the technology type, and influenced by the strategic vision and degree of change embracement of the retailer.

Key Contributions

By unpacking the complex, dynamic and varied elements belonging to issues of change, this research provides industry practitioners with a fresh, in-depth and comprehensive perspective on technology adoption within more traditional point-of-sale formats, thus providing guidance for making informed decisions, overcoming transformational barriers, and mapping progress. The new insights and implications are not confined to the fashion retail industry, but can be transferred to other contexts of various types in which people within organizations have to deal with issues of technological change.

Findings of this study are particularly relevant for traditional retailers with big barriers to change due to not being "born digital." The study sheds light on some key processes and implications deriving from technological change implementation, involving aspects ranging from key actors internal or external to the organization, consumers, and collaboration processes. Based on their reasons for change embracement, as well as internal and external organizational context, retailers may consider different type(s) of technologies investigated here.

Key implications for retailers, technology providers and consultants include how to deal with systems integration and compatibility, considering aspects such as relationships and successful communication between parties involved, in the management of tech-related projects.

References are available on request.

The Role of Initial Trust in the Consumer Adoption Decision Process for Livestyle-Supporting Smart Home Technologies

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Keywords: *smart home technologies, autonomy, ability to learn, trust, adoption decision*

Description: *This research investigates initial trust beliefs in the adoption decision process of emerging autonomous and learning smart home technologies (SHTs) in the prepurchase context.*

EXTENDED ABSTRACT

Research Question

Recent technological advances are bringing "ambient intelligence" in the home closer to becoming a reality. The visions and promises of AI-based autonomous and learning smart home technologies (SHTs) have grown in recent years. In order to provide consumers with the benefits of seamlessly performing SHTs it is very likely that major manufacturers will jointly integrate the technological properties of autonomy and ability to learn in SHTs in the near future. Despite a few exceptions, research from a prospective consumers' perspective with regard to "autonomy" and "ability to learn" is scarce. Despite their merits, previous studies have not considered the effects of technology's autonomy and its ability to learn on initial trust. However, this is of importance as trustors (here prospective users) usually form initial trust out of readily available information in the first step, before they will consider any further steps in a relationship (here adoption of SHTs). Our research investigates how indispensable initial trust in SHTs is affected by the technology's ability to learn and the ability to decide and act autonomously and how this translates into adoption intention.

Method and Data

In order to test our research question we conducted a 2 (autonomy low vs. high) × 2 (ability to learn: existent vs. not existent) between-subjects experiment. A total of 126 participants (59% female, M_{age} = 36) were recruited to complete the study online. All participants were randomly assigned to one of the four conditions and first watched a video that introduced an intelligent cleaning robot demon-

strating its general features and abilities (e.g. wet and dry cleaning of floors, being controlled via smartphone, etc.). After watching the video, each participant was also given some written information about the cleaning robot, which partly differed dependent on the condition. In the *low-autonomy* condition the robot was able to make suggestions about when to clean the floor, but would never start cleaning without the user's permission whereas in the *high-autonomy* condition, the robot would scan the floor and decide to start cleaning itself. In the *no-learning* condition the robot was presented working in the same way every time it starts cleaning, while participants of the *learning* condition were presented with a robot that was able to learn about its environment and the preferences of the residents and change its behavior.

Summary of Findings

In our research, we investigated how the presentation / communication of technology's autonomy and ability to learn of AI-based SHTs effect initial trust beliefs and through these the adoption decision process of prospective users. First, our data underlines the crucial role of initial trust as a driving force in the adoption decision process of SHTs. Second, our data shows that prospective consumers perceive AI-based lifestyle-supporting SHTs as trustworthy when they possess the ability to learn, but that perceived trust decreases when SHTs possess the ability to decide and act autonomously. Moreover, our data provides support for the assumption that perceived disempowerment resulting from a technology's autonomy is a noteworthy inhibitor with

regard to initial trust and adoption, in individualistic countries, which is in line with previous research. The inhibiting mechanism is triggered through a decrease in initial trust and an increase in the perceived overall risk, which, taken together, have a detrimental effect on the adoption of autonomous technology.

Key Contributions

Prospective users are extremely uncertain about what kind of technology they are actually acquiring, especially when these technologies have the ability to decide and act autonomously and to change their behavior over time. Hence, it is critical for the success of managers and marketers of SHTs to anticipate potential consumers' perceived uncertainties and risks and to enhance initial trust in order to help prospective users to overcome those. Marketers are well advised to emphasize the technology's ability to learn in their communication campaigns and to describe it as the ability to gather data about its environment and the user's preferences only to be able to adapt its behavior to better meet the user's needs. When it comes to higher degrees of autonomy, marketers should be more careful about how to present and communicate that feature. High autonomy as a stand-alone intelligence attribute is associated with perceived disempowerment that lowers initial trust and increases risk, ultimately reducing adoption intentions. Marketers need to think about how to effectively address potential consumer's perceptions of disempowerment toward autonomous SHTs, in individualistic countries. For instance, providing convincing benefits and real-life experiences might make it worth partly or fully giving up one's freedom of choice and decision.

References are available on request.

Smart Products: Definition, Facets, and Differences

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Keywords: *smart products, product intelligence, smartness dimensions, product types*

Description: *By deriving a comprehensive definition of smart products as well as assessing a variety of smart products in regard to their smartness characteristics, we deduce different types of smart products and propose research possibilities to further investigate smart product adoption.*

EXTENDED ABSTRACT

Research Questions
- What constitutes a smart product and how does product smartness in turn express itself?

- Is there a difference in how consumers perceive smart products and as a consequence, can types of products exhibiting similar smartness profiles be identified?

Method and Data
The present study comprises an extensive literature review to conceptualize smart products and the dimensions of smartness. To gain a deeper understanding of how consumer perceive product smartness, we conduct a paper-pencil-survey assessing seven smartness dimensions as proposed by Rijsdijk and Hultink (2003) of eight smart products from the application contexts of smart mobility and smart home (n = 52). The differences between the smart products are examined in a one-way ANOVA and additional post hoc tests.

Summary of Findings
While we could not find differences in the dimensions of autonomy and adaptability, our findings confirm differences regarding the perception of reactivity, ability to cooperate, humanlike interaction, personality, and multifunctionality. However, the results vary by smartness dimension and by product. Nevertheless, there are also similarities to be found. Based on these differences as well as similarities, we identify four different types of smart products across the application contexts of smart mobility and smart home. Building upon these findings, we propose research avenues to further investigate the drivers and barriers of the acceptance of products possessing different manifestations of smartness.

Key Contributions
Our findings shed light on the terminology clutter and contribute a comprehensive definition of smart products. By examining product smartness in depth, we identify different types of smart products exhibiting different smartness profiles. Based on that we provide managerial implications that not product type, application context, and the fact that a product it is a smart product need to be taken into account, but also the different smartness characteristics.

References are available on request.

Marketing of Smart Products: An Empirical Investigation of the Interplay Between Consumer Perceptions, Smart Products, and a Transparency-Oriented Marketing Communication

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Sascha Alavi, University of Bochum

Keywords: *smart products, marketing communication, consumer perceptions*

Description: *The core goal of this paper is to empirically examine customers' perceptions associated with smart products and the role marketing communication plays to improve these perceptions.*

EXTENDED ABSTRACT

Research Question

Smart products are regarded as some of the most advanced technologies and top strategic products of the future in various markets (e.g., Hoffman and Novak 2018; Ng and Wakenshaw 2017; Rijsdijk and Hultink 2009). This paper aims to explore customers' perceptions associated with smart products and the role marketing communication plays to improve these perceptions. Especially, research is needed to better understand privacy concerns and mitigation mechanisms to reduce them (e.g., Ng and Wakenshaw 2017). Thus, the key research questions are: (1) How do consumers psychologically respond to smart products? (2) How may a transparency-oriented marketing communication steer consumers' perceptions associated with these kinds of products? In this regard, building on net valence theory (e.g., Breward, Hassanein, and Head 2017; Peter and Tarpey 1975), the authors focused on consumers' attitude towards purchase as a positive consumer perception associated with smart products and consumers' privacy concerns as a negative customer perception.

Method and Data

To empirically test the hypotheses, the authors conducted a survey-based scenario experiment with a 2 × 2 between subject design. The authors manipulated the level of products' smartness (nonsmart product vs. smart product) and marketing transparency (marketing communication control group vs. transparency-oriented marketing communication). 218 participants were randomly assigned to the four conditions. To analyze the data, the authors employed a multivariate analysis of variance.

Summary of Findings

Results show that smart products seem to trigger privacy concerns, though, they do not seem to evoke a greater positive attitude among customers compared to their nonsmart counterparts. Consequently, interaction effects are expected to meaningfully determine the relationship between product smartness and attitude towards purchase. In line with the authors' proposition, a transparency-oriented marketing communication increases the level of consumers' attitude towards the purchase for smart products. Importantly, a transparency-oriented marketing communication is also found to mitigate consumers' privacy concerns.

Key Contributions

With their results, the authors contribute to research in the area of smart product adoption providing valuable insights into the consumers' purchase decision-making process concerning smart products. The authors especially give empiri-

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cally validated answers to the questions of how consumers psychologically respond to smart products and how these responses may be influenced by firms' marketing mechanisms and strategies.

This paper can help marketing managers to achieve a widespread adoption of smart products. Nowadays, firms' marketing heavily relies on personal consumer data, but "firms have little insight into the ramifications of such data use and do not know how to prevent negative effects" (Martin, Borah, and Palmatier 2017, p. 36). This research implies that a transparency-oriented marketing communication may be an effective mitigation mechanism to reduce negative effects, namely consumers' privacy concerns.

References are available on request.

Wearable Devices: The Impact of Product Attributes on Adoption Intention

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Michael Solomon, Saint Joseph's University

Charles Cui, University of Northumbria

EXTENDED ABSTRACT

Research Question

Which product attributes influence intention to adopt wearables and how?

Method and Data

The data collection was implemented through an online survey of 450 U.S. respondents who own wearables. To ensure that respondents provided answers in relation to the desired product category, we provided information about a photograph of Fossil Q smartwatch.

Key Contributions

The findings from this study contribute to advancing our understanding of wearables, product design, and technology acceptance. It clarifies the relevance of different attribute types in the context of wearables. In addition, it responds to the calls in the literature to better identify and differentiate the vital aspects of product design, especially in the context of the innovative products such as wearables. To our knowledge, this is the first study that examines the multifunctionality associated with wearables, providing an addition to the existing literature, which has predominantly focused on perceived symbolism, ergonomics, functionality and aesthetics as product design factors. Finally, this research addresses important research gaps in understanding (1) how wearable visibility can affect intention to use wearables (2) and the different ways through which the perceived aesthetic attributes of a wearable affect behavioral responses.

Summary of Findings

We developed and tested a framework of product design attributes and its impact on intention to use wearables. First, we found that perceptions of ergonomics, multifunctionality, and aesthetics of wearables affect the perception of the product's functional usefulness, which in turn positively affects behavioral intention to use this product. Second, we found that the impact of perceived aesthetics on use intention is partially mediated by perceived symbolism associated with wearables.

References are available on request.

"All That Glitters Is Not Gold": Performance of EV-Charging Infrastructure from a European User Perspective

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Description: *We take an exploratory look at performance types of charging services with a user experience study and 401 evaluated charging stations for electric vehicles across Europe, showing that there are still clear potentials to improve the customer and user orientation, especially concerning transparency of charging costs, barrier-free accessibility, and the visibility of the charging stations.*

EXTENDED ABSTRACT

Research Question

Climate change, air pollution and urbanization have been around for decades as subjects of scientific discussion. Among others, the development of sustainable mobility solutions is recognized as a potential action field to contribute to solving these problems (Banister 2011). For some time now, the car manufactures have been announcing a massive turnaround towards Electric Vehicles (EV) (Augenstein et al. 2015). Structural changes in global markets but also disruptive incidents, such as the diesel crisis, might be forcing companies like VW to come up with more than 80 EV models by 2030 (Carmagazine 2019). The question remains, whether Europe is ready for an "electric road revolution"? Particularly the charging infrastructure for EV´s is considered to play a significant role when it comes to technology acceptance by consumers (Biresselioglu et al. 2018). But how powerful is the charging infrastructure in Europe from the perspective of EV users? How convenient is the charging process? How transparent are the charging costs? How do users evaluate more general environmental factors that are important to them, such as safety, lighting conditions, and traffic load at the charging station? With this study, we take an exploratory look at which performance-types of charging services exist in European markets.

Method and Data

We conducted a User Experience study with 12 evaluation teams assessing charging stations across Europe, using either a BMW i3, Opel Ampera, VW eGolf or Mercedes B-class e-version, with their AC type 2 and Combined Charging System (CCS) charging options covering technically over 70% of available charging stations in Europe. Overall, 442 charging stations have been investigated in Germany, France, Austria, Italy, and the Netherlands. The assessment of single charging stations has been executed by the driver teams using a standardized evaluation-checklist. The checklist was developed based on literature and existing studies (Philipsen et al. 2015, Philipsen et al. 2016, Will et al. 2016, Zhang et al. 2017, Zhang et al. 2018), as well as qualitative interviews with seven charging experts from the companies ABB, EnBW, Daimler, and Bosch. It contained questions regarding general geographic factors, the infrastructure of the charging station, the charging environment, the charging process, the payment process, and support (three to seven

questions per theme). After cleaning the data from missing values and outliers, the final dataset contained n = 401 evaluated charging stations. We used a cluster analysis to examine the data, based on the cluster variables "light conditions," "safety," and "traffic load" (Sauer 2019).

Summary of Findings

We found a cluster solution with k = 2 clusters based on elbow plots (Kaufman and Rousseeuw 2005). Cluster 1 (n = 233) mainly consists of charging stations located in the district center/city district. These charging points typically have an obvious signage and barrier-free access, whereby the costs for the charging process are not directly visible at the charging point. Both the usability of operating instructions and the light conditions as well as the safety and traffic load at the charging location range between "very good" and "good." Cluster 2 (n = 168) mostly covers charging stations in the city center/city ring. These charging stations usually do not have any obvious signs and the costs to be paid are not clearly indicated. The criterion of barrier-free accessibility provides a mixed picture: About 50% of the charging stations in this group are barrier-free, whereas the remaining half do not meet this criterion. Overall, the light conditions are "good" in this group. However, the charging stations in cluster 2 have performed below average compared to the overall sample as far as the usability of operating instructions, safety and traffic load is concerned.

Key Contributions

Our study shows that there are still clear potentials for manufacturers of charging infrastructure as well as service providers to improve the customer and user orientation of their offers, especially concerning transparency of charging costs, barrier-free accessibility, and the visibility of the charging stations. Therefore, we are confident that with its findings, this study makes an important contribution to academic literature on charging infrastructure (Philipsen et al. 2015, Philipsen et al. 2016, Will et al. 2016, Zhang et al. 2017, Zhang et al. 2018) from the perspective of the users. It is the first research taking an exploratory look at which performance-types of charging services do exist on European markets — with charging stations in cluster 1 already achieving quite satisfactory results on most factors, and room for improvement on the above mentioned issues for most charging stations in cluster 2. It provides important implications for managerial practice by highlighting these key issues, which should be solved in order to improve the convenience of the charging process for the user and thus to further increase the acceptance of this, with respect to climate change and air pollution, potentially crucial technology.

References are available on request.

Understanding Crowdsolving Platforms' Design Features: A Conceptual Study Based on Design Thinking and Knowledge Creation

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Poonam Oberoi, La Rochelle Business School

Description: *Our conceptual study focuses on the features of crowdsolving platforms (e.g., LEGO, InnoCentive, eYeka, HYVE) and the interaction between tacit and explicit knowledge generated during a contest and seeks to answer an important question: How can crowdsolving platforms' features be managed to create knowledge?*

EXTENDED ABSTRACT

Research Question
- How can crowdsolving platforms' features be managed to create knowledge?

Article's Research Goal and Key Contributions

Crowdsourcing typology consists of the following four categories (excluding crowdfunding) : Crowdsolving (LEGO, InnoCentive, eYeka, HYVE) Crowdcollaboration (IdeaJam, GetSatisfaction), Crowdcontent (Amazon's Mechanical Turk, Peer to Patent review, Stardust@home), and Crowdopinion (The eBay reputation system, the Hollywood Stock Exchange). In this study, we focus on studying the platform features of crowdsolving platforms because these platforms are the major players in the growing crowdsourcing industry. Crowdsolving consists of initiatives in which a problem or task is proposed to the crowd, and those individuals or groups who solve the problem or give the best possible answer are rewarded. This kind of initiative values heterogeneous contributions and looks for alternative or complementary solutions to a given task or problem. Gartner estimated that by the end of 2018, 20% of all enterprise software application-development initiatives will be crowdsourced. The lucrative phenomenon of crowdsourcing and its platform features explains managers' and academics' interest in it

(Ross and Chiasson 2011; Gleasure and Feller 2016; Kane 2017). The structures of these crowdsolving platforms are quite ambiguous in nature and it is unclear as to which features or combination of features might result in optimum results for the client firm, especially with regards to the knowledge creation aspect of the project since the primary objective of these platforms is to rely on crowd for specific tasks and not on the already existing internal knowledge of the firm.

This study therefore explores in a systematic and holistic manner about how platform design features can help creating value-added knowledge in crowdsourcing platform, using Nonaka's (1994) organizational knowledge creation theory as foundation. Our study focuses specifically on the design features of crowdsolving platforms and the interaction between tacit and explicit knowledge generated during a contest and seeks to answer an important question : How can crowdsolving platforms' features be managed to create knowledge? With a systematic literature review of platform design elements, we offer a comprehensive model of features that could guide crowdsolving platform managers in implementing functionalities to motivate and manage virtual communities in order to create new knowledge. These crowdsolving platform features can be considered as

tools that, as described in Buchanan's (1992) design thinking literature, can intuitively or deliberately shape a problem-solving activity. We attempt to provide suggestions regarding how to organize and use crowdsolving platform features to create knowledge for the platform and client firm more effectively.

This conceptual article makes several theoretical contributions to the extant literature. First, we consider each crowdsolving platform feature through the prism of the design thinking approach and question whether it would stimulate creativity within the platform's community and help solve the problem. Second, we contribute to the academic knowledge by explaining the "mechanism" of platform-level absorptive capacity that links platform features to knowledge creation process. Finally, we complement the existing managerial knowledge on crowdsourcing literature by developing a multilevel-featured framework for crowdsolving platforms. We conduct an extensive literature review covering the typologies and the features, along with the study of several leading crowdsolving platforms (e.g., InnoCentive, LEGO, IdeaConnection, eYeka, HYVE, etc.), to elaborate a list of features at the contest, idea, participant, and community levels.

References are available on request.

User-Designed Products: Are They Beneficial to New Venture Success?

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Keywords: *user-designed products, customer cognitive legitimacy, new venture success, new venture, word of mouth*

Description: *The paper regards the advantages and disadvantages of user designed products for new ventures.*

EXTENDED ABSTRACT

Research Question

- Does the label "designed by users" add value to new venture success? Do consumers gain customer cognitive legitimacy when the product is designed by users and there is positive WOM?

Method and Data

Using Clickworker Germany, we conducted two experiments in the fast moving consumer goods sector to test our hypotheses. Study 1 consists of 195 participating consumers (41.5% female; average age 31.97), which were randomly assigned to one of the two experimental conditions (designed by users vs. designed by professionals). Within this study, we used a chocolate bar of the fictitious company "Chocolat" as the test product. Using ANOVAs, we examined direct effects of user design on customer cognitive legitimacy (CCL), purchase intention, and customer satisfaction. We tested the effect of labeling products as designed by user on customer response mediated by CCL following the PROCESS procedure (Hayes 2013). In Study 2, we investigated the moderation effect of positive WOM as a major boundary condition of user design on CCL. A 2 (designed by our designers vs. designed by users) × 2 (no WOM vs. positive WOM) between-subjects design with another product category (freeze dried fruits to mix smoothies) was conducted. Within this study, we randomly assigned 258 consumers (48.44% female; average age 32.71) to the 4 experimental conditions.

Summary of Findings

Based on two experimental studies, this research deepens the understanding of user designed products in a new venture set-ting. First, in Study 1 we demonstrate that labeling products as designed by users indeed increases CCL, purchase intention, and customer satisfaction. Second, we show that the effect of labeling products as designed by users on purchase intention and customer satisfaction is mediated by CCL. In Study 2, we tested positive WOM as the boundary condition on CCL. The results show a significant interaction effect of user design and WOM on CCL. However, both main effects are insignificant and the preliminary results show that the effect of positive WOM backfires in case of user-designed products. Therefore, we further tested the hypotheses by decomposing the interaction effect. In case of no WOM, the results confirm that a new venture who markets its products as "designed by users" gains a higher degree of CCL than a new venture who labels its product as "designed by professionals." However, in case of positive WOM the label "designed by users" backfires and decreases CCL.

Key Contributions

Previous research argued that in case of low-complexity products the customer's demand is stronger for products that are labeled as "designed by users" versus the ones labeled as "designed by company designers." We extend this line of research to the new venture context and show that in a new venture setting user-designed products are not always benefi-cial. Our results show that labeling new venture products as "designed by users" increases CCL, the customer's purchase intention, and customer satisfaction. Furthermore, the results show that the positive effect of user-designed products on customer response is mediated by CCL. However, in case of positive WOM, the effect of user design backfires on CCL.

Therefore, we suggest that the interaction effect of user-designed products and WOM has to be even more complex.

Due to this potential change in CCL, it is difficult to infer implications for managers. As WOM is a common phenomenon in consumer behavior, we suggest that further research should concentrate on this boundary condition and should try to understand the effect more thoroughly.

References are available on request.

Metaphors in Product Design: The Mediating Role of Aha Moments and Confusion on Positive and Negative Emotions and Resulting Aesthetic Preferences

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Frank Huber, Johannes Gutenberg University-Mainz

Keywords: *metaphors, aha moments, emotions, aesthetic preferences, fluency*

Description: *This research explores the role of metaphors in product design on positive and negative emotions by using Fluency Theory and Pleasure-Interest-Model of Aesthetic Liking (PIA-Model) as conceptual framework*

EXTENDED ABSTRACT

Research Question

Aesthetic perception and judgment are not merely cognitive processes, but also involve emotions (Schindler et al., 2017). These emotions accompany the interaction with stimuli and could be affective responses in account with visual art, music, literature, film and television or art in general. Regarding this, metaphors could help consumers to intuitively experience abstract product and service features that would otherwise remain difficult to understand (Hekkert and Cila, 2015; Dehay and Landwehr, 2019).

Previous studies have investigated the effects of metaphors in advertisements, but the findings have been applied only limited to product design. Beyond that, much less is known to which extent not solving the riddle can lead to negative emotions as well as the role of resulting aesthetic reactions like pleasure, interest or displeasure. In this context it has not been empirically investigated to which extent there is a difference in fluency between a metaphorical and nonmetaphorical product design. Therefore, the research objective of the presented study is to connect the so far mostly linguistic research field of metaphors with product design and to develop an understanding of resulting positive and negative emotions as well as aesthetic reactions.

Method and Data

To investigate the different effects of a high or low fluency resulting from a metaphorical vs. nonmetaphorical product design, two different questionnaire scenarios (2x1 between subjects-factorial design) were designed. The test persons were randomly exposed to a scenario which showed different manipulations of a displayed product, the "Heng Balance Lamp." The questionnaire was manipulated to the extent that the first scenario gives an explanation of the use of the product and shows the name of the lamp. In contrast, the second scenario shows only the product design without an explanation and without the name. Only when it becomes clear to the observer that a light turns on through the lifting of the lower sphere and the resulting magnetic circuit, the observer realizes that it is a lamp. Data was collected by a web-based questionnaire, recruiting participants through a noncommercial online access convenience panel (SoSci Panel). The usable responses amount to 245 (61.6% female, $M_{age} = 30.6$).

In order to test the hypotheses, the research used two mediation analyses and three multiple regressions. Analyses were carried out with SPSS Statistics of IBM and the PROCESS macro of Hayes (template model 4, Hayes 2018).

Summary of Findings

The results show first (1), that a difference in visual complexity of a metaphor ensures a different degree of understanding the metaphor. These different levels of fluency lead to positive and negative emotions. This research provides evidence for experiencing an aha moment being a mediator of positive emotions and confusion being a mediator for negative emotions. Specifically, integrating metaphors in product design offers high potential for triggering the experience of an aha moment and positive emotions. The analysis revealed that compared to nonmetaphorical design, integrating a metaphor in product design leads to more positive and less negative feelings. These results support the postulations of fluency theory and PIA model in the sense that the more fluent a design is perceived, the higher the experience of the aha moment and the positive feelings. In contrast a nonmetaphorical product design leads to confusion and negative feelings due to perceived disfluency.

Second (2), the results provide evidence for positive and negative emotions being a predictor for pleasure, interest and displeasure. Thus, this study is in line with the findings of the PIA model and contributes to existing literature by specifying feelings that lead to aesthetic pleasure, aesthetic interest and the negative counterpart aesthetic displeasure.

Key Contributions

The findings show that the experience of positive and negative feelings can also result in interest, which according to the PIA model is only shown on an automatic processing level. Surprisingly, positive feelings have a negative impact on aesthetic interest. This may be due to the experience of an aha moment and the associated understanding of the product design, which rather leads to pleasure, since the message of the design was completely decoded. The resolution does not encourage the viewer to continue thinking about the metaphorical design in order to arouse interest. Consistent to this explanation, negative feelings triggered by a lack of understanding of the design, lead to interest. This may be due to the fact that there was no resolution of the metaphorical puzzle and there is still an incentive to understand the presented design.

In conclusion, the key implication for marketers is to integrate a metaphorical product design in order to enhance the chance of experiencing an aha moment leading to positive feelings and pleasure. Although a nonmetaphorical design results in negative feelings people still have interest in the product design and should therefore not be disregarded by marketers.

References are available on request.

The Lean Discovery Process: Reducing Time and Costs in New Product Development

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Description: *We conceptualize a new model, the Lean Discovery Process, which focuses on market-based testing from an initial business idea through to fully realized product stages of an innovation, expanding the learn-build-measure concept of lean entrepreneurship to include lean principles applied to the business model and customer.*

EXTENDED ABSTRACT

Research Question

Uncertainty in the early development of business concepts can benefit from data-driven testing of hypotheses. Startups face uncertainty not only in product development, but also over the structure of the business model and the nature of the customer or market to address. The issues faced by startups are often very similar to new product development processes in existing organizations, whether small businesses or large corporations. We explore how business can apply lean principles and the learn-build-test model of lean entrepreneurship to help reduce cost and uncertainty.

Method and Data

Examining literature in new product development, lean startups, lean user experience and lean software development, we focus on extending the lean model further back in the continuum from business idea to fully realized product. In our model, which we label the "Lean Discovery Process" (LDP), the business model, the product, or the customer might be uncertain. With the LDP, development begins with hypotheses about the business idea and progresses from there towards defining the product, the target market or the business model. As a result of the inherent uncertainty and ambiguity in these early development stages, we highlight the need for data-driven testing earlier in the process than is currently suggested. We focus the testing model around an aim to move as quickly and inexpensively as possible to a successful match between a product and the market for that product. In essence, we suggest a model that minimizes waste earlier in the product/business model/customer process, which will benefit the overall innovation process. We then examine the Lean Discovery Process using the case of *DAPP Styles*, an innovative spin on the clothing box company.

Key Contributions

We conceptualize a new model, the Lean Discovery Process, which focuses on market-based testing from the early business idea through to fully realized product stages of an innovation. We develop the concept of the minimum viable customer and support early testing with concepts from market research and collective intelligence. We demonstrate early opportunities to apply lean principles and rigorous hypothesis testing in a Lean Discovery Process that results in significant reductions in time and expense of product development.

Summary of Findings

Existing literature focuses on product development against an assumed customer base. Early hypothesis testing can be applied to business concept development to substantially reduce cost and time to market. The paper shows the results of a case study, DAPP Styles, using the LDP over a period of approximately one month, performing multiple LDP tests. By utilizing a crowdsourcing platform such as MTurks, *DAPP Styles* was able to understand a number of factors, such as business model feedback, interface and messaging comprehension and appeal. All prior to the development of a viable product and in a fast, timely and highly inexpensive manner.

References are available on request.

The Relationship Between Informal Competition and New Product Development

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EXTENDED ABSTRACT

Research Motivation

Informal competition (IC) refers to competition stemming from substandard products and uncompetitive practices offered by businesses that are unregistered (see Araujo, 2013, Nichter and Goldmark, 2009). Research shows that the global informal economy owns up to US\$ 9 trillion worth of unregistered assets and that informality accounts for nearly 40% of the GDP in emerging markets (DeSoto, 2000, Schneider, 2005, Schneider and Enste, 2000). According to the International Monetary Fund, the unweighted average contribution of the informal economy to the GDP during 2010–2014 was 40% in Latin America and the Caribbean, 38% in sub-Saharan Africa, 34% in South Asia, 23% in Europe, and 17% in the member countries of the Organization for Economic Cooperation and Development (OECD, 2018). These figures portray an uncertain business environment that prevents formal firms from gaining market share and potentially discourages "global retailers from making investments and bringing in new technology and best-practice operating methods" (Farrell, 2004, p. 32).

Yet, scholars, practitioners, and policy makers argue that IC may well be beneficial for industries. For instance, a recent study suggests that IC fosters a propitious environment for product innovation. McCann and Bahl (2017) found that IC has a positive direct main effect on the likelihood of formal firms launching a new or improved product or service. In this paper, we try to resolve these conflicting views on the relationship between IC and NPD. We argue that NPD activities are fraught with substantial risk as formal firms struggle to maintain an appropriate balance between the *exploration of new possibilities* and the *exploitation of old certainties* (see March, 1991) when faced with high IC. To enrich our theoretical understanding of the IC–NPD relationship, we investigate resource constraints and cultural uncertainty as two boundary conditions. We argue that resource constraints force formal firms to engage in the exploration of new opportunities in order to cope with IC; as a result, we expect the effect of IC on NPD to remain positive under high IC. We also anticipate that the positive effect of IC on NPD persists as managers in high uncertainty-avoidance contexts drive their firms toward an exploratory path in an attempt to reduce uncertainty. Our paper tests a model that will help policy makers and managers monitor IC with a view to guiding innovation.

Methodology

We extracted our sample from the World Bank Enterprise Survey (WBES, 2006-2018), which is the worldwide version of the Business Environment and Performance Survey (BEPS). The data were collected by the World Bank between 2006 and 2018 from business owners or top managers. After excluding countries and firms with missing values on IC, innovation, firm size, employee training, and national culture, the final sample consisted of 56,112 formal firms operating in 75 countries.

Model Specification

In the dataset, firms were nested within the cross-classification of countries and years. According to Goldstein et al. (1994), cross-classified models can be estimated with multilevel analysis that allows equality constraints on the variance components. Therefore, we employed a multilevel

model to test the moderated curvilinear relationship between IC and the likelihood of NPD.

Summary of Findings

The results showed a significant increase in the likelihood of NPD when IC was in the low to medium range. This significant effect disappeared when IC became a major obstacle for formal firms, and the likelihood of NPD showed a significant decrease when IC emerged as a severe obstacle for formal firms. The findings also showed a significant interaction between the quadratic form of IC and financial constraints, and uncertainty avoidance. The inverted U shape of informal competition did not hold under high financial constraints and uncertainty avoidance.

Key Contribution

First, we have extended the literature on NPD by explaining why IC both *increases* and *decreases* the likelihood of NPD. Our theoretical framework connects the relationship between IC and NPD to strategic concerns faced by formal firms seeking to balance exploitation and exploration. By linking the relationship to the exploitation–exploration balance, we provide theoretical insights into the role of IC in firms' ability to maintain an appropriate balance. This role is relevant as it facilitates a better understanding of the curvilinear effect of IC on NPD. Past research has suggested that managers consider NPD as a strategic response to IC

(McCann and Bahl, 2017). However, our paper shows that managers respond to high levels of IC by steering clear of NPD and instead leaning on exploitation.

Second, our findings show that resource constraints constitute a boundary condition to the IC–NPD relationship. While high levels of IC have the potential to discourage innovation, firms with resource constraints continue to engage in innovation as it may be their only recourse against IC. These findings align with prior research suggesting that necessity motivates firms to respond to competitive attack (Debruyne et al., 2010).

Third, we extend the existing literature on the IC–NPD relationship by showing that the relationship is a function of the level of uncertainty avoidance. Cultural context plays a key role understanding the IC–NPD relationship. As recommended by McCan et al. (2016), efforts should be made to investigate this relationship across cultures. Such insights can shed light on the cross-cultural generalizability of our theories. Our findings demonstrate that an environment characterized by high uncertainty avoidance leads managers to strongly push for NPD in order to cope with the uncertainty, which moderates the effect of IC on the likelihood of NPD.

References are available on request.

Customer Participation and Firm's Financial Performance: Examining the Moderating Effects of Two Customer Participation Types on Exploitative and Explorative Innovations

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EXTENDED ABSTRACT

Research Question

Although the significance of customer participation in the innovation process has been recognized in both the theoretical and managerial area, little research has been conducted into understanding the moderating effects of different types of customer participation on innovation, while comparing the impact of the two types of innovation, exploitative and explorative, on financial performance. This study investigates the moderating effect of two customer participation types—customer participation as information providers (herein after CPI), and customer participation as codevelopers (herein after CPC)—on the relationship between innovation and firms' financial performance.

The research questions are as follows: (1) do different forms of innovation, exploitative and explorative, influence a firm's financial performance? (2) is a firm's financial performance derived from innovation activities affected by the type of customer participation involved? (3) if so, which customer participation type has more impact on the relationship of exploitative or explorative innovation on financial performance?

The authors suggest a nonlinear relationship between exploitative and explorative innovation and financial performance. Additionally, CPI and CPC, can variously influence on this relationship because each incorporates a different mechanism for the adoption and utilization of customers' knowledge in the innovation process.

Method and Data

The six hypotheses are tested using data on 272 Korean manufacturing industry respondents in the Korean Innovation Survey 2014 (KIS). The KIS is based on the Eurostat Community Innovation Survey (CIS) of innovation. The KIS is administered by the Science and Technology Policy Institute (STEPI), a government organization which was established to support innovation and technology-related policymaking in the Republic of Korea. The dataset is comprised of randomly selected firms from the 13 sub-manufacturing industries, which are categorized according to the Korea Standard Industry Code (KSIC).

The financial performance dependent variable is measured by return on assets (ROA), extracted from the KISVALUE database, which is comprised of financial data from the NICE Information Service, a credit-rating agency in Republic of Korea.

To test our hypotheses, we used stepwise regression using the ordinary least squares (OLS) method after conducting VIF test to check multicollinearity. Additionally, we included control variables such as firm age, firm size, R&D intensity and ROA in the previous year for the analysis.

Summary of Findings

The results show a non-linear, U-shaped relationship between exploitative innovation and firm's financial performance. In addition, the two types of customer participation moderate the effects of exploitative innovation on firms' financial performance in different ways: CPI is more beneficial for firms' financial performance, whereas CPC has no significant influence in this respect. Furthermore, neither customer participation type has a significant impact on the effect of explorative innovation on financial performance. The current study provides important theoretical and managerial implications for the adoption and management of customer participation activities in the NPD process.

Key Contributions

This study contributes to the existing literature in three ways. First, it extends our knowledge of the relationship between innovation and firms' financial performance. Previous research has shown that there are diverse directions for the relationship between innovation and firms' financial performance, a linear, non-linear or indirect relationship. This study examines a non-linear relationship between innova-

tion, in terms of proportion of total sales deriving from each type of innovation, and financial performance. Thus, it identifies a U-shaped relationship between exploitative innovation and firms' financial performance, which may be a new finding with respect to the relationship between new perspectives on innovation and firms' financial performance.

Second, the results strengthen the link that customer participation influences firm's innovation outcome, using the objective financial measurement, ROA. Most previous research in the customer participation area has used a survey-based dependent variable, which can be subject to common method biases. This paper uses an objective financial performance measurement to increase construct validity and to fill the gap in the literature.

Third, the results show that one of the customer participation types, CPI, can be a moderator for the connection between innovation and financial performance. Little research has examined the moderating effect of different types of customer participation on the relationship between innovation and performance, although each can play as a moderator. This study shows that CPI makes a positive impact between NPD employees and customer ideas and helps their adoption by NDP employees more effectively in the exploitative innovation. However, CPC does not generate such a synergy.

References are available on request.

The Influence of Innovative Customer Complaints on Organizational Response Behavior

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Keywords: *customer complaint management, customer integration, idea generation, new product development, open innovation*

Description: *In a field experiment, we analyze the impact of different types of customer complaints on companies' response behavior, focusing in particular on the innovative potential of customer complaints.*

EXTENDED ABSTRACT

Research Question

Customer complaints (CCs) are a widespread phenomenon, especially in business-to-consumer industries (Homburg and Fürst, 2005). Nowadays, digital channels allow customers to express their dissatisfaction to companies in a time-efficient way. While some firms engage in defense mechanisms when faced with CCs (Homburg and Fürst, 2007), others leverage the opportunity to learn from CCs (Yilmaz, Varnali, and Kasnakoglu, 2016), for example, for innovation. Although prior research has contributed to our understanding of successful customer complaint management (CCM) and the importance of customer integration in new product development (NPD), several research gaps remain at the intersection of these literature streams. First, there is a lack of current research on company response behavior to CCs via digital channels. Second, our analysis of the CCM literature reveals a lack of understanding of how characteristics of complaint messages influence company response behavior. Third, research in the CCM domain on the opportunities of CCs for organizational learning, and particularly NPD, is scarce. Addressing these gaps, we answer the following research questions: How does organizational response behavior to CCs differ depending on indicators of complainant value? Specifically, do companies react to CCs offering innovative potential? If so, to what extent do companies leverage these complaints for NPD?

Method and Data

To test our hypotheses, we conducted a field experiment with 125 B2C companies, split across the consumer durables industry (n = 57) and FMCG industry (n = 68). Companies were randomly assigned to one of four treatment conditions, in line with a 2 (innovative potential: no vs. yes) × 2 (duration of business relationship: first-time customer vs. long-term customer) between-subjects design. We created our manipulations by adapting a generic baseline complaint message, such that in the innovative potential condition, we provided a pointer to a specific improvement suggestion for the product. Additionally, the complainant indicated to be either a first-time or long-term customer. The randomization yielded almost identical cell sizes (range: 30-32). Data for our dependent variables were either collected directly by observing organizational response behavior (response rate, response time, response quality) or taken from secondary data sources (customer satisfaction). To gather insights into how the improvement suggestions in our "innovative" treatment conditions were leveraged, we collected additional qualitative data. We provided an improvement idea to all sampled companies that asked for the idea in their reply to the complaint message. In this message, we also asked the company how and by whom the idea will be processed.

Summary of Findings

Our analysis shows an overall response rate of 80% to the CCs. Surprisingly, companies reply to complaint messages with innovative potential significantly less often than to complaint messages without such potential. We also find that complaint messages by long-term customers have a significantly lower chance of receiving a reply than complaint messages by first-time customers. Moreover, we observe a tendency of slower responses to complaints with innovative potential. While responding to complaints is significantly, and positively, related to customer satisfaction at the firm level, this is not the case for the quality of company responses to CCs and the corresponding response time. From the analysis of our qualitative data, we find that less than half of the companies in the two "innovative complaint" treatments state their interest in the signaled improvement idea. Among the companies that reply, two third directly ask for the improvement suggestion. Furthermore, when asked how they will process the complainant's idea, most companies state that they will forward the idea without specifying a recipient (41%) or that they will forward the idea to their R&D departments (28%). Four of the 29 responding companies in the "innovative complaint" treatments indicate that they will not integrate the idea.

Key Contributions

The results of our research are stimulating from a theoretical point of view. Specifically, our research offers three theoretical implications. First, our findings contribute to the CCM literature by providing insights into companies' response behavior to CCs for the purpose of NPD. Second, our study adds to the customer relationship management literature by revealing that companies do not behave in accordance with classical customer relationship paradigms. Third, our research contributes to the open innovation literature by taking a novel perspective: In contrast to classical approaches of open innovation where customers are actively recruited for NPD integration (Nishikawa, Schreier, and Ogawa, 2013), our study takes a more passive angle where customers self-select as potential innovation contributors by complaining to the company. This study also provides relevant insights for managers. Our results show that a high responsiveness in dealing with CCs is a standard in the consumer goods industries. We demonstrate that managers intending to ensure customer satisfaction should emphasize the importance of always replying to complaint messages, and doing so in a case-specific way, rather than relying on automated e-mails. Moreover, we suggest that managers examine customer service employees' performance criteria critically.

References are available on request.

The Effect of Materialism on Perceptions of Innovativeness for Incremental and Radical Innovations

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Keywords: *materialism, perceptions of newness, incremental innovations*

Description: *Our research identifies how trait materialism can shape consumer perceptions of product newness, thereby increasing purchase likelihood of incremental, but not radical, innovations.*

EXTENDED ABSTRACT

Research Question

One of the most distinctive characteristics of materialistic consumers is a heightened valuation of material goods. For materialists, product acquisition and consumption offer a crucial source of meaning, providing an opportunity for happiness, status, and satisfaction. Thus, low and high materialists' consumption diverges in distinct and predictable ways; for instance, high materialists are more likely to purchase luxury goods (Belk 1985).

We propose that materialists' desire for product acquisition may have substantive implications for new products. New products offer acquisition potential as well as psychological benefits associated with cutting-edge, novel, or exclusive purchases. Products fall on a continuum of newness, in which incremental (radical) innovations represent minor (major) changes in technology relative to existing products (Chandy and Tellis 1998).

Notably, newness is, to a certain extent, in the eye of the beholder. The newness of an incremental innovation is relatively ambiguous, while the advancement represented by a radical innovation is more recognizable. We therefore predict that materialists' desire for acquisition will result in heightened newness perceptions, and, by extension, increased purchase likelihood for incremental innovations. However, this effect will be attenuated for radical innovations, for which newness is less open to interpretation.

Method and Data

We examined how materialism affects the reception of innovative products in four Mturk studies. These studies feature three different products (a washing machine, a suitcase, and a smartphone) and two different innovation manipulations. First, a pilot study focused on an incremental innovation (a washing machine) using a product description manipulation (Mugge and Dahl 2013). Participants then completed the newness perception (five items; sample item: "how different is this product from other products you currently know about"; 1 = not at all, 7 = very) and trait materialism measure (Richins 2004).

All subsequent studies featured a 2 (innovation type: incremental versus radical) × materialism (measured) design. Studies 1 and 2a manipulated innovation type via product descriptions (for a washing machine and a smartphone, respectively). Both studies included the measure of newness perceptions from the pilot; Study 2a also included a purchase likelihood measure.

Study 2b introduced a novel manipulation of innovation type: an 'innovativeness rating' from a consumer ratings agency. The incremental product received a moderate innovation score (a 62.67 out of 100), while the radical product received a score of 92.67. This study featured a smartphone and included both the newness perception and purchase likelihood measures.

Summary of Findings

Taken together, the results of four studies support our prediction that trait materialism affects how new a product is perceived to be. Specifically, spotlight analyses revealed that high materialists (+1 SD) exhibit higher newness perceptions than low materialists (–1 SD). However, this effect is isolated to incremental innovations. Radical innovations are perceived to be highly new, regardless of materialism. Importantly, heightened newness perceptions resulted in increased likelihood of purchase.

Key Contributions

Our research makes several theoretical and managerial contributions. First, we demonstrate that a consumer factor, materialism, enhances newness perceptions of a target product. We suggest that the central role of product acquisition in materialists' lives may motivate materialists to judge a product's newness more favorably than non-mate-rialists, who do not share this motivation. In addition, we show that this effect is isolated to incremental innovations. We suggest that incremental innovations are more open to interpretation relating to degree of newness, thereby enabling consumers to form judgments in line with their motivations. When newness is less ambiguous, as with radical innovations, the effect of materialism on newness perceptions is attenuated. Finally, we demonstrate that innovation perceptions drive the purchase likelihood behavior of consumers. In addition to contributing to our theoretical understanding of new product adoption, these findings offer several strategic insights for practitioners. For instance, managers might consider whether their strategies should address innovation type, or instead focus on innovation perceptions, which may be more cost-effective and easier to implement.

References are available on request.

The Hidden Needs of Users: Acceptance and Barriers of Using Ethnography for User-Driven Product Enhancement for SMEs in B2B Markets

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Keywords: *ethnography, B2B business, product innovation, new product development*

Description: *This paper examines the acceptance and barriers of using ethnography for user-driven product enhancement for SMEs in B2B markets.*

EXTENDED ABSTRACT

Research Question
Developing new and enhancing existing products are core drivers for the competitiveness, success, and survival of small and medium-sized enterprises (SMEs), in particular in the B2B sector. However, recent studies found that 30% to 95% of newly launched products fail in the market. One of the reasons is the insufficient effort in customer-oriented research before the product lounge due to limited financial resources of SEMs, which are almost exclusively invested in technologically development. Especially when there are close links between the company and their customers, ethnography seems to have high potential to create deeper insights into handling routines of industrial goods at the point of use. Thus, small and midsized companies in B2B sectors are particularly suitable for the use of ethnographic methods for product innovation and improvement. It seems that managers in SMEs dealing with industrial goods are not aware of the potential of ethnographic research for gaining deeper insights into customer needs and requirements. The objective of this investigation is the examination of the acceptance and barriers of using ethnographic methods for the identification of latent customers' needs for the product development process in SMEs in B2B markets.

Method and Data
The conducted exploratory qualitative study examines the acceptance, feasibility and barriers of ethnographic research in small and mid-sized businesses (SME) in the German B2B sector. Therefore it is necessary to strive for an open minded exchange with dedicated experts. Thus, we used a purposive sampling to acquire eight CEOs of different German SMEs. All SMEs are producing different types of products/machines to ensure heterogeneity for more generalizable insides.

Summary of Findings
As a conclusion, mental barriers of acceptance could be identified out of theoretical assumptions and the qualitative data. The acceptances of ethnography on the producer side are higher when they produce a standardized product and have already frontline-employees who have a close contact with customers. The acceptance of customers and end-users are expected as higher when the reasons of the ethnography will be clarified previously and when they identify a direct benefit for themselves. Trust in each other is the key factor for successful ethnography that can result out of a long and strong relationship.

Key Contributions
Due to the fact that the use of ethnography in the B2B area has hardly been used up to now, the methodology of ethnography will be analyzed with regard to its applicability and practicability in the B2B area as Research Tool for (New) Product Development. The method will get adapted and further developed, based on the current limitations and unique requirements of the B2B area out of these findings.

References are available on request.

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Exploring the Negative Role of Consumer Nostalgia for Evaluations of Autonomous Cars

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Keywords: *product automation, consumers, nostalgia, acceptance*

Description: *This paper illuminates the complex role that nostalgia plays for consumer reactions to automated products (specifically autonomous cars) in a series of experimental studies.*

EXTENDED ABSTRACT

Research Question

While all major car makers as well as new entrants such as Waymo invest billions in the development of autonomous cars, the percentage of people indicating they will never buy a fully autonomous car just *increased* from 30% in 2016 to 49% in 2018 (Cox Automotive 2018). Prior academic research suggests that many consumers reject autonomous cars because they perceive them as a threat to their self-identity, due to a desire for control or lack of trust. In our research, we identify a different key factor, one that is based on consumer nostalgia. Specifically, many consumers seem to have nostalgic feelings for "the good old times," when driving was less influenced by automation, thus enabling more rewarding driving experiences. As such, the aim of this research is to illuminate this issue and investigate the role that consumer nostalgia plays for the evaluation of self-driving cars. We posit that autonomous cars will disconnect nostalgic consumers from these kinds of pleasant memories, leading to reduced product evaluations and ultimately behavioral reactions. In this paper, we present three studies of a larger program of studies addressing this issue.

Method and Data

Experiment 1 (N = 250; lab) used a 2 (automation: autonomous car vs. conventional car) × nostalgia proneness (measured) design. The goal was to test the central hypothe-

sis that the effect of automation on consumer evaluations and ultimately behavioral reactions is negatively moderated by nostalgia proneness.

The goal of Experiment 2 (N = 310; European consumer panel) was to illuminate the process by which automation affects product evaluations contingent on nostalgia proneness, and to assess the possibility that product type serves as a boundary condition for the effects to occur. The experiment used a 2 (automation: autonomous car vs. conventional car) × 2 (product type: hedonic vs. utilitarian) between-subjects design with nostalgia proneness and evoked (state) nostalgia as additional measured factors.

Experiment 3 (N = 179; lab) tests whether the negative role of nostalgia proneness can be mitigated by having consumers think about aspects of driving experiences unrelated to the actual driving. This experiment used four experimental conditions (conventional car vs. autonomous car + no prime vs. autonomous car + past occasion prime vs. autonomous car + future occasion prime).

Summary of Findings

The results of our set of experiments provide convincing evidence for a negative automation × nostalgia proneness interaction on product evaluations such that consumers high (low)

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in nostalgia proneness prefer conventional (autonomous) cars (Studies 1-3). This effect occurs because autonomous cars evoke less nostalgia in consumers than conventional cars, which in turn decreases product evaluations for consumers high (but not low) in nostalgia proneness. However, Study 2 suggests that this mechanism is only observable for autonomous vs. conventional cars (relatively hedonic) but not autonomous vs. conventional lawn mowers (relatively utilitarian). Finally, Study 3 suggests that the negative role of nostalgia proneness in case of automating hedonic products can be mitigated by shifting consumers' focus from the actual driving task to other aspects of memorable driving experience (e.g., listening to the radio, talking to loved ones).

Key Contributions

Our work contributes to the literature on consumer reactions to autonomous cars (e.g., Waytz, Heafner, and Epley 2014) and product automation in general (e.g., Leung, Paolacci, and Putoni 2019) by demonstrating an alternative mechanism by which automation may lead to rejection by consumers. Second, we contribute to the literature on nostalgia (Loveland, Smeesters, and Mandel 2010; Pascal, Sprott, and Muehling 2002; Wildschut et al. 2006; Zhou et al. 2008) by teasing out the process by which nostalgia interacts with technology to influence consumer reactions. The results help managers marketing autonomous products (self-driving cars and beyond) to better anticipate consumer reactions and to consider how communicating these products may help (or hinder) their adoption by consumer segments based on their level of nostalgia.

References are available on request.

Institutional Isomorphism and Product Commoditization from a Consumer Perspective: Towards a Conceptual Model for Future Research

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ABSTRACT

Product commoditization describes the homogenization of products, which restricts firms' potential for differentiation and innovation. The authors introduce the concept of institutional isomorphism as a main driver of product commoditization and provide a conceptual model of their causal relationship applicable for various product categories.

Keywords: *construct conceptualization, conceptual model, institutional isomorphism, product commoditization*

Description: *This paper theoretically examines and conceptualizes the role of institutional isomorphism as a driver of product commoditization from a consumer perspective, making use of a management concept to explain a marketing phenomenon.*

Introduction

"The driver towards commoditization is perhaps the most powerful force in business today."

Bülent Dumlupinar (2006), p. 104

This statement still holds true in today's marketplace where many products in our daily life undergo the process of commoditization leading to homogenous products. Smartphones, televisions, detergents, or food products are just a few examples of categories that become more and more homogenous (Dumlupinar 2006). Even if the products of the same category show visual differences, consumers might not perceive them as differences. From a consumer perspective, the category's products do not differ in function and performance, making them interchangeable to one another (Enke, Geigenmüller, and Leischnig 2014). Consequently, consumers make their purchase decisions based on prices triggering firms to fight price wars (Matthyssens and Vandenbempt 2008; Reimann, Schilke, and Thomas 2010). Thus, product commoditization evolves as a major threat for firms' competitive advantage and economic performance. As all product cate-

gories are prone to commoditization (Mathur 1984), the threat of product commoditization is greater than ever. But what is it that drives the homogenization of products?

This paper introduces institutional isomorphism as a main driver of product commoditization. Institutional isomorphism indicates the homogenization of firms within the same industry due to environmental pressures (DiMaggio and Powell 1983). The European general data protection regulation (entered into force in 2018) showed yet again that firms underlie strong environmental pressures. Firms adjust their structures, processes, and behaviors according to such pressures in order to become compatible with social norms and to gain legitimacy (Meyer and Rowan 1977). Commonly, firms make these adjustments the same way leading to the homogenization of firms' structures, processes, and behaviors (DiMaggio and Powell 1983). This raises the question if the homogenization of firms drives the homogenization of products.

Since previous literature on both concepts lacks an understanding of the entire concepts and mostly considers institu-

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tional isomorphism and product commoditization as side concepts, this paper addresses two fundamental research questions: (1) Why and how does institutional isomorphism drive product commoditization? and (2) How can institutional isomorphism and product commoditization be captured from a consumer perspective? Thus, we make two main contributions. We first contribute to academic literature by fostering a common understanding of institutional isomorphism and product commoditization from a consumer perspective, providing a conceptual model for future research. Second, we contribute to managerial practice by exposing the nature and drivers of product commoditization, offering starting points for combating this process.

To do so, we first discuss the theoretical backgrounds of institutional isomorphism and product commoditization followed by a theoretical explanation of their causal relationship. We then derive conceptualizations of both constructs from a consumer perspective based on an extensive literature review and – in the case of institutional isomorphism – an additional exploratory study. Finally, we discuss academic and managerial implications and propose directions for future research.

Theoretical Framework

The concept of institutional isomorphism is embedded in the neoinstitutional theory that focuses on social and cultural aspects of organizational life including the organizational environment (DiMaggio and Powell 1983; Selznick 1996). Whereas the old institutionalism implies the progress of organizational life and the occurrence of organizational change for reasons of efficiency, the new institutionalism integrates reasons located out of the organization (Meyer and Rowan 1977; Selznick 1996). The new institutionalism introduces organizational fields where firms face the same environmental pressures, interact, and influence one another (DiMaggio and Powell 1983). Organizational change then arises from efforts to comply with these outer pressures in order to gain social legitimacy and therewith secure the organizational existence (Meyer and Rowan 1977). In this context, firms resemble other firms that face the same environmental conditions leading to the homogenization of firms in that field, defined as institutional isomorphism (DiMaggio and Powell 1983).

Institutional isomorphism comes in three forms: coercive, mimetic, and normative isomorphism (DiMaggio and Powell 1983). Coercive isomorphism leads to the homogenization of firms, because firms comply in the same manner with political pressures from the state as well as cultural pressures from society (DiMaggio and Powell 1983; Meyer and Rowan 1977). The pressure behind mimetic isomorphism is uncertainty. Uncertainty refers for example to poorly understood technologies or ambiguous goals. To comply with uncertainty, firms model themselves after successful firms and imitate effective practices used by a large number of firms, leading to homogenization as well (DiMaggio and Powell 1983; Heugens and Lander 2009). The third form of institutional isomorphism, normative isomorphism, results from the pressures of formal education and networks. Formal education drives homogenization, because the firms' employees adapt common organizational norms taught by universities and professional training institutions. Second, homogenization develops through the rapid diffusion of models, practices, or strategies over organizational networks (DiMaggio and Powell 1983; Heugens and Lander 2009).

Switching from the firm level to the product level, we discuss the second form of homogenization mentioned in our paper. Product commoditization is defined as a process leading to the commodity status (Dumlupinar 2006; Enke, Geigenmüller, and Leischnig 2014). The term commodity, once developed from hardly distinguishable agricultural goods, nowadays stands for products perceived as homogenous (Enke, Geigenmüller, and Leischnig 2014). According to the cue utilization theory, perceptions of products are dependent on product or brand cues (Olson and Jacoby 1973). In the case of commodities, it does not matter if these product cues objectively distinguish one product from another product of the category. It only matters if consumers perceive these cues as distinguishable or homogenous (Enke, Geigenmüller, and Leischnig 2014). Thus, product commoditization represents a procedural view of how products become homogenous to competitive products in the eyes of consumers (Dumlupinar 2006).

Institutional Isomorphism as a Driver of Product Commoditization

Firms operating in the same industry face similar environmental pressures (DiMaggio and Powell 1983). To comply with these pressures, firms adjust their structures, processes, and behaviors in a similar manner causing homogenization (Meyer and Rowan 1977). We assume that the adjustment of processes involves the process of product development, leading to homogenization of products. As an example, firms have to comply with European norms for food products that limit the process of product development with regard to the outer appearance of the products. This raises the question, if and how the homogenization of firms drives the homogenization of products. Addressing this question, we discuss the relation between the three forms of institutional isomorphism and product commoditization, respectively.

Coercive isomorphism reflects the homogenization of firms because of political and cultural pressures (DiMaggio and

Powell 1983). Firms operating in the same industry have to follow political laws and regulations. On the one hand, laws and regulations can affect brand and product cues such as packaging and labeling (Heckman 2005). On the other hand, they can concern the function of products. As an example, we refer to the European Union Roaming Regulation from 2017. The resolution regulates identical user fees for phone, SMS and internet services over all EU countries. Therewith, the regulation enhances the comparability and homogenization of core functions of mobile providers. Cultural pressures have an impact on the homogenization of products as well. Firms operating in the same industry design their products and promote their brands in a comparable manner to meet common social expectations towards, for example, corporate social responsibility, manufacturing conditions, and product design (Graeff 1997). As an example, the red color is supposed to affect consumers' metabolism stimulating appetite. Therefore, it is a favorite choice among fast-food restaurants, supporting exterior homogenization in that industry (Singh 2006).

Mimetic isomorphism stems from uncertainty towards technologies, goals, market developments, and environmental conditions (DiMaggio and Powell 1983). In situations of high uncertainty, firms tend to imitate practices of successful firms, practices that have been adopted by a large number of firms, and practices that produced positive outcomes (Heugens and Lander 2009). The battle of smartphone firms is just one example where these kinds of imitation consequently resulted in product homogeneity. As soon as one of the big players Apple, Samsung, or Huawei launches an innovation, other smartphone firms copy it. Initial innovations, such as touchscreen technology, integrated high-performance cameras, or full screens, did not result in long-term unique selling points. Other firms take over innovations for their own smartphones supporting the homogenization of these products.

Normative isomorphism drives product commoditization in two ways of professionalization: professional education and professional networks. Universities and professional training institutions are major hubs for the development and the transfer of common organizational norms, mindsets, and behaviors. In this way, they define a common framework and common methods for managers and employees in a certain field. The exchange of common models, practices, and strategies over professional networks further encourages the creation of a pool of interchangeable employees (DiMaggio and Powell 1983). This development also concerns the field of product development, where the application and diffusion of similar frameworks and methods results in consistencies among products (Hankinson and Cowking 1997; Geletkanycz and Black 2001).

Construct Conceptualization

We theoretically argued the causal relationship between institutional isomorphism and product commoditization, showing that the homogenization of firms can result in the homogenization of products. Since product commoditization reflects the consumers' perspective on products, we must capture institutional isomorphism from the consumer perspective as well, in order to provide an applicable conceptual model for future research.

The Concept of Institutional Isomorphism

Literature review. The two databases Web of Science and Scopus revealed 36 articles dealing with institutional isomorphism as a focus concept, and not just as an accessory in theoretical frameworks (the examined articles appear in Web Appendix W1). A significant body of theoretical research discussed organizational characteristics that underlie institutional isomorphism (e.g., Fligstein 1985; Meyer and Rowan 1977; Tolbert and Zucker 1983). Apart from that, institutional isomorphism has been subject to empirical research, noting that some forms of institutional isomorphism received disproportionate attention at the expense of the remaining ones (Mizruchi and Fein 1999). The study of Gholami et al. (2013) serves as an example, measuring the influence of solely coercive and mimetic pressures on the attitude toward adopting green information systems. Moreover, the conceptualizations of institutional isomorphism have been highly context-specific. Deephouse (1996), for instance, examined the conformity of finance strategies in the banking sector, using the adoption of specific asset strategies as conceptualization for institutional isomorphism. Only the metastudy of the authors Heugens and Lander (2009) yielded a common concept of institutional isomorphism and its three forms. Yet, to the best of our knowledge, a concept from the consumer perspective does not exist.

Conceptualization. The establishment of construct concepts combines both the theoretical meaning by definition and the specification of the construct dimensions (Mueller 2004). In conceptualizing institutional isomorphism, we first reviewed several definitions of the construct identifying key characteristics such as similarity in structures, processes, and behaviors (Table 1 provides exemplary definitions of institutional isomorphism). Second, we reviewed the metastudy of Heugens and Lander (2009), who yielded a common conceptualization of institutional isomorphism in general and its three forms coercive, mimetic, and normative isomorphism alike. According to definitions and inspired by the concept of Heugens and Lander (2009), we conceptualize institutional isomorphism along the four dimensions of overall isomorphism, coercive isomorphism, mimetic isomorphism,

Table 1. Exemplary Definitions of Institutional Isomorphism and Commoditization in the Literature

Concept	Author(s) (year)	Statements within papers providing concept definitions
Institutional isomorphism	Brandau et al. (2013)	The concept of institutional isomorphism explains the harmonization of organizational structures through coercive, mimetic and normative processes (DiMaggio and Powell, 1983; Galaskiewicz and Wasserman, 1989; Zucker, 1987) and has been widely used in management studies (e.g., Deephouse, 1996; Guler, Guille' n, and Macpherson, 2002; Kostova and Roth, 2002; Mizruchi and Fein, 1999).
Institutional isomorphism	Deephouse (1996)	Although DiMaggio and Powell discussed isomorphism as both a state and a process, I conceptualize it here as a state. That is, this article focuses on isomorphism as the similarity among a set of organizations at a given point in time.
Institutional isomorphism	DiMaggio and Powell (1983)	In Hawley's (1968) description, isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions.
Institutional isomorphism	Mizruchi and Fein (1999)	Institutional isomorphism, the focus of D&P's discussion, involves organizational competition for political and institutional legitimacy as well as market position.
Commoditization	Dumlupinar (2006)	Commoditization means a situation where a company's products and services are very similar to competitor products and services in features, prices, etc.
Commoditization	Enke, Geigenmüller, and Leischnig (2014)	Commoditization is a process giving a product or service the status of a commodity, i.e. being perceived by the majority of consumers as interchangeable despite existing objective distinguishing features.
Commoditization	Homburg, Staritz, and Bingemer (2009)	Within the process of commoditization, products of a product category lose opportunities of differentiation concerning their product cores, and with regard to their basic requirements, the products being perceived as interchangeable by the majority of consumers.
Commoditization	Sharma and Sheth (2004)	Product quality and market offerings have become increasingly standardized in many industries (cf. Lambert and Sharma, 1990). Examples of similar product offerings are the long distance services and ATMs, where the provider of services is transparent to the user. In other words, we have greater commoditization of products and services due to standardization.
Industry commoditization	Reimann, Schilke, and Thomas (2010)	Preliminarily, we consider commoditization as occurring when competitors in comparatively stable industries offer increasingly homogenous products to price-sensitive customers who incur relatively low costs in changing suppliers.

and normative isomorphism. As consumers are not able to view isomorphism from an organizational perspective, we aim at converting the dimensions to a consumer point of view. Overall isomorphism means overall firm homogenization (Heugens and Lander 2009). Since firm image is a representative of consumers' holistic perception of the firm as a whole, we convert the dimension overall isomorphism to firm image (Keller 1993). Coercive isomorphism results from compliance with political and cultural pressures, such as federal laws and social expectations, affecting the homogenization of organizational operations (DiMaggio and Powell 1983). As consumers perceive those operations with external effect, e.g. customer services, technology applications, or product range offerings, we convert this dimension to operations. Mimetic isomorphism arises from different forms of imitation (Heugens and Lander 2009). As con-

sumers are able to perceive firm imitation, for example in terms of innovation copied, we transform the dimension mimetic isomorphism into imitation. Normative isomorphism stems from both the exchange of firms over professional networks and similar backgrounds of firm employees (DiMaggio and Powell 1983; Hankinson and Cowking 1997). In this way, models, practices, and strategies spread among various firms (Geletkanycz and Black 2001). Again, consumers perceive those models, practices, and strategies with external effect. Since marketing is the firm division whose activities are most likely visible from outside the firm (Day 1994), we transform the dimension normative isomorphism into marketing activities. In conclusion, we define institutional isomorphism from a consumer perspective as the homogenization of firm images, operations, and marketing activities showing a high degree of imitation.

Exploratory study. To verify our theoretical considerations, we conducted a small exploratory study asking 43 consumers to generate items that measure institutional isomorphism according to its definitions. We included a set of 18 items fulfilling face and content validity into a connecting survey with 309 respondents (items appear in Web Appendix W3; for sample characteristics see Web Appendix W4). The scree plot of the exploratory factor analysis with Varimax rotation justifies four factors. The Kaiser-Meyer-Olkin measure (KMO = .831) confirms the sampling adequacy of the analysis. Bartlett's test of sphericity (χ^2 (df = 153) = 2303.65, $p < .01$) indicates correlations sufficiently large for factor analysis. We were able to label the four factors according to the content of their items as firm image, imitation, operations, and marketing activities (for factor loadings see Web Appendix W5). Thus, the results of the exploratory study validated our theoretical preliminary considerations of how to capture institutional isomorphism from a consumer perspective.

The Concept of Product Commoditization

Literature review. Given the high practical relevance of product commoditization, surprisingly, the concept is of minor matter in previous research. Mostly, researchers use product commoditization as a buzzword representing a specific marketing trend, as if they use globalization or digitalization representing certain market developments (e.g. Kowalkowski, Gebauer, and Oliva 2017; Pine and Gilmore 1998; Ulaga and Kohli 2018). However, our literature review of the databases Web of Science and Scopus revealed 29 articles dealing with a deeper understanding of product commoditization (the examined articles appear in Web Appendix W2). In this context, academics exclusively focused on strategies to beat commoditization in order to regain competitive advantage (e.g., Homburg, Staritz, and Bingemer 2009; Olson and Sharma 2008; Rangan and Bow-

man 1992). Dumlupinar (2006), for instance, discussed how to survive in a commoditized world, considering branding, service, and low cost strategies as ways to escape commoditization. Beyond that, a minor body of research mentioned selected risks coming along with commoditization such as price wars and customer migration (e.g., Davenport 2005; Matthyssens and Vandenbempt 2008). Only the authors Reimann, Schilke, and Thomas (2009, 2010) made commoditization a subject of empirical research. The authors brought commoditization to the industry level and examined the nature and role of industry commoditization in evolving marketing competition. Further, they investigated the impact of business strategies on firm performance in the context of highly commoditized industries. Yet, to the best of our knowledge, a conceptualization from the consumer perspective is still missing.

Conceptualization. Whereas definitions primarily take a procedural view of commoditization leading to products similar to competitive offerings in terms of quality and function, the study of Reimann, Schilke, and Thomas (2010) revealed a broader understanding of commoditization (Table 1 provides exemplary definitions of commoditization). The authors conceptualize and measure commoditization on an industry level comprising four dimensions: homogenous product offerings, price-sensitive customers, low switching costs, and stable industries. Drawing on this conceptualization, we again convert the dimensions from firm perspective to consumer perspective. At first, we transform homogenous product offerings into perceived product homogeneity. From a consumer perspective, nothing else is as decisive than whether consumers perceive products as identical in quality and performance (Narver and Slater 1990). Thus, product homogeneity is not a matter of offering homogenous products but of perceiving products as interchangeable (Enke, Geigenmüller, and Leischnig 2014). Secondly, we refer to price sensitivity as consumers' degree of price sensitivity. We define this dimension as buyers striving for the best price of a product that is similar to competitive offerings in terms of quality and function (Muncy 1996). Thirdly, we convert low switching costs to consumers' willingness to switch. In the circumstance of product offerings that do not provide additional value to consumers, they might not face great efforts or risks when switching to alternative providers of the same product. As a result, they might be willing to switch in order to find the offering that suits their needs best (Burnham, Frels, and Mahajan 2003). Finally, we reject the Reimann, Schilke, and Thomas (2010) fourth dimension of stable industries and mention brand loyalty instead. The brand is a substantial component of products that, inter alia, aims at adding value to the product through its image. Consumers, who completely identify themselves with a certain brand image, experience the brand as a crucial benefit, leading to loyalty

toward this brand (Makadok and Ross 2013). By contrast, brand parity in a given product category decreases brand loyalty (Muncy 1996). Consequently, consumers fail to distinguish products by means of their brands. Thus, we define product commoditization as occurring when consumers perceive products as homogenous, are highly price sensitive and willing to switch, and show little brand loyalty.

We conclude the construct conceptualization illustrating the two four-dimensional constructs. Figure 1 provides a conceptual model showing the interrelationship of institutional isomorphism and product commoditization.

Conclusion

Given the high practical relevance of the homogenization of products, this paper is the first to address institutional isomorphism as a main driver of product commoditization. We offer a conceptual framework and model of the interrelationship between the homogenization of firms and the homogenization of products from a consumer perspective, contributing in several ways to the academy and the practice. First, we contribute to the rare academic literature on product commoditization improving current knowledge of what product commoditization is. As the usage of this term is mostly imprecise (Homburg, Staritz, and Bingemer 2009), we offer a common multidimensional conceptualization that is applicable to various product categories. We additionally shed light on what drives product commoditization, and establish a common multidimensional conceptualization of institutional isomorphism from the consumer view. Second, we encourage further research by providing a conceptual model of institutional isomorphism and product commoditization applicable for various research in consumer behavior,

perception, and judgment. Third and last, we contribute to managerial practice helping firms to identify what drives the homogenization of their products. Since differentiation from competitors and competitive advantage are central goals in today's marketplace of oversupply, we offer starting points for combating the process of product commoditization.

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Figure 1. Conceptual Model of Institutional Isomorphism and Product Commoditization from a Consumer Perspective
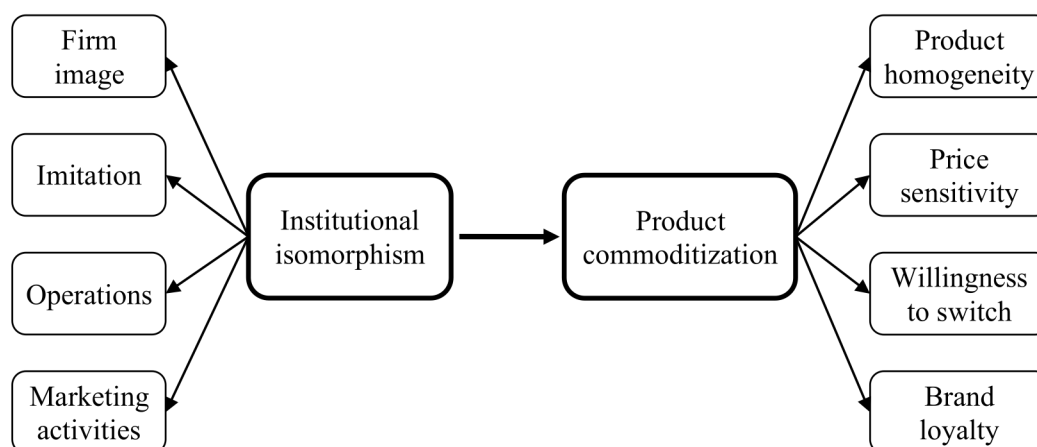
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Web Appendixes available here: https://www.ama.org/wp-content/uploads/2019/12/3273974-WEB-APPENDIXES.pdf

Capability Configurations for Successful Servitization: Fuzzy Set Qualitative Comparative Analysis Perspective

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EXTENDED ABSTRACT

Research Objectives

This study aims to uncover different configurations of capability-servitization approaches that are sufficient to achieve superior financial performance. We employ the configuration theory to reveal the complex performance-enhancing configurations among three organizational capabilities (service development, customization, and digitalization capabilities) and different levels (i.e., low vs. high) and types of servitization (i.e., SSP and SSC) approaches.

Design/Methodology

This study applies a configurational comparative method, namely fuzzy-set qualitative comparative analysis (fsQCA) on a survey data set of 151 equipment manufacturers.

Summary of Findings

The findings provide insights about the conditions under which manufacturers can achieve increased financial performance when pursuing low versus high levels of servitization. The results, particularly, offer fine-grained insights into so-called contextual equifinality, that is, the existence of alternative performance-enhancing configurations of capabilities repertoires across different types and levels of servi-

tization approaches. This study uncovers performance-enhancing configurations of service development, customization, and digitalization capabilities to successfully support the pursuit of low versus high levels of different servitization approaches.

Key Contributions

This study contributes to the emerging servitization literature by revealing various causal paths that equifinally lead to increased financial performance, which the conventional statistical analysis (i.e., net effect) is unable to identify. These configurations show some informative commonalities and differences, where their comparison explains when manufacturers should invest in specific capabilities and emphasize specific servitization approaches to succeed with their servitization strategies. This study advances the literature by revealing that investment in certain capability and/or servitization approach is not always beneficial. This study guides managers to make capability-investment decisions and helps them to effectively leverage a set of capabilities required to succeed with their servitization strategies.

References are available on request.

The Impact of Marketing Capabilities on Innovation in the Face of Disruption

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EXTENDED ABSTRACT

Although previous research has examined some organizational response strategies to disruption, knowledge is lacking on the conceptual domain of disruption, its theoretical underpinnings and the response mechanisms undertaken by organizations. Thus, this study examines how organizations utilize marketing capabilities and innovation as response strategies to disruption using the lenses of institutional theory and resource-based theory. We analyze data from 23 organizations across various industries using in-depth interviews, archival records, internal organizational documents, and publicly available documents, in addition to theoretical underpinnings to develop propositions and managerial implications based on our findings. We find that disruption can arise from external factors such as technological advances, political uncertainty, economic uncertainty, competitive pressures and regulatory concerns. In response to these, organizations can deploy marketing capabilities such as big data analytics capabilities and supply chain capabilities to enhance the development of incremental, radical, and disruptive innovations, which in turn enable them to achieve positive performance outcomes. The resource-based theory and institutional theory offers insight into the mechanisms at work within organizations by providing explanations into how organizations perceive and respond to disruptive threats.

Research Question

Extant literature has examined how organizations respond to disruption. For instance, Marx et al. (2014) show how incumbents engage in a two-step process of competing and then collaborating with disruptive entrants in order to suc-

ceed. Scholars (e.g., Gilbert et al., 2012; Kim and Min, 2015) propose the creation of a separate business unit by incumbents in response to disruption. However, research is limited on its conceptual and theoretical domains with specific focus on where and how these shifts occur, and how organizations respond using marketing capabilities and innovation as strategic tools. As a result, managers neither understand how the process of disruption occurs, nor know the most appropriate mechanisms to deal with it.

This study focuses on addressing two key research questions: (1) How do organizations conceptualize the sources of disruption? and (2) How do organizations respond to disruption? Given the limited research and theory in this area, we rely on the interplay of existing literature, memories of key organizational decision makers, and archival records on disruptive experiences from 23 organizations to explore these research questions.

Method and Data

An interpretivist approach was adopted in this study, which reflects the exploratory nature of our research and enables us to view reality as a social construction in order to provide a voice to respondents (Walsham, 1995). We rely on multiple cases and existing literature in the selection of participating organizations to provide robust findings (Yin, 2014). The industries selected are among those that have the fastest rate of disruption with industries like automotive and FMCG having the highest adoption of technology (EY Disruption Index, Q3 2018).

The participants were asked to describe in detail what caused disruptions in their organizations and how these emerged. Subsequently, they were asked about their organization's response(s) and its implications. Study participants had job titles such as chief executive officer, chief technology officer, managing director, and marketing manager among others.

We adopted an iterative research approach for our data analysis, which combined empirical data, theoretical knowledge, and analytical insights (Buhr, 2012; Silverman, 2005; Yin, 2014). The inter-textuality of the documents and the interviews aided in ensuring triangulation of the findings across multiple sources and provides "the basis for rigorous collection and analysis of qualitative data" (Corley and Gioia, 2004, p. 183).

Summary of Findings

Digitization caused by advancements in technology, political uncertainty and government regulations can cause disruptions in organizational processes because of the need to conform to regulations. Disruption can also occur when a competing organization initiates a process or develops a product/business model with the intent of changing industry-wide processes and routines.

We find that some organizations formed alliances with large IT organizations to develop and enhance their marketing capabilities in response to disruption. These alliances facilitated the development of data analytics capabilities while partnerships helped to develop supply chain capabilities. Marketing capabilities also facilitated the introduction of incremental, radical (product and business model innovations) and disruptive innovations in response to disruption.

Incremental innovations generally have low risks attached and do not involve major investments because existing resources and capabilities are utilized. Marketing capabilities enhanced the deployment of technological advancements to develop radical innovations in response to disruption. Additionally, some organizations position themselves to introduce disruptive innovations with the aim of creating

phenomenal changes by changing dominant industry dynamics (Wijnberg, 2004).

Regarding performance outcomes, organizations that introduced incremental, radical, or disruptive innovations experienced positive performance results reflected in increased revenue growth, branded revenue growth, customer satisfaction, efficiency, sales, and profits.

Key Contributions

We show that institutional norms and taken-for-granted rules and regulations can be disrupted through the influence of digitization, political uncertainty, government regulations, competitive pressures, press and media, and consumer dynamism. Thus, institutional theory can explain how external forces can influence internal processes in organizations (DiMaggio and Powell, 1991; Meyer and Rowan, 1991; Zucker, 1977).

In response to disruption, organizations can use their unique and heterogeneous resources as proposed by the Resource Based Theory (RBT) to achieve positive performance. The RBT can complement institutional theory by providing an internal organizational resource and capability perspective on how organizations (re-)configure their processes and routines by developing key marketing capabilities to facilitate innovation, boost performance and achieve competitive advantages (Barney et al., 2011; Leiblein, 2011).

This study makes three important contributions to the literature. First, it provides a theoretical underpinning to understanding how disruption occurs and how organizations respond to disruption using marketing capabilities to facilitate the development of innovation. Second, it advances research on disruption by showing how organizations use internal resource and capability (re-)configurations to boost performance when faced with disruption. Third, the study examines the role of marketing capabilities in enhancing organizational innovativeness, which is a strategic response to disruption.

References are available on request.

Beyond First Mover Advantage: The Mediating Role of Timing in Market Entry Strategies—Complementary Capabilities Relationship

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Keywords: *entry timing, product innovativeness, product line breadth, complementary capabilities, marketing capability*

Description: *This paper examines (1) the combined impact of marketing and R&D capabilities on firms' market entry strategies, (i.e., entry timing, product innovativeness and product line breadth), (2) the extent that entry timing mediates the relationship between marketing and R&D capability interaction with product line breadth and product innovativeness, and (3) the effects of the three market entry strategies on firms' survival in the product categories.*

EXTENDED ABSTRACT

Research Question

Extant studies have largely examined entry timing and various market entry strategies independently. Consequently, there is a lack of clarity about the interplay of entry timing with other entry strategies and its predictive strength on performance relative to other market entry considerations (Zachary et al. 2015). Furthermore, our knowledge about firm-level antecedents of market entry strategies requires further development. Specifically, we lack knowledge on the firm-level determinants of product line breadth strategies (Shankar 2006) and the impact of complementary capabilities on product innovativeness in the context of market entry. Finally, the association between market entry and innovativeness, which is linked to firm-level capabilities, is still largely unexplored (Fosfuri, Lanzolla, and Suarez 2013).

To address these gaps, we examined three important empirical questions. First, what is the combined impact of marketing and R&D capabilities on firms' market entry strategies (i.e., entry timing, product innovativeness and product line breadth)? Second, to what extent does entry timing mediate the relationship between marketing and R&D capability interaction with product line breadth and product innovativeness? Third, how does entry timing, product innovativeness and product line breadth affect firms' survival in the product category?

Method and Data

We employed multisource, secondary data to examine 142 market entries in four product categories—being portable media players, portable computers, digital cameras and smartphones from 1981 to 2007. The end date of this census period was determined to retrospectively ensure no further new market entries were apparent. We deemed these product categories suitable because the requisite data are still available due to their recency but the industries are mature enough that entries involving pioneering, early, and late entrants could be tracked (Schoenecker and Cooper 1998). To classify market entrants in our sample, we followed the historical analysis method (e.g. Wang, Chen, and Xie 2010). First, the pioneers for the product categories were identified using news archives (Nexis), financial reports and online databases and the market entry date was recorded. Subsequent entrants were tracked forward following the first entry. All variables in the study were operationalized using secondary data derived from multiple sources such as Nexis, COMPUSTAT, Thomson One Banker and United States Patent and Trademark Office (USPTO).

Summary of Findings

We found that the greater the interaction of marketing and R&D capabilities, the earlier the market entry and the wider the product line breadth that the firm offers. However, marketing and R&D capabilities interaction is not associated with product innovativeness. In addition, entry timing is negatively associated with the relative degree of product innovativeness and positively related to product line breadth.

Product line breadth has a positive effect on firms' survival within a product category. In addition, we found marginal support for the relationship between earlier entry and survival. Finally, we did not find support for our hypothesis that there is a positive association between product innovativeness and firms' survival in the category.

Our mediation result indicates that entry timing plays: (1) a competitive mediation role in the capabilities interaction-product line breadth and, (2) indirect-only mediation role in the capabilities interaction-product innovativeness relationship. That is, while marketing and R&D capability interaction leads to a wider product line breadth, it also leads to early entry, which reduces product variety. In contrast, entry timing mediates the relationship between marketing and R&D capabilities complementarity and product innovativeness.

Key Contributions

First, by examining complementary capabilities as determinants of different market entry strategies, we shed light on how firms enact different strategies at different entry point, offering an alternative view of optimal entry time (Suarez et al. 2015). Specifically, later entrants utilize capabilities complementarity to increase product line breadth while early entrants employ it to speed up entry, suggesting different success paths of market entry (Markman et al. 2019).

Second, we answered the call to develop a more holistic framework, which integrates timing with other entry considerations (Zachary et al. 2015). By examining capabilities as antecedents of entry timing, product innovativeness and product line breadth and their subsequent effects on product performance, we present a more complete picture while providing an actionable guideline for managers.

Third, our examination of the mediating role of entry timing clarifies the interplay between entry timing and other market entry strategies. Delaying entry provides a mechanism, which allows uncertainties about emerging customer preferences to resolve so that complementary capabilities may be used effectively to introduce a greater product line breadth. Early entry is also a mechanism allowing greater product innovativeness relative to competitors, which contributes to the discussion on entry timing-innovativeness interplay (Fosfuri et al. 2013).

References are available on request.

Human Capital Investment or Human Capital Outcome? When Does Human Capital Drive New Product Success?

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Keywords: *human capital investment, human capital outcome, strategic orientations, new product success*

EXTENDED ABSTRACT

Previous strategy and entrepreneurship research have mainly focus on how general and specific human capital attributes influence various firms' performance outcomes. In this paper, we depart from the conventional general and specific human capital factors and introduce two typologies of human capital; (1) *human capital investment* and (2) *human capital outcome*, which are rarely discussed in the strategic entrepreneurship – human capital literature. Specifically, the current study argues that human capital investment and human capital outcomes have differential impact on new product success and that the sustainability of these impacts depends on firms' strategic orientations. Analysis of data from a sample of 226 SMEs operating within a developing economy indicate that; human capital outcome (measured by entrepreneurial firm knowledge) rather than human capital investment (measured by founder experience) is more significant to the success of new product introductions. The analyses further show that, two outward-looking strategic orientations, namely entrepreneurial orientation and market orientation enhance the relationships between both human capital investment and human capital outcome and new product success. The implications of these findings to small business management as well as to strategic entrepreneurship research are discussed.

References are available on request.

Do Relational Capabilities Impede or Promote Technological and Market Breakthroughs?

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Keywords: *relational capabilities, technological radicalness, market radicalness, high–tech b2B industries*

Description: *To address the conflicting claims on the role of relational capabilities in breakthrough innovation, we explore the effects of two market relating capabilities—channel management and customer relationship management (CRM) capabilities on the incidence of technological and market breakthroughs.*

EXTENDED ABSTRACT

Research Question
Our goal is to explore this conflicting role of market relating capabilities in breakthrough innovations. In doing so, we distinguish two relational capabilities—one tied to CRM capabilities and another one linked to channel management (CM) capabilities following the literature (Moorman and Day, 2016). We also distinguish two types of breakthrough innovations—technological and market ones (Zhou et al., 2005), which can have different effects on firm value. We explore the impact of these two relational capabilities on the incidence of technological and market breakthroughs.

We define *technological radicalness* as the propensity of a firm to introduce new products with a substantially different core technology over previous products in the industry, and *market radicalness* as the propensity of a firm to introduce new products with significantly larger user benefit or enter new to the firm markets (e.g., Chandy and Tellis, 1998; Garcia and Calantone, 2002; Sorescu et al., 2003; Zhou et al., 2005; Kyriakopoulos et al., 2016).

CRM capability refers to "firm's ability to identify attractive customers and prospects, initiate and maintain relationships with attractive customers, and leverage these relationships into customer level profits" (Morgan et al. 2009; p. 289). We define *channel management capability* (CM) as "the firm's ability to establish and maintain channels of distribution that effectively and efficiently deliver value to end-user customers" (Vorhies and Morgan, 2005, p. 82).

Method and Data
We collected data from 111 Dutch B2B strategic business units (SBU) from technologically intensive industries with a response rate of 15.7%. Respondents, i.e. marketing or general managers, were asked to rate the extent to which products introduced the last three years by their SBUs exhibit *technological and market radicalness* with the help of scales from Gatignon et al. (2002) and Lynn et al. (1997) and O'Connor, (1998). Measures for marketing relating capabilities were derived from Morgan, Vorhies, and Schlegelmilch (2006); we asked respondents to rate their business unit capabilities *relative* to major competitors as we wished to provide a clear and common basis to the respondents (e.g., Morgan et al., 2009). We also accounted for the technological and relational resources of the firm, market and technological turbulence, centralization, and the firm size (log of employees number). After confirmatory factor analyses (CFA), reliability analysis and discriminant validity tests, we relied on two linear regression models to test our hypotheses.

Summary of Findings
Results show that the model involving technological radicalness as dependent variable is significant (Adjusted $R^2 = .25$, F-value = 5.95, $p < .001$). Moving to the hypotheses, H_1 pre-

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dicts that CM capabilities will reduce the technological radicalness, which the results support ($\beta = -.18$, $p < .10$). Considering the effect of CRM capabilities on technological radicalness, the results also support the hypothesis H_2 ($\beta = .23$, $p < .01$).

Results show that this model involving market radicalness is also significant (Adjusted $R^2 = .27$, F-value = 5.33, $p < .001$; change in Adjusted $R^2 = .04$, change in F-value = 2.88, $p < .07$). Moving to the hypotheses (see table 1), while H_3 predicts that CM capabilities will reduce market radicalness, the results show that they have no significant impact ($\beta = .10$, $p > .10$). Considering the effect of CRM capabilities on market radicalness, the results support the hypothesis H_4 ($\beta = .22$, $p < .05$).

Key Contributions

We extend innovation research, as this is the first study, to our knowledge, to explore the effects of *two relational capabilities* in the occurrence of technological and market breakthroughs. Since these two relational capabilities could have differential impact on the technological and market radical-

ness of new products, we can trace their independent effects in the same study. We contribute therefore to prior research, which has examined the role of marketing resources in general (Moorman and Slotegraaf, 1999), the role of product scope (Chandy et al., 2003), the role of different marketing resources in radical innovations (Kyriakopoulos et al., 2016).

We also extend the marketing capabilities research that is typically limited to examining the *direct* impact of different marketing resources on performance (e.g., Krasnikov and Jayachandran, 2008; Morgan, 2012). Instead, we examine their effects on an important firm activity of radical innovation distinguishing between technological and market radicalness. It is shown that relational capabilities do not just affect performance directly but the incidence of technologically and market breakthroughs. Our focus on breakthrough innovation, hence, expands the direct effects view of marketing capabilities on company performance (e.g., Morgan et al., 2009).

References are available on request.

Public Policy and Macromarketing

Marketers "Caught in the Act"

Consumers and Educators "Caught in the Act"

Ripples in the Price Spectrum: Penny Rises and Penny Drops

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Daniel Levy, BarIlan University

Description: *We analyze a large retail dataset to document evidence of widespread asymmetric pricing in the small in grocery prices at large, where small price increases systematically outnumber (or are outnumbered by) small price decreases, and where such differences disappear for larger price changes.*

EXTENDED ABSTRACT

Research Question
In this paper, we study small changes in retail prices, specifically, the phenomenon of asymmetric pricing in the small where there are statistically more small price increases than small price decreases (APIS), or more small price decreases than small price increases (APIS-R), and where such asymmetry between positive and negative price changes tends to vanish for larger change magnitudes. Despite significant policy and strategic implications of the phenomenon, there are only a handful of papers in the domain. Further, much of the empirical inferences in the extant research, are based on limited data—often single retailer, limited product categories, short time span and legacy data dating back to the 80-s and 90-s. More recently, researchers have also raised concerns about the inherent measurement challenges for small price changes. These call into our research questions: How prevalent are the phenomenon of asymmetric price adjustment in the small (APIS and APIS-R) in the economy and their current relevance as part of the retailer's spectrum of pricing practices? What is the scale and scope of these phenomena after controlling for some of the measurement concerns raised in the literature?

Method and Data
We use a panel dataset of SKU level sales (quantities and prices) for around 35,000 geographically dispersed stores belonging to more than 161 retail chains in the USA. The dataset comprising over 20 billion weekly price observations over a ten-year period in relatively recent time frame

(2006-2015). We use "asymmetry threshold" as a measurement of the magnitude of asymmetry. We define the asymmetry threshold as the magnitude of price change below which asymmetric pricing is statistically supported. Small price change asymmetry threshold can be found as an evidence of either APIS or APIS-R, depending on the direction of asymmetry within the threshold point. To address the concerns about spurious price changes raised by Eichenbaum et al. (2014) and Campbell & Eden (2014) we attempt to control for the influence of price artifacts by eliminating potentially spurious price. We conduct five different analyses step by step to verify the consistency of the findings.

Summary of Findings
We find that APIS and APIS-R systematically exists among a vast majority of product categories and retailers, with APIS more prominent than APSI-R in most scenarios. The findings are robust across the five different analyses we conduct. The results suggest that asymmetric price changes in the small is a stable phenomenon and exists across different levels of aggregation—products, retailers and time periods, and it is robust to important controls including measurement limitations and inflation.

Key Contributions
First, we contribute to the asymmetric pricing literature by estimating and documenting asymmetric pricing in the small in the retail grocery sector, a key sector for the economy. Our

investigation of a large-scale national database of grocery retailers significantly expands the scope of the study of asymmetry in small price changes. We show that asymmetric pricing in the small continues to be a part of the retail pricing spectrum two decades after being first reported, even after major economy wide technological changes that may have affected consumer decision making and retail pricing practice. These point to a certain level of immutability of the factors that drive APIS. Second, we are among the few and early studies that document APIS-R as a stable finding. Chakravarty et al. (2015) is the only other paper that reports this. Our findings are robust to several measurement concerns indicated in the literature.

Acknowledgment

References are available on request.

Rearranging Deck Chairs or Righting the Course? Exploring the Role of Marketers in Climate Change Adaptation

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Keywords: *climate change, macromarketing, marketing education, marketing research*

Description: *This study tackles current climate change myopia among marketers by suggesting a program for academic research and practice with the goal of harnessing marketing's potential to transition towards societal flourishing in the post-consumerist era.*

EXTENDED ABSTRACT

Research Question

Human activities associated with production and consumption have damaged the important natural systems that sustain life, causing rapid global warming. Marketers have played a central role in creating demand growth and GHG emissions. However, we have not subjected ourselves to self-examination for five reasons: (1) The dominant social paradigm (DSP) emphasizes economic growth and individualism; (2) Business schools are risk averse and conservative; (3) Sustainability-related work is transdisciplinary, and hence problematic to conduct and publish; (4) Reduced job security and increased scrutiny decreases motivation to engage in politically or personally uncomfortable or unrewarding behaviors; (5) Human psychology meets existential threats with denial, problem minimization or future projection to limit discomfort. Consequently, marketing scholarship has contributed towards the problem rather than addressed it. Demand growth has created consumer alienation in more affluent economies and existential peril for all. To fulfill the promise of marketers and marketing in supporting positive change, this research aims to identify pathways towards transformative (righting the course) vs. reinforcing (rearranging the deckchairs) teaching and research practice. We answer the question *"How might marketing teaching and research practice lead in addressing the climate emergency?"*

Method and Data

An action learning approach used cycles of plan-act-observe-reflect; facilitating expert collaboration, reflexivity, flexibility, practicality and a change orientation. Cycle one occurred at the 2019 Macromarketing conference, Cleveland, OH. A position paper "primed" attendees with a call to action, and initial thoughts about research opportunities (plan). Next, a workshop was held with 30 colleagues, many working at the leading edge of socially and environmentally responsible research (act). Participants were invited to share their research interests and one critical research question with regard to climate change. These were discussed in small groups of 4-6, then shared and captured. Five themes were identified; then participants coalesced into sub-groups of 3-7 participants around these themes. Potential research collaborations, insights and understandings were reported back. Next, attendees were asked about changes in thinking and practice as a result of these actions (observe). The final stage will feed back the aggregated observations to the group, and invite consideration of what, if any, changes in teaching and research practice might have resulted (reflect). Those outcomes will inform the second cycle, which will take place at each of the authors' institutions. High quality input was achieved owing to the quality of coresearchers, and a high level of engagement.

Summary of Findings

Five themes emerged: (1) provisioning systems; (2) overconsumption; (3) vulnerability and climate justice; (4) climate discourse; and (5) marketing education. *Provisioning systems*—the activities of multiple actors in dynamic, interdependent, nonlinear relationships, institutional interventions and austerity measures; social traps crossing international boundaries; redefinition of global food systems; and change in land and water accessibility. *Overconsumption*—transformation of current consumption; consumer decision-making, climate psychology; consequences and personal responsibility, moral licensing effects; public policy; ideal consumption levels, sustainable consumption and wellbeing. *Vulnerability and climate justice*—inequality of climate change effects, moral and ethical questions of mass global population movements; social, cultural, and systemic impact on vulnerable populations; risk of war; racialization and impact on policy responses; harnessing community knowledge; empowerment strategies for inclusion of climate refugees and fundraising. *Climate change discourse*—science vs. politics vs. the media, communications disparity, agnogenesis, contextualizing and localizing debate; framing climate change as a marketing (and branding) problem; marketing communication systems and the media. *Marketing education*—pedagogical issues, critical thinking, neoliberal ideologies, avoiding eco-anxiety and despair whilst emphasizing the need for individual, societal and business change, moral obligations and capacity of academics to provide leadership; integrating climate change and sustainability into curricula.

Key Contribution

Marketing scholars are in a unique position to address the climate emergency. However, taking a leadership position requires us to acknowledge the institutional and individual barriers, and to pivot research and pedagogical practice. While some are doing so, many remain rooted in the industrial past, unreflexively repeating legacy teaching and research approaches. This "business as usual" approach promotes demand growth and overconsumption, ignoring the dissonance with finite resources and social justice. Meanwhile, millennial and Gen Z students are growing anxious and angry. We cannot offer deliverance from the shadow hanging over their future, but we can prepare their minds. We can also offer guidance, beyond how to help marketers better meet customers' needs.

The importance of this project cannot be overstated. Transitioning into a low carbon society requires everyone to transform their professional and personal practices. Transformation requires innovation. Innovation requires us to confront the capitalist ideology permeating our societies, and consider how we might moderate its worst effects. It is time to kick over the deckchairs and right the course of our collective vessel. The themes highlighted in this initial research round present a first step in identifying research and teaching approaches in that project.

References are available on request.

The Rise and Fall of Collabroative Consumption-Based Social Enterprises: The Swedish Clothing Libraries

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EXTENDED ABSTRACT

Social entrepreneurs (SEs) address societal needs through creative, large and small-scale solutions executed through their enterprises, which are characterized by the presence of a social goal and engagement in business activity that financially supports the enterprise (Poledrini, 2015). This research examines Swedish clothing libraries founded by social entrepreneurs to provide patrons with affordable fashion options while simultaneously addressing the overconsumption of textiles and associated environmental degradation. Like a conventional book library, clothing libraries provide patrons with access to clothing, shoes, and accessories for a predetermined time period with a fee-based membership. Austin, Stevenson, and Wei-Skillern (2006) posit social entrepreneurship as comprising of four interdependent elements—people, context, deal, and opportunity—thereby providing a systematic manner in which to examine the clothing libraries. For this research, social movements (i.e., collaborative consumption, social entrepreneurship, environmental preservation) comprise the most salient contextual factor that influence the social entrepreneurs' efforts.

Research Question

Swedish clothing libraries emerged as a form of countercultural resistance to textile and fashion overconsumption. While there is much interest in large for-profit and nonprofit collaborative consumption efforts, there is limited research on organizations created for the purpose of social transformation. Additionally, clothing library founders' aim of developing a countercultural market presents an additional layer of complexity because, to address social and or environmental concerns, these social entrepreneurs must convince potential consumers of the worthiness of their value proposition as most Western consumers are unaccustomed to sharing intimate items (clothing and apparel) with strangers (Albinsson and Perera, 2009; Belk, 2010). Using Austin et al.'s (2006) model of social entrepreneurship, and the research question "What opportunities and challenges surface in the development of social enterprises in the collaborative consumption sector?" we examine clothing libraries to garner insight on their operation and development.

Method and Data

Clothing libraries, which have received limited examination both in terms of collaborative consumption and social entrepreneurship, present a suitable context within which to examine grassroots social transformation efforts within the collaborative consumption sphere. Prior to data collection, purposive sampling was used to identify ten SEs who had founded clothing libraries for social transformation purposes (Glaser and Strauss 1967). Next, we gathered archival data on these entities (television, radio, interview transcripts, and articles) and engaged in netnograhpy (Kozinets, 2002) by evaluating clothing libraries' social media and website posts. Through reviewing the data from secondary sources, we developed a set of semi-structured interview questions. The interviews with SEs, which began with grand tour-like questions (Spradley, 1979) followed by a semi-structured format, lasted between 50 to 90 minutes. Interviews were conducted in Swedish and the transcribed data were translated from Swedish to English by the first author, a native Swedish

speaker. With respect to data analysis, the authors independently reviewed the interview transcriptions and conducted conduct thematic analysis through iterative readings (Braun and Clarke 2006). However, the authors met at the outset of the analysis process to compare notes and resolve any difference in understanding.

Summary of Findings

Clothing libraries are founded by SEs who are passionate about environmental sustainability as they developed their enterprises while engaging in nonrelated full-time work or full-time university education. These SEs, who encourage patrons to question ownership and decrease the extent to which they purchase and discard clothing, founded their clothing libraries in response to needs at two levels. At a broader level, they wanted to create social value by addressing the rising consumption of fast fashion with its negative environmental implications. At another level, they wanted to derive personal benefits from clothing libraries and enact their espoused values. Thus, by meeting their personal needs and deriving ongoing benefits through the clothing libraries, these SEs are end-user entrepreneurs (Shah and Tripsas, 2007). The challenges in operating clothing libraries stem from a tug-of-war between strategies that sustain the enterprise and those that further spread the social value message. This results in tensions between managing potentially competing social and business objectives (e.g., Tracey and Phillips 2007). Thus, SEs must be mindful of the fact that social value cannot be created without a healthy enterprise and must make decisions, in both the short and long-term, that protect the long-term sustainability of the enterprise (Perera, 2013).

Key Contributions

Collaborative consumption, which emphasizes the extraction of value from excess or underutilized resources (Botsman, 2011), is now a part of the ongoing conversation about how value is created in the marketplace. In this research we connect two streams of research, that of collaborative consumption as well as that of social entrepreneurship, to examine social value creation in the collaborative consumption sector. Our examination of small-scale grassroots level clothing libraries indicates that, while there is certainly opportunity for SEs to create value through the collaborative consumption framework, they are nonetheless plagued with many of the challenges faced by other types of enterprises in terms of suitably marketing their offerings to attract patrons (especially given their countercultural "less consumption, the better" message as well as countering societal norms of sharing), to provide reliable and efficient service, and maintain an attractive inventory of wares. Therefore, our findings, including how to market offering to consumers to develop countercultural markets, would be useful for those who desire to foster social transformation through collaborative consumption. In addition, the clothing libraries' social aims entails relational collaborative consumption goals as they focus on "community-building, relational richness, knowledge or ethical gains" (Lamberton, 2016, p. 57), the findings therefore extend the literature on alternative marketplaces and the community aspect of collaborative consumption (Albinsson and Perera, 2012).

References are available on request.

Antecedents and Barriers of Stewardship Program Adoption within a Business Ecosystem

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Keywords: *stewardship, adoption, strategy, ecosystem, antimicrobial resistance*

Description: *This research uses a grounded theory approach to examine antecedents and barriers to the adoption of a newly developed antibiotic stewardship program designed for implementation in the beef and dairy ecosystems.*

EXTENDED ABSTRACT

Stewardship programs are becoming increasingly common in global healthcare contexts. Growing antibiotic resistance concerns led to the Infectious Diseases Society of America (ISDA) and the Society for Healthcare Epidemiology of America (SHEA) publishing guides for both the development and implementation of antibiotic stewardship programs. Assisting in the adoption of these programs, the Centers for Medicare and Medicaid Services (CMS) proposed a change in June of 2016 requiring hospitals participating in Medicare and Medicaid to implement antibiotic stewardship programs. Despite high initial compliance, the vagueness of instruction has led to a high variability in scope of hospital-based programs adopted. Thus, antibiotic stewardship programs within hospitals are rarely comparable, with differing goals and protocols enacted for each program.

The adoption of a stewardship program is a quintessential marketing problem involving exchanges across multiple stakeholders, and a marketing-focused perspective can help improve the development, design, implementation, and adoption of a *unified*, *voluntary* stewardship program across critical services. However, while the importance and popularity of voluntary stewardship programs in services has increased dramatically, the academic research on these programs is limited and focuses largely on the establishment and attainment of goals, with virtually no research on the role of marketing in increasing intervention program adoption to improve its overall success rate.

Research Question

We address three primary research questions: (1) what is a holistic model of voluntary stewardship program adoption in services, (2) how do marketing factors and competitive dynamics affect the adoption of stewardship programs, and (3) how do firms come to the decision to adopt a stewardship program given their role in a business ecosystem?

Summary of Findings

We offer six propositions that offer significant insights for managers and researchers in their efforts at analyzing stewardship programs and their adoption. Our study reveals that existing theoretical perspectives (TPB, Diffusion of Innovations Model, and AMC model) complement each other to predict and explain the drivers of stewardship program adoption by firms within ecosystems. Our interviews suggest that changing program relative advantage, ecosystem norms, enacting a long-term view of ecosystem health, and including a diverse and representative group to champion the stewardship program will increase its adoption at the firm and ecosystem levels.

Key Contributions

The theoretical model extends research on stewardship programs by offering novel insights into the AMC drivers of program adoption for firms that exist within business ecosystems, and extends extant research by proposing several new

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factors that drive preventive innovation adoption, based on the adopters' awareness, motivation, and capability.

Managerially, our model offers insight into the decision making of firms that participate in ecosystems that reside in competitive environments. The model offers the possible reasons behind the decision to adopt new stewardship programs and the factors that managers or regulators should look for when developing new stewardship programs. It further explains how adopters can leverage resources in specific contexts and market conditions to make decisions related to the adoption of preventive innovations. The model provides an avenue for ecosystems and industries to avoid governmental intervention by efficiently addressing problems affecting their ecosystem. Finally, the model provides insight into decreasing the adoption time of programs designed to combat pressing societal issues, providing a more efficient way to combat these problems that affect society.

References are available on request.

Tourism Services in Emerging Economies: A Service Ecosystems Approach

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Keywords: *service ecosystem, economic value, emotional burden, trust depletion, cultural seclusion*

Description: *This paper examines the nature of value for local communities created by tourism services ecosystem in emerging economies using the Service Eco System Perspective.*

EXTENDED ABSTRACT

Research Question

What is the nature of value created by tourism services in emerging economies? We aim to contextualize this question within the service ecosystem perspective heralded by the service-dominant logic theoretical framework. We define value as consumer's calculus of evaluating benefits obtained and needs fulfilled relative to the prices paid and time/effort incurred in market exchanges (Zeithaml, 1988). Tourism service delivery within an emerging economy context can be viewed within the SEP to contextualize various interactions as experiences that are cocreated among diverse stakeholders pointing to the possibility that value perceptions might differ among these actors. We propose that value creation and value depletion may coexist in a service ecosystem given the complexity of multiple interactions among multiple actors. This duality within the service ecosystem is rarely studied in the services marketing literature since value within SEP is generally thought of as a positive outcome (Desmond, 2013). In summary, we situate value cocreation within the SEP framework and motivate our research question based on arguments for coexistence of value creation and value depletion in the service ecosystem.

RQ: What is the nature of value for local communities created by tourism services ecosystem in emerging economies?

Method and Data

Our research site is the first tiger reserve in Asia called the Jim Corbett National Park (JCNP) in the northern state of Uttarakhand in India. Our data constituted 25 interviews with small businessmen from local communities, police personnel, lawyers, members of local media and local associations, local activists, and local residents. The interviews were transcribed and coded. In addition, we studied extensive archival data that included local stories in the newspapers and publicity materials provided by the park. Our analysis started with open coding of the data in order to identify and categorize critical outcome responses. We followed this initial coding with axial coding (Strauss and Corbin, 1998) where we grouped and linked these key actions to higher order themes. These themes were then aggregated into local responses and extrapolated to the literature on tourism services and sharpened with insights from the emerging markets literature. We performed several iterations between data and theory using the theoretical lens of constant comparison till clearly identifiable themes emerged and additional analysis proved redundant.

Summary of Findings

Our findings showcase a unique combination of value enhancement and depletion. Our respondents articulated a nuanced approach towards value of tourism services that go beyond the outcomes identified in the literature. Data analysis revealed responses geared towards four major interconnected foci that formed the core of local community value evaluations of JCNP services. These included JCNP's ability to elevate (1) economic value; (2) emotional burden; (3) trust chasm; and (4) cultural seclusion. We uncovered interconnections among the themes as well. For instance, trust chasm created by asking locals to leave their inherited areas also contribute to emotional burden. Similarly, hotels and resorts' reluctance to do business with locals contribute to both trust chasm and cultural seclusion. The duality of value creation and value depletion suggests a curious para-

dox between increasing economic value and decreasing emotional ownership of land and resources that the indigenous communities enjoyed for generations. It is clear from the interviews that the community feels that the economic value created does not compensate for the emotional burden, trust chasm, and cultural seclusion, outcomes that the tourism development authorities typically do not foresee nor include in their plans for development.

Key Contributions

This paper examines value in context using the lens of SEP to study value perceptions of a much neglected stakeholder in the tourism services ecosystem, local people who have been displaced from the tourism park for development. In so doing, we contribute to the literature on SEP in three ways. First, we study the societal context in value creation as advocated by SEP by capturing the indigenous people's opinions and attitudes towards tourism services. Second, we put forth a more nuanced coexistence of both value creation and value depletion in the tourist service ecosystem. Finally, the study offers policy implications for an inclusive approach towards tourism development in an emerging economy.

References are available on request.

Snack Attack: What Are Americans Snacking On?

Kelly Moore, Duquesne University
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EXTENDED ABSTRACT

Research Question

Americans make over 230 food decisions per day, with very little guidance from the U.S. government as to what they should snack on to maintain a healthy lifestyle. Accordingly, the goal of this research is to: (1) understand consumers' perception of snacks, (2) to determine the extent that internal and external environmental factors affect their snack decision, (3) gauge what factors affect a consumer's obesity level, and 4) identify common food choices in different environments to identify areas for dietary improvement and/or intervention.

Method and Data

Using a mobile device, 6,544 consumers documented their consumption decisions (what, how much and the contextual environment) for a 2-week period. Bi-weekly panels over the course of one year resulted in 134,753 snacking occasions. Snacks were classified based on the 4 U.S. snack industry categories: salty, sweet, grain, and fuel. The hypotheses were tested by estimating a multinomial logit model three times, varying the baseline category among salty, grain, and fuel snacks.

Summary of Findings

Obese individuals are more likely to make unhealthy snack decisions by selecting sweet and salty snacks over fuel snacks. On the contrary, individuals with a medium or high fitness level were found to make healthier snack decisions, choosing grain and fuel snacks over sweet snacks.

Consumers make less healthy food decisions while snacking with others and while in public. Consumers who snacked with others chose salty snacks more than any other category. Additionally, consumers snacking in public were more likely to choose sweet snacks over grain or fuel and salty snacks over grain.

Key Contributions

We have three notable contributions. First, unlike previous research, we examine internal and external environmental factors in the same model. Second, we fill a gap in the snacking literature concerning what type of snacks obese individuals choose. Obese individuals make less healthy snack choices, choosing sweet and salty snacks over the healthier grain and fuel categories. Lastly, we examine external environmental factors and find they have distinct influences on consumers' snack decision-making. We find evidence consumers are becoming more health conscious in that they are turning to fuel snacks in the morning as a meal replacement strategy. However, when snacking with other people or in public, consumers tend to make less healthy (i.e. sweet or salty) snack decisions. Our study provides evidence snacking with others or in public has a detrimental effect on consumers' snack food decisions.

References are available on request.

When Mindfulness Makes Our Wallets Hurt: Healthcare Decisions and Financial Well-Being

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Keywords: *healthcare, financial well-being, mindfulness, decision making*

Description: *A step towards unpacking factors that influence the financial decision making and financial well-being of healthcare consumers.*

EXTENDED ABSTRACT

Research Questions

(1) During healthcare exchange, what is the role of mindfulness in financial decisions and FWB, (2) what are the moderating effects of trust (in provider), ego depletion, and decision-making type on mindfulness within these consumption scenarios, (3) which construct provides a mediating role in the relationship between mindfulness and the selection of a medical procedure, and (4) what are the limits to mindfulness' potential benefit to consumers?

Method and Data

A total of 212 participants were recruited via Amazon.com's Mechanical Turk. Each participant was compensated $1.00 for their efforts in completing the survey. A hypothetical scenario in which the participant incurred a knee injury during an athletic activity was presented; subsequent to the injury, the scenario describes the patient (consumer) visiting a local physician for healthcare attention and being tasked with making a decision regarding their course of treatment. Experimental manipulations were used to present the hypothetical scenarios [2 (emotion regulation strategy: reappraisal, suppression) × 1 (mindfulness: continuous variable); 2 (decision making type: head, heart) × 1 (mindfulness: continuous variable); 2 (trust in provider: physician, insurer) × 1 (mindfulness: continuous variable) between-subjects experimental design]. Ego depletion served as a mediating variable.

Summary of Findings

Even though mindfulness may facilitate other types of well-being (e.g., psychological, physical), it appears that certain circumstances may give rise to disadvantageous outcomes to financial well-being for consumers who display increased measures of the variable. In the authors' assessment, this is a critical point for future empirical exploration. Most importantly, mindfulness was shown to have a direct relationship with the price of the procedures selected. Multiple variables show promise for moderation and mediation. Further study is recommended to develop knowledge of these essential outcomes.

Key Contributions

By examining a psychological construct, mindfulness, with still-emerging understanding of its effect within the marketing context, multiple contributions to the marketing, pricing, psychology, and public policy literatures are possible. As such, the current study serves to extend the theoretical networks of several constructs, as well as to augment the understanding of the effects of these constructs—with particular attention to healthcare and financial well-being.

References are available on request.

Extrinsic Product Attributes in Consumers' Food Decisions: Review and Network Analysis of the Marketing

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Stefan Hoffmann, Christian-Albrechts-Universität zu Kiel

Keywords: *consumers' decision-making, network analysis, consumer behavior, extrinsic attributes*

Description: *Incorporating literature of three decades, the paper synthesizes the existing research on the influence of key product characteristics (e.g. price, brand, labeling, country of origin) on consumers' food decision-making.*

EXTENDED ABSTRACT

Research Questions

1. How are extrinsic product attributes represented in the marketing literature on food decision making? How do these attributes interact and how are they embedded within the literature?

2. What are relevant gaps in the literature and how should researchers address those in the future?

Method and Data

The systematic literature review and network analysis is based on a set of 189 studies published in 83 different journals from various disciplines. The coding for the network analysis followed the DONE framework (Determinants Of Nutrition and Eating behavior framework, Stok et al., 2017) and resulted in 311 codings from 11 stem-categories. The analysis was performed using UCINET Software.

Summary of Findings

Placing emphasis on extrinsic product attributes has demonstrated that brand, price, and food labeling are well researched, also in conjunction with other specific categories of predictors. Yet, it also becomes apparent that predictors which are not directly linked to these aspects in theory are barely considered by marketing researchers. Given that a large number of highly diverse factors shape consumer food decision-making in a highly complex way, it is also necessary to consider the potential boundary conditions and mediating effects. Our results generate several opportunities for future research. We call for more cross-disciplinary research to include factors that have been discussed primarily in other fields so far, including food technology, medicine, psychology, political science, etc.

Key Contributions

The present paper shifts the perspective from analyzing isolated drivers and partial explanations to developing a more complete picture about the interplay between product characteristics in consumers' food decision-making. We pursue three sub-objectives: First, we categorize food consumption-related marketing research and identify central predictors that shape food decision-making with a special emphasis on extrinsic product characteristics. We focus on three aspects that are highly relevant in the marketing literature: brand, price, and labeling. Second, using network analysis, we show how these factors are embedded in a broader network

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of different predictors, including intrinsic attributes (esp. taste), policy-related influences, as well as aspects of the proximal and distal environment. As a third major contribution, the analysis helps to identify gaps in the literature of this seemingly well-explored field of research.

Acknowledgements

Let's Go Where Too Few Marketing Educators Have Gone Before: Global Economy Step Aside: The Galactic Economy Provides for a New 21st Century Macromarketing Gestalt

B. Nathanial Carr, Roger Williams University

ABSTRACT

This short editorial represents an effort to promulgate the propositions put forth by Carr (2008) which implicitly raised issue with the current limits of Macromarketing orthodoxies. To be explicit, the author challenges fellow marketers to become innovators by promoting the investigation of marketing's potential role in acting upon the boundless opportunities associated with outer space exploration and expansion within the Galactic Economy.

Keywords: *global economy, macromarketing, galactic economy, space exploration*

Description: *It is time to replace the global economy myopic perspective with a galactic economy and new 21st century macromarketing gestalt.*

Introduction

The genesis of this paper was an optional assignment offered to students who enrolled in a Marketing Principles class. On the first day of class, over a 19-year period, students were provided with an understanding of the course through a guided examination of the syllabus. At that time, an optional term paper assignment was discussed. For those interested in submitting the term paper there were only two pivotal requirements:

1. The topic must be on anything concerning Marketing and Outer Space.

2. The paper must contain 3,000 words or more with 10 bibliography sources or more.

In short order, students found themselves confronted by two enormously consequential issues. The first issue emanated from the anxiety manifested in unexpected ambiguity fostered by the challenge of crystalizing a paper topic, theme and focus without a prescribed rubric.

The second issue also presented an unexpected challenge. Much to their dismay, students uncovered less than a paucity of useable bibliographical sources in any of the major marketing journals. This unexpected observation is highlighted in Table 1 that records the number of Galactic Marketing related articles in top rated journals over a five-year period.

In a bewildered and frantic state, each semester, students registered their concern over this unexpected issue with a simple question—(How would the absence of marketing journal citations affect their grade?). While there were to be no penalties, unfortunately after 19 years, this question continues to be raised because marketing educators remained captivated by a Global Marketing Myopia. If left unaddressed, the limiting character of this myopia would rival Bill Murray's Groundhog Day dilemma. Therefore, the major purpose of this paper is to provide marketers of all persuasions with the initiative to pursue a new 21st Century Macromarketing Gestalt as it intersects with the Galactic Economy.

Table 1. Number of Galactic Marketing Articles Published in Major Journals

Marketing Publications	Year	# of Articals Published	Galactic Marketing #
Journal of Macromarketinng	2019	19	0
	2018	25	0
	2017	35	0
	2016	29	0
	2015	29	0
Journal of Public Policy & Marketing	2019	23	0
	2018	22	0
	2017	26	0
	2016	21	0
	2015	19	0
Journal of Marketing	2019	31	0
	2018	50	0
	2017	48	0
	2016	42	0
	2015	36	0
Journal of International Marketing	2019	15	0
	2018	21	0
	2017	20	0
	2016	20	0
	2015	20	0
Journal of Marketing Education & Marketing Education Review	2019	12 & 17 = 29	0
	2018	16 & 26 = 42	0
	2017	12 & 24 = 36	0
	2016	14 & 19 = 33	0
	2015	14 & 24 = 38	0
		Total = 729	Total = 0

To activate the afore stated initiative, the remainder of this paper will:

1. Highlight a truncated evolutionary historical perspective of the Galactic Economy as graphed from the U.S. free market economic system.

2. Suggest an array of actions marketers can and should take in order to replace the Global Marketing Myopia with the new 21st Century Macromarketing Gestalt.

Evolutionary Historical Perspective

Figure (1) is a pictorial view of the US circular flow economy model. Starting with its classic capitalistic free market sub-unit, a decomposition of this model depicts the germination and evolution leading to the Galactic Economy and 21st Century Macromarketing Gestalt.

Students taking their first course in economics were assuredly indoctrinated to pay homage to the virtuous free market economic system as etched in stone by Adam Smith. Buttressed by its divinely ordained tenants of laissez-faire, rational man and invisible hand, the free market economy was touted as the ultimate maximizing system of efficiency for generating the wealth of a nation through the allocation of its scarce and limited resources. According to Smith and others, driven by a self-serving profit motive, capitalist would respond to the primary demand (PD) of consumer with their own derived secondary demand (SD) for resources. Resource holders would in turn provide the capitalist with the desired resource inputs to production—secondary supply (SS). The capitalist would then deliver—primary supply (PS)—to consumers the goods and services they demand. Thus, the circular flow of supply and demand would be consummated through a fair distribution of money-wealth for services rendered by the capitalist and resource holders. Believers in this doctrine posited the free market as a type of Holy Grail self-regulating economic system—sharing the characteristics of a perpetual motion machine.

Figure 1. The New 21st Century Macromarketing Gestalt
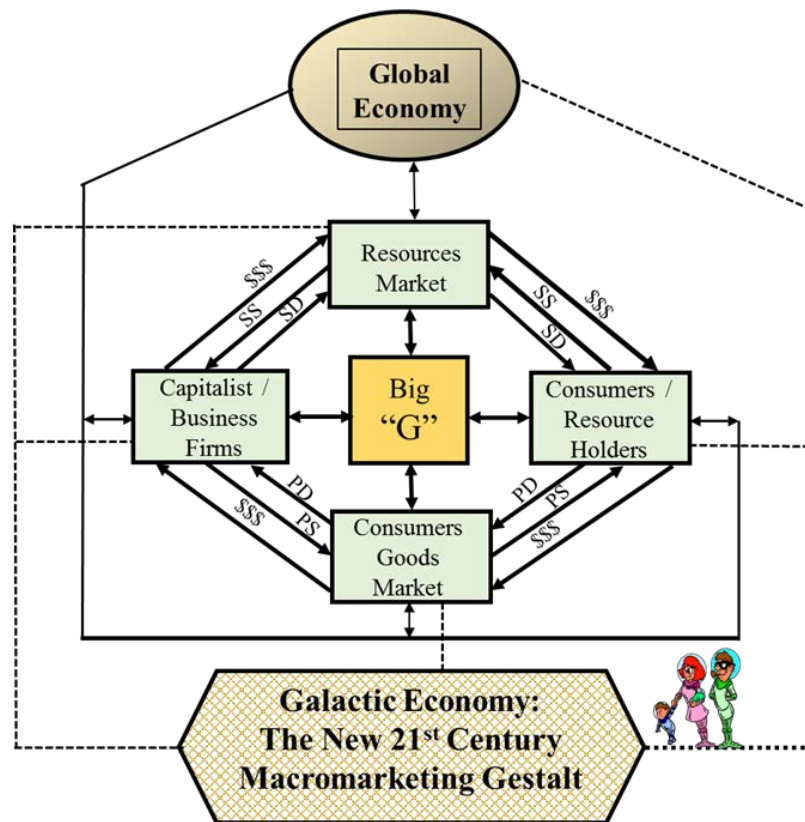
The product life cycle prophesizes that all things do come to an end and as such, the demise of the free market system comes as no surprise. Its gradual decline and ultimate demise resulted from an implosion ignited by the festering ills manifested in the profit motive as operationalized by capitalist. In simple terms, the covetous behavior embraced by capitalist was fostered by the underbelly of the profit motive—massive unbridled greed. Although some capitalist were referred to as captains of industry, others were stigmatized with the robber baron moniker because of their obscene accumulation of wealth as compared to and at the expense of the general population. For example, in 1890 the average family wealth was $264,000 for the top 1% of families while the average family wealth for the remaining 99% was only $2,585 (Spahr, 1896). Translation, in 1890 the average family wealth held by 99% of the population was approximately 1% of what was held by the top 1% of the population. To no surprise, the public's active disgust and disdain for the behavior of the robber barons and their monopolistic institutions served to inaugurate protective legislation such as the Sherman Anti-Trust Act of 1890. Heretofore, governmental intervention into the functioning of pri-

vate commerce was constrained by adherence to the divinely ordained tenants of laissez-faire, rational man and invisible hand. Over a hundred years later and not to be confused as a Yogism, a stake through of the heart of the invisible hand myth was ultimately thrusted by Noble Laureate Joseph E. Stiglitz who is known to have said (2017)—the reason that the invisible hand often seems invisible is that it is often not there.

The public's active disgust and disdain ushered in what is referred to as the Mixed Economy, an economy hallmarked by the Government (Big G) serving as the supreme arbiter over clashing interest in issues of national importance. This role is reflected in Figure (1) by the centrality of Big G and its interdependent relationship with the four free market components—a Keynesian perspective. While some continued to advocate the free market dogma, the Mixed Economy was welcomed by most as a 2.0 evolutionary replacement for a corrupt laissez-faire free market economy. Proponents of the Mixed Economy exalted the U.S. nation state status inherent in its relatively isolated geographic location and judicious use of monetary and physical policies. History

records how enterprising business leaders and U.S. government officials generated unrivaled positive and negative externalities through their various mixed economy stewardships. Suffice it to say, this was an ideal environment from which to forge the development of a new world nation state economic power and fortuitously, the evolutionary embryonic stage of a 3.0 true world economic system to be known as the Global Economy.

Maturation of the Global Economy is acknowledged in Figure 1 by the solid line connections it shares with each of the four Mixed Economy components under the watchful eyes of Big G. From the very beginning and during the later years of this maturation, the US economy was a model of success and was willingly followed by an assembly of nation state economies. During this period, a number of major coalescing events occurred that served to increase the exchange of knowledge, trade, capital and ideology around the world (i.e. Bretton Woods Conference, World Bank, International Monetary Fund—1944, The United Nations—1945, Marshall Plan—1947, and GATT—1947). With the passage of time, the U.S. economy flourished and like a heavy

weight boxing champion, it rebuffed all challengers (i.e. the race for space dominance). It was ultimately hailed as the singular economic nation state world power.

Unfortunately, the world was not static. While the U.S. population enjoyed the fruits of relative prosperity and presumptuously anticipated a status quo future, its absolute and comparative economic advantages diminished as other nation states increased their competitiveness. The world appeared to be getting smaller—figuratively speaking—as advances in technology increased the speed/spread of communication and decreased the travel time between nations. It was not until 1973 when an opulent entity—the Organization of Arab Petroleum Exporting Countries—was able to portray the U.S. and its world aligned economies as paper tigers. Without question, the oil embargo of 1973 was the watershed moment which distinctively established the existence of a Global Economy consisting of the world's interdependent and vulnerable nation state economies. In response to this new world order, several major nation state organizations were formed to prophylactically address the various economic vulnerabilities confronting their members (i.e. G5, G7, G 8, G10, and G19 +European Union). These actions could not prevent, although distant, the future threats posed by the elemental manifestations of deglobalization (Brexit, the return to nationalism and protectionism). It is the regressive nature of these kneejerk deglobalization actions—fueled by a Witch's Brew of issues, including a massive increase in world population—which now catapults the Galactic Economy conceptualization to the forefront of conscious awareness.

The Galactic Economy is presently incubating in a stage of gestation comparable to the evolutionary embryonic state once occupied by the Global Economy. This stage is symbolized in Table (1) by the dash line connections to the Galactic Economy. Although the environment within which the embryonic Global Economy flourished was rich with resource utilization potential, the same can't be said of the Galactic Economy. Ironically, it is a basic economic principle—law of diminishing returns—which underlies the demise of a Global Marketing Myopia and concurrently promotes the rationale for pursuing a new 21st century Macromarketing Gestalt.

New Macromarketing Suggested Actions
The Galactic Economy originated with the successful launching of Sputnik 1, which marked humankind's first orbital excursion beyond the gravitational limits of earth. Since then, numerous other amazing social economic events have occurred but none more revealing than attaining the ability to view earth from space. It is the uniqueness of that achievement which complements humankind's gaze into the resource potential of outer space with the juxtaposed live imagery of the on-going depletion of earth's resources. This is the essence of the new 21st Century Macromarketing Gestalt that eclipses and thus makes obsolete a Global Marketing Myopia.

Never has the survival of humankind been threatened with being engulfed by a worldwide Witch's Brew of issues. Although a decline in the quantity and quality of water and supply of breathable air are the most obvious longer term dangers, this Witch's Brew contains a number of more immediately threatening issues i.e. the continually devastating expansion of poverty, the disintegration of multinational agreements, new diseases and the resurgence of new strains of prior communicable diseases, the increased nuclear danger posed by terrorism, and the dramatically diminished controlling influence of organized religion. A new 21st century Macromarketing Gestalt is no panacea. It can't singlehandedly resolve the decrepitude resulting from the above noted Witch's Brew, but it can help to ameliorate the effects generated by some of these issues. Fellow marketers of all persuasions have the capacity to employ this new gestalt within their areas of personal and professional interest. Doing so can have the synergistically positive effect of negating or at least temporarily neutralizing and/or delaying the dangers posed by some explicitly targeted issues.

Influential Bodies
There are four very influential bodies that can and should direct their memberships to actively operationalize a Galactic Economy Macromarketing Gestalt—accrediting agencies, book publishers, marketing membership associations, and college/university marketing faculty.

Accrediting Agencies

Some would suggest that accrediting agencies, such as those listed below, wield an inordinate degree of influence over their membership and those schools aspiring to become members:

1. Accreditation Council for Business Schools and Programs (ACBSP).

2. Association to Advance Collegiate Schools of Business International (AACSB).

3. International Assembly for Collegiate Business Education (IACBE).

These organizations can very easily weave a Galactic Economy Macromarketing Gestalt thread throughout the standards a school must address in order to attain an initial or reaccreditation membership status

As part of curriculum content development, accredited members could be required to demonstrate how students are introduced to a Galactic Economy perspective. Schools could accomplish this by simply sponsoring yearly speaker series featuring an interdisciplinary collection of designated Galactic Economy topics i.e. the threads posed by asteroids, the earthly benefits of space exploration, the changing character of human existence on earth over the next 50 year, and alternative moon colonization governing structures. Well-designed speaker series would have an enduring assurance of learning impact long after a student's graduation.

Book Publishers

Book publishers occupy a frontline position in the framing of marketing education. They work hand-in-hand with authors to bring forth the most up to date information with each new edition. If an examination of marketing principles texts within the past 25 years is undertaken, one would note some major changes. The three texts written by Lamb, Hair & McDaniel, Principles of Marketing (1992), Essentials of Marketing (2000), and Marketing (2013) published by South-Western Publishing Company are examples of such changes. In the 1992 text there were four traditional chapters dedicated to the topic of Distribution, one of which was titled Physical Distribution Management. Within the 2000 text, there were three chapters dedicated to Distribution, one had forty-six-pages and was titled Marketing Channels and Logistic Decisions. A discussion of Supply Chain Management was given a cursory coverage of two pages within that chapter. In contrast, the 2013 text dedicated a forty-four-page chapter solely to Supply Chain Management.

A change more germane to the purpose of this paper is the evolution from a discussion of International Marketing in chapter 22 of the 1992 text to the 2013 text wherein there was a chapter 5—covering forty-eight pages—titled, Developing a Global Vision. The pervasiveness of this stage of evolution can be seen in other texts, such as in the sixth edition of Marketing by Grewal and Levy (2019), where once again a Global perspective was elevated. Given this change, it is only apropos for marketing book publishers and authors to continue the evolution by introducing a Galactic Economy Macromarketing Gestalt within the body of their next editions of marketing principles.

Membership Associations

Marketing membership associations such as the American Marketing Association (AMA), Marketing Management Association (MMA), and American Academy of Advertising (AAA) are among the vanguard of powerful and indispensable marketing gatekeepers. Acting through any number of their extensions, i.e. the publication of scientific and professional journals, sponsorship of conferences and boot camps, and marketing certification programs, these organizations provide the platforms to originate, critically evaluate and ultimately disseminate cutting edge actionable information to its members and society at large. Therefore, their participation as agents for diffusing a Galactic Economy Macromarketing Gestalt is essential.

One of the most influential steps these associations can take would be to incorporate as part of their respective mission statements a plank professing their commitment to the advancement of a Galactic Economy Macromarketing Gestalt. This step would establish a foundation for the enacting of several positive derivatives. For example, all three associations could craft a New Gestalt session as part of their annual conference meetings. Utilizing the journals under their auspices, all three could dedicate an entire edition, a partial edition or at a minimum a reasonable number of articles per year examining a Galactic Economy Macromarketing diversity of topics. To that end, the AMA's *Journal of International Marketing* (*JIM*) and *Journal of Public Policy & Marketing* (*JPP&M*) are the two most elite candidates for executing that commitment. The title of the *JIM* could transition to the *Journal of International & Galactic Marketing* (*JI&GM*) within a limited span of time. In addition, the title of the *JPP&M* could transition to the *Journal of Public Policy & Galactic Marketing* (*JPP&GM*) within a limited span of time. In doing so, both journals would be acclaimed as innovators because of their 21st century trailblazing efforts.

Since AMA is considered by many to be the premier marketing membership association, it should be expected to demonstrate an even higher commitment. One example of this higher commitment could be the development of a boot camp in at least five different locations across the U.S.

within a calendar year. Macromarketing Gestalt articles drafted specifically for the Marketing News could be yet another example. As a final example, the AMA could initiate the creation of a diverse consortium membership assembly of organizations, which share an interest in addressing the Witch's Brew of issues. This body could meet on a yearly basis to prioritize and plan its future efforts against the background of prior year engagements.

Marketing Faculty

College and university marketing faculty must embrace their tip of the spear role in advancing the new 21st Century Galactic Economy Macromarketing Gestalt. As a group and as individuals, justifiable or not, they are held most responsible and accountable for the assurance of learning within their purview of authority. Whether it is through curriculum development, class instruction or research pursuits, this body functions as a cordon bleu collection of chefs creating and serving a gourmet educational menu. Therefore, it is incumbent upon this group to now enrichen their menu with a communication message infused by this new Gestalt. Finally, members in this body should be vigilant, like canaries in a coalmine, to alarm others when the increase severity posed by the incursion of Witch's Brew issues become subliminal. Doing so could serve as a trip wire activating a predesignated course of adaptation and mitigation.

Summary Conclusion

The apparent state of impotency displayed by the Global Economy, undermined by its myopic perspective, when attempting to address the Witch's Brew of issues serves as an evolutionary indicant announcing the advent of a new 21st Century Galactic Economy. This newly evolving economy requires the engagement of a new future oriented Macromarketing Gestalt. While not a panacea, this new gestalt can help to ameliorate the effects generated by issues boiling over from the pot of Witch's Brew. If fellow marketers of all persuasions become innovators through answering the clarion call of suggestions raised by the author of this editorial, the societal fears of suffering from an absolute law of diminishing returns will be put at rest.

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Sales Management and Personal Selling

Building Customer Relationships: Why Does the Most Recent History Matter in B2B Exchange Relations?

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Keywords: *customer acquisition, relationship marketing, prior win, prior loss*

Description: *The paper describes how the outcome of the most recent deal with a customer impacts strategy taken by the buyers in future negotiations with the same customer.*

EXTENDED ABSTRACT

Salespeople in business-to-business markets often face the situation of losing contracts from potential customers. Previous research on customer acquisition and relationship marketing primarily focused on factors that affect the closing of a sale. However, little is known about how salespeople deal in situations where they are required to close a second and hence, subsequent deals with previous customers. Most importantly, previous research fails to address how situations and processes for salespeople change when they have a prior win. The authors investigate this important issue using CRM data collected from a large midwest USA based organization. The authors show how prior history impacts customers' buying decisions during subsequent negotiations. More importantly, authors show that recent history has a significant impact even after controlling for overall prior history during negotiations. Authors attempt to elaborate this through the moderating effects of prior win/loss history and recent win/loss on the proposed relationships between current win/loss and Activity Intensity, Activity Proactiveness, and Informal Mode of Communication.

Research Question

Does the most recent history with the customer matter? If so, how?

Method and Data

Data were obtained from the CRM records of a USA based company providing solutions to health-care organization. Our dataset consisted of 13778 complete records from 3004 accounts over a time period between 2001 and 2018. The data constructs are in a hierarchical form with Activity constructs representing the lowest level of hierarchy followed by Opportunity constructs and Account constructs representing the highest level. We used Binomial Logit Analysis to test our model.

Summary of Findings

Activity intensity increases the probability of securing contracts in business-to-business exchanges, and this effect is negatively moderated by the most recent history (prior win). We also find that the most recent history has a direct positive effect on the probability of winning the contracts. Additionally, the results suggest that informal mode of communication reduces the probability of winning contracts.

Key Contributions

This study suggests that salespeople should maintain a high level of interaction with customers to keep them better informed and knowledgeable about the offerings. Secondly, salespeople would be better off communicating information through formal communication modes, which would allow salespeople to keep a log of the offer details that salespeople can discuss later during in-company meetings. Lastly, for customers that had a good experience recently, fewer interactions should be good enough to secure future contracts probably because the buyer is already confident in the salesperson's offering and/or there are no trust issues related to the salesperson. However, for customers that had a poor experience recently, salespeople should try to initiate as much interaction as possible. This would provide the customers with more and better information, and additionally, it would signal commitment from the salespeople.

References are available on request.

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Cross-Selling in Key Account Relationships: How Customer- and Product-Centered Key Account Management Approaches Affect Cross-Selling Success

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Till Haumann, Ruhr University Bochum
Mahima Hada, City University of New York
Christian Schmitz, Ruhr University Bochum

Keywords: *cross-selling, key account management, organizational structure, cross-divisional cooperation*

Description: *This research investigates why companies fail to cross-sell to their most important customers and provides potential solutions for management.*

EXTENDED ABSTRACT

Research Question
The motivation for this study is the challenge of B2B companies to realize their major growth opportunity: Cross-selling to key accounts. Suppliers find themselves "stuck in the box" and cannot easily cross-sell from different company units to existing customers. Hence, this study investigates underlying reasons of this important phenomenon. Specifically, it tries to answer the questions (1) whether the customer-centered one-face and product-centered one-voice approach to key account management (KAM) are conducive to cross-selling as well as (2) which underlying mechanisms determine the specific effect.

To answer these research questions knowledge from KAM and cross-selling literature is integrated in a risk perspective to derive a theoretical framework that explains whether and why the one-face and one-voice approach to KAM used in business practice are conducive to cross-selling.

Method, Data, and Summary of Findings
The results of the study are derived from a scenario-based experiment with business executives from multiple industries. They reveal that choice of KAM approach strongly influences customers' perceived salesperson reliability and expertise, which in turn increase customers' cross-buying intentions. However, both approaches lead to cross-buying intentions via different paths: The one-face approach results in higher customer perceptions of salesperson reliability, but in lower perceptions of salesperson expertise. In contrast, the one-voice approach is associated with higher customer perceptions of salesperson expertise, but with lower perceptions of salesperson reliability. Therefore, both approaches have relative inherent complementary advantages and shortcomings for cross-selling.

Key Contributions
This study has several contributions for research and practice. This study is the first to investigate the one-face and one-voice approach to KAM, dominant approaches used in business practice, and how customers perceive them. Specifically, the proposed theoretical risk framework explains attitude formation of customers in B2B cross-selling contexts: Results of the study show that the choice of KAM approach influences how customers perceive salespeople's expertise

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and reliability working in either approach, which ultimately affects their cross-buying intentions.

For practitioners, it is important to notice that the one-face and one-voice approach positively affect cross-buying intentions. However, managers should be aware that a good previous relationship can be harmful for cross-selling, because capabilities tend to be strongly associated with the focal product, but are not transferred to the cross-product. On the other hand, selling cross-products to key accounts by salespersons without a prior relationship to the customer is beneficial in terms of customer perceived expertise, however it comes at the cost of higher customer perceived relational risk. Thus, managers adopting such a KAM approach should focus on developing strategies to strengthen customers' conviction in the provider's reliability across different salespeople.

References are available on request.

Dealing with a Negative Member of the Buying Center

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Scott B. Friend, Miami University

Description: *Through a qualitative research design encompassing the perspectives of business-to-business salespeople, this paper provides a new theory of group dissent that can explicate the manifestation of and reaction to a dissenter in the buying center.*

EXTENDED ABSTRACT

Research Question

In their business-to-business selling endeavors, salespeople routinely sell to multiple members in the buying center with influence over the purchasing decision in the customer organization. Given buying center members' varying needs, wants, perspectives, and motivations, dispositions toward a sales proposal can be heterogeneous. Salespeople may encounter situations in which consummating the purchase is amenable to all but one member of the buying center, whose negative stance may undermine the discussion and derail the sale. Existing theories in related disciplines are insufficient to conceptualize the phenomenon of dissent occurring in the buying center, as they provide an underspecified portrayal of the group dissent phenomenon. While understanding the causes and consequences of dissent is valuable, many other central elements to this lived experience need to be included to provide a comprehensive understanding. Furthermore, current theoretical perspectives to understand the dissent experience are focused on internal members of the team. No theoretical frameworks have been advanced to explicate the dissent phenomenon when encountered by an external actor, such as the salesperson in the context of selling to a buying center. Accordingly, the purpose of this study is to provide a new theory of group dissent applicable to understanding buying center dissenters.

Method and Data

Understanding and dealing with buying center dissenters is a multifaceted and complicated topic that has received scant attention in the literature, thus making a qualitative research design advantageous. A grounded theory design was used to tap into insights from respondents familiar with the phenomena of interest for use in creating models, theories, and explanations of underdeveloped research topics. Theoretical sampling was used to acquire a sample of respondents with substantial familiarity and experience with the topic of interest—i.e., business-to-business salespeople with experience in selling to buying centers and who have experienced dealing with a dissenting member of the buying center. This process resulted in a sample diverse in individual, organizational, and industrial characteristics, thus helping ensure the robustness of the data. A semistructured interview guide with open-ended questions was utilized to obtain insights from the respondents. Interviews progressed until theoretical saturation—i.e., no new perspectives or insights arose from conducting additional interviews—occurred. Data were first coded in descriptive, lower-level codes based on their syntax; lower-level codes were next classified into higher-order categories. This process followed guidance widely undertaken in marketing research to maximize analytical rigor.

Summary of Findings

The findings provide novel insights germane to dealing with a dissenter in the buying center. A theory of dissent occurring in groups is therein developed by which respondents offered important perspectives used to formulate the dissent experience—i.e., preparation–identification–prioritization–extrapolation–mitigation–remediation–facilitation (PIPEMRF). In preparation, salespeople made efforts to learn about participants, uncover potential dissenters, and reduce likely adverse impacts of dissention. For identification, salespeople attend to signals that a member is nega-

tively disposed to the sale while other members are amenable. Pertaining to prioritization, salespeople ascertain the position and importance of the dissenter to inform their next steps in the dissent-handling process. In extrapolation, the salesperson draws on cues provided by the dissenter, as well as past experiences in dealing with dissenters, to infer causation for the dissent. Germane to mitigation, salespeople try to neutralize the dissenter. In remediation, salespeople addressed dissent after the fact to maximize their chances of ultimately making the sale. Finally, respondents also revealed factors that affected the efficacy with which dissenters were addressed. They specifically advanced factors occurring at individual and organizational levels.

Key Contributions

Despite research findings showing the adverse impact that can result when group members are at odds and how this can spiral up to influence the whole group, theoretical frameworks to inform this topic are limited. The current inquiry rectifies extant theoretical gaps. PIPEMRF theory is the first group dissent theory to take an external perspective, using insights of salespeople dealing with dissent occurring within groups in buying centers. Importantly, this theory is also readily applicable to better understanding intragroup dissent experiences. In addition to the PIPEMRF theoretical framework encapsulating this phenomenon, the findings of this inquiry also provide the granularity necessary to fully understand the group dissent experience. Furthermore, PIPEMRF theory is not a set of discrete, disconnected processes; rather PIPEMRF is a highly integrated approach with contingencies based on processual characteristics, individual factors, and organizational factors. PIPEMRF theory can serve as a basis to advance and test myriad contingent models of dissent occurring in the buying center. Finally, the findings are also highly relevant to sales managers and their ability to help salespeople understand both the manifestation of dissent in the buying center and the most appropriate ways to manage it.

References are available on request.

Give the Customer an Inch and Prepare for Giving a Mile: The Effect of Salespersons' Customer Orientation on Customers' Negotiation Aspirations

Marco Schwenke, University of Applied Sciences Europe
Johannes Habel, Warwick Business School
Sascha Alavi, University of Bochum

Description: *Using an experiment with 104 participants and a cross-industry field study with 270 professional buyers, the authors (1) show that customer-oriented salespeople lead customers to develop higher negotiation aspirations, decreasing the prices the customers pay, (2) ascribe this to customers inferring the potential to bargain for better prices from salespeople's customer orientation, and (3) provide guidance for salespeople and managers on how to increase success in negotiations with customers.*

EXTENDED ABSTRACT

Research Question

Marketing research and practice tend to idealize customer orientation as a universal success factor in personal selling. However, as this study shows for the first time, in price negotiations customer orientation may have dire consequences for price enforcement. Our goal is to answer the question of whether salesperson's customer orientation affects customers' negotiation aspirations and which psychological mechanisms underlie this effect.

Method and Data

We performed two studies: In *Study 1*, we conducted a scenario-based experiment with 104 participants in a B2C context to examine the key mediator of the customer orientation–negotiation aspiration linkage. For that reason, we introduce the construct customer's perceived bargaining potential, reflecting the perceived readiness of the salesperson to grant a discount. We analyzed the data using a structural equation model. To establish external validity in the field and B2B context, we additionally conducted *Study 2* with cross-industry B2B data of 270 professional buyers and conducted a structural equation model.

Summary of Findings

Our findings suggest that customer-oriented salespeople lead to customers with greater negotiation aspirations, leading to lower prices the customers pay. We explain this effect through a customer's perceived bargaining potential, clarifying that the role of customer orientation in price negotiations may be understood in terms of aspiration level theory (Siegel and Fouraker 1960).

Key Contributions

As to academic research, our work fills an important void by being the first to examine the consequences of customer orientation in price negotiations. In particular, our findings suggest that a salesperson's customer orientation increases customer's negotiation aspiration. By introducing the construct customer's perceived bargaining potential and by illustrating that the aspiration level is well suited to account for this context, we furthermore advance conceptual knowledge on the customer orientation–negotiation aspiration relationship.

For managers and salespeople of negotiation-intensive retail businesses, our study provides guidance on how to improve

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price enforcement. In particular, salespeople are well-advised (1) to restrict customer orientation on the customer consultation process and (2) to take customer's perceived bargaining potential into account. Additionally, managers should raise salespeople's awareness for negative effects of customer orientation.

References are available on request.

Negative Effects of Value-Based Selling on Performance? The Role of Goods and Services Offered

Stephan Volpers, Justus-Liebig-University Giessen
Alexander Haas, Justus-Liebig-University Giessen

Description: *This research investigates characteristics of goods and services as contingencies of the relationship between value-based selling and selling performance.*

EXTENDED ABSTRACT

Research Question
Even though customer value creation is a key for business success, selling value at the salesperson level remains one of the major challenges of today's business-to-business marketing.

The objective of this study is to address the important theoretical concerns with prior research on the young field of value-based selling by investigating how and why the relationship between value-based selling and selling performance hinges on the complexity and adaptability of the goods and services salespeople offer.

Method and Data
This study tests the hypotheses with dyadic data of 147 manager–salesperson dyads across companies in various business-to-business industries.

All constructs were measured with established multiitem scales. Performance data was collected from sales managers to obtain a more objective assessment of each salesperson's selling performance and to circumvent potential problems of common method variance.

Due to the hierarchical nature of the data (each of the 48 managers evaluated more than three salespeople), a random slopes hierarchical linear model was applied to test the hypotheses.

Summary of Findings
Overall, this research highlights that successful value-based selling hinges on the complexity and adaptability of the goods and services offered.

First, the study provides empirical evidence that value-based selling does not necessarily increase selling performance.

Second, results provide evidence that the relationship between value-based selling and selling performance depends on a three-way interaction between value-based selling, product adaptability and product complexity. Specifically, depending on the degrees of product adaptability and product complexity, the relationship between value-based selling and selling performance is positive, nonsignificant, or negative.

Key Contributions
First, this research develops a conceptual model that includes the complexity and adaptability of goods and services as moderators of the relationship between value-based selling and selling performance.

Second, this study tests the direct relationship between value-based selling and selling performance with dyadic data of 147 manager–salesperson dyads across companies in various business-to-business industries.

Third, this research investigates the extent to which the direct relationship between value-based selling and selling performance hinges on the complexity and adaptability of goods and services as predicted by prospect theory.

References are available on request.

Purchase Impact of a Salesperson's Facial Expressions: Large-Scale Video Analysis Using Deep Learning

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Keywords: *emotional displays, facial expression tracking, convolutional neural networks, digitally-mediated sales interactions, video image analytics*

Description: *This research applies state-of-the-art artificial intelligence (AI) technologies to investigate the relationship between salesperson's facial expressions and customers' purchases.*

EXTENDED ABSTRACT

Research Question

What is the sales impact of a frontline employee's facial expressions during an actual sales pitch?

Method and Data

To examine the relationship between a seller's facial expressions and customers' purchase behavior, we first obtain over 12,792 hours of video footage from a direct-response television shopping network in which a host makes her/his sales pitch to customers. From the video, we use deep learning to extract the frontline employee's (FLE) affective displays (i.e., whether their facial expression signals happiness, sadness, anger, disgust, fear, surprise, or neutral). We then match each host's moment-by-moment display of emotions to customers' purchase data.

For the initial analysis, we apply linear models to investigate the effects of facial expressions on sales.

Summary of Findings

Neutral facial expressions are positively associated with sales. Interestingly, we find that an FLE's display of emotions has a deleterious impact on sales. The strongest negative impact comes from *anger* and *happiness*, and the least negative impact comes from *disgust* and *surprise*. Our preliminary conclusion is that emotional displays should be carefully managed during the sales pitch.

Key Contributions

The four main theoretical contributions of this research are that we: *i)* expand the focus beyond a single emotional display (e.g., a salesperson's smile) to undertake a broader assessment of the FLE's affective displays; *ii)* evaluate the behavioral (i.e., sales) impact of FLE affective displays during an actual sales pitch; *iii)* deploy deep learning for emotion detection to address the paramount Marketing Science Institute (MSI) 2018-20 Research Priority calling for the use of technological advances to capture and analyze unstructured data such as video to improve marketing communications; and *iv)* devote empirical attention to an under-studied sales channel: TV-mediated direct response. For managers, we provide a more nuanced view of whether emotional displays are beneficial, and the insight is useful for recruiting and training new as well as existing sales professionals.

References are available on request.

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The Game of Power: The Impact of Power Asymmetry Between Marketing and Sales Departments on Shareholder Value

Hao Wang, University of South Florida, Tampa

Keywords: *intraorganizational power, sales-marketing interface, firm risk, firm value*

EXTENDED ABSTRACT

Research Question
Whether and how power asymmetry between M&S departments affects firm value and firm risk?

Method and Data
We test our hypotheses using a 10-year longitudinal panel of 414 firms public listed companies in the United States. We obtain and combine the data from multiple sources including Compustat database, ExecuComp, and the Center for Research in Security Prices.

Summary of Findings
The results show that the power gap between M&S does not affect firm value. When a firm commits strategic emphasis on value appropriation (value creation) and/or customer power is present (absent) in a firm, the power asymmetry between M&S is positively (negatively) associated with firm value.

Key Contributions
This study extends the literature in the three ways. First, we contribute to the M&S interface literature by highlighting the role of the power gap between M&S in managing stakeholder value. Specifically, we find the effect of power gap on stakeholder value is contingent on firm-specific situations. Second, we advance the organization research literature by empirically linking the intra-organization power relationships to extra-organizational relationships matrices, such as firm value and firm risk. Third, we extend the marketing leadership literature by suggesting the joint contribution of M&S to stakeholder value. A powerful marketing department affects the sales' behavior, and vice versa. This study enriches the literature by showing how the power relationship between the two interconnected departments affects stakeholder value.

References are available on request.

The Role of Sales and Marketing in B2B-Oriented Start-Ups Across Their Development Stages

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Sascha Alavi, Ruhr-University Bochum
Jan Wieseke, Ruhr-University Bochum

Keywords: *sales focus, marketing focus, start-up, organizational life cycle, dynamic strategic fit*

Description: *The paper examines the effects of marketing and sales on start-up success across the start-up life cycle and different degrees of product complexity.*

EXTENDED ABSTRACT

Research Question
Start-ups constitute an important driver for the overall economic development of a country by creating jobs and driving innovation. Extant research indicates that start-ups often encounter difficulties in acquiring customers and convincing them to buy their newly developed products. Likewise, some studies underline the important role of marketing for the success of a start-up. However, prior empirical literature neglects the distinction between sales and marketing, even though both constitute important interfaces to the customer. While marketing activities in general focalize more on the product and market analysis, sales activities focus more on direct communication with the customer. As resource scarcity is often omnipresent for start-ups, founders must prioritize whether to spend resources into sales or marketing, which is especially in early stages an "either-or-decision." Hence, drawing from theory regarding dynamic strategic fit, we assume a nuanced perspective on different effects of the marketing and sales function on start-up success. Specifically, we intend to address the following questions start-ups in B2B contexts are confronted with: (1) How important are the functions of marketing and sales in comparison to each other for success? (2) Under which organizational and developmental circumstances should start-ups invest into which functions?

Method and Data
We conducted a multidata source study which comprises data of 482 interviews with start-ups across different devel-opment stages and business models. This data set includes qualitative as well as quantitative data. Data sources are the founders or top-level executives of the start-ups themselves, CV data of the interviewees, evaluations from the corresponding interviewers, as well as from additional three independent raters that assessed the qualitative data collected during the interviews. We estimated our research model using multiple regression modeling via R.

Summary of Findings
Consistent with existing research, we find a positive effect of marketing focus on start-up success. In comparison to marketing, the impact of sales focus fundamentally depends on the start-up's organizational circumstances. When product complexity is low, sales is harmful for success in early stages, but has an even stronger impact on success in later stages of a start-up. If a start-up's product complexity is high, only very high levels of sales focus increase start-up success in early stages. Within later stages, there is an optimum of sales focus of a start-up on start-up success, when product complexity is high.

Key Contributions
We are the first to acknowledge that marketing and sales are of distinct importance to start-up success across start-ups' organizational life cycle. In particular, we extend current literature, by showing that while marketing is conducive to success in every phase of a start-up's life cycle,

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sales gains increasing importance when product complexity is high as well as throughout the growth of a new venture in general.

Regarding practice implications, investments into sales in early stages when product complexity is low can harm start-up success. Conversely, if product complexity is high, a high sales focus in early stages is expedient for success. Within later stages and high product complexity, managers should find an optimum of sales focus to be able to simultaneously invest resources in other important functions that help to scale the start-up.

References are available on request.

The Role of Senior Executives and Organizational Culture in the Management of Conflict Between Marketing and Sales

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Keywords: *marketing-sales interface, adaptive conflict intervention, conflict-handling culture, task conflict, relationship conflict*

Description: *This study examines the complex nature of conflict between marketing and sales and proposes novel ways how organizations can manage this conflict.*

EXTENDED ABSTRACT

Research Question
Despite the high importance of marketing and sales (M&S) functions in the firm (Homburg et al. 2015; Malshe and Sohi 2009; Rouziès and Hulland 2014), M&S units often do not cooperate efficiently and have conflicting relationships (Cespedes 1993; Malshe and Sohi 2009; Smith, Gopalakrishna, and Chatterjee 2006). Hitherto, M&S literature often treated conflict between two functions in a rather simplistic negative connotation (Dawes and Massey 2005; Malshe, Johnson, and Viio 2017). But is conflict necessarily bad? This study aims to investigate the complex nature of interfunctional conflict and clarify whether and when M&S conflict can be useful.

Summary of Findings
This study highlights the multidimensional nature of conflict and examines task and relationship conflict at the M&S interface through the lens of conflict management theory (Rahim and Bonoma 1979). While relationship conflict is detrimental for company performance, task conflict could have both positive and negative outcomes. Specifically, we propose a nonlinear impact of task conflict on firm performance. The optimal level of task conflict promotes the generation of new ideas and help avoid "groupthink." In addition, task conflict could lead to the development of relationship conflict. Firm executives can manage M&S conflict via adaptive conflict intervention and development of collaborative conflict-handling culture in the firm.

Key Contributions
This study highlights the multidimensional nature of conflict and examines task and relationship conflict at the M&S interface through the lens of conflict management theory (Rahim and Bonoma 1979). While relationship conflict is detrimental for company performance, task conflict could have both positive and negative outcomes. Specifically, we propose a nonlinear impact of task conflict on firm performance. The optimal level of task conflict promotes the generation of new ideas and help avoid "groupthink." In addition, task conflict could lead to the development of relationship conflict. Firm executives can manage M&S conflict via adaptive conflict intervention and development of collaborative conflict-handling culture in the firm.

References are available on request.

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Do Salespeople Need to Get By with a Little Help from Their Friends? Exploring the Effects of Internal Networking and Supervisor's Organizational Status on Performance Growth Trajectories

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Keywords: *internal networking, longitudinal growth modeling, sales management, social exchange theory*

Description: *This study examines the interactive effect of salespeople's internal networking ability and their supervisor's organizational status on performance growth trajectories.*

EXTENDED ABSTRACT
Research Question
Internal networking, which is defined as a pattern of social ties within a firm (Sparrowe et al. 2001), provides demonstrable performance benefits for salespeople and, thus, has gained scholarly attention (Bolander et al. 2015). However, despite such recent scholarly attention, internal networking remains underexplored in the sales literature, particularly regarding its longitudinal effects on performance (Plouffe 2018). The current research addresses this notable omission by examining the interactive effect of salespeople's internal networking ability and their supervisors' organizational status on performance growth trajectories with two specific research questions:

1. How do supervisors' organizational status and salespeople's networking interact in influencing the trajectory of sales performance?

2. When does a supervisor's high organizational status *backfire*, and prove harmful to salespeople's performance trajectory?

Drawing from social exchange theory and the networking literature, we predict that salespeople's internal networking and supervisor status (i.e., the extent of being highly valued and well regarded within a firm; Eisenberger et al. 2002) have positive effects on salespeople's growth trajectory, respectively (H1, H2). However, their interactions will have a negative—and counterintuitive—effect on performance growth trajectory (H3). We predict that supervisors with high organizational status attenuate (buttress) the performance growth trajectory of their high- (low-) networking salespeople.

Method and Data
We test hypotheses by using a longitudinal growth modeling (LGM) approach with 20 quarters of individual financial performance data from 113 salespeople at a warehousing equipment manufacturer. We employed LGM based on random-coefficient growth modeling techniques. That is, the data in this study constitute a two-level LGM. Level 1 model predicts time-related changes in individual sales performance (Bliese and Ployhart 2002). Level 2 treats each of the Level 1 parameters as a function of five predictors, which include two covariates (office size and sales experience) and two performance predictors (networking ability and perceived supervisors' organizational status). In sum, each growth trajectory is explained by individuals' networking ability and supervisors' organizational status while controlling for office size and salespeople's total work experience. To test interaction effects, we also included interaction terms between time and all of the Level 2 predictors to capture the longitudinal effect of time-invariant, between subject predic-

tors on individuals' performance growth trajectories over time (Ahearne et al. 2010).

Summary of Findings

We found support for our hypotheses. Salespeople's internal networking ability has shown to have a positive impact on their performance growth trajectory, thus H1 is supported ($\beta = 22{,}378.58, p < .01$). Also, a supervisor's perceived organizational status showed a significant positive impact on sales growth trajectory over time ($\beta = 25{,}798.6, p = .001$), thus H2 is supported. That is, the higher the supervisors' organizational status, the steeper the salesperson's performance growth trajectory. Thus, we found support for H2.

H3, which predicted substitute moderation effects, was supported. We find that internal networking and a supervisor's organizational status interact as substitutes for sales performance growth trajectory. Interactions between salespeople's networking ability and supervisors' organizational status was negative ($\beta = -4{,}896.97, p < .001$), which implies that one attenuates the other's positive effects on sales performance growth trajectory. To further understand the relationship of organizational status and salespeople's networking ability, we plotted the interactions by computing the sales performance trajectory for "High vs Low (+/–1 STD)" levels of supervisors' organizational status and salespeople's networking ability. As we predicted, supervisors with high organizational status attenuated (buttressed) the performance growth trajectory of their high- (low-) networking salespeople.

Key Contributions

Our research contributes to the literatures on both internal networking and sales performance. To our knowledge, this study is the first to examine a supervisor's organizational status as a moderator in the relationship between networking and performance. Second, we respond to Bolander et al.'s (2017) calls for additional research on the longitudinal effects of networking on performance. Finally, our findings regarding the substitution effects of a supervisor's status and salespeople's networking provide guidance for sales practice. Our results reveal that, counterintuitively, firms benefit by pairing high-(low-) status supervisors work with low-(high-) networking salespeople, but not by pairing high status supervisors with high networking salespeople.

References are available on request.

The Effect of Team Intelligence Configuration on Role Overload and Salesperson Turnover

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Keywords: *team intelligence, cognitive ability, salesperson, turnover, role overload*

Description: *This paper explores how team cognition composition affects individual team member role overload and turnover decisions.*

EXTENDED ABSTRACT

Research Question

In response to added complexity throughout the sales cycle, many sales organizations have adopted a team-based approach to selling. As such, more research is needed to uncover how team composition impacts individual salesperson job characteristics and decision-making. In this paper, we aim to answer the question, "How does sales team intelligence configuration affect individual team member's job stressors and do these stressors (i.e., role overload) increase the likelihood that a salesperson will quit?"

Method and Data

Using Demand-Ability Fit as a conceptual framework and the Group-Actor-Partner Interdependence Model (GAPIM; Kenny and Garcia 2012) we test our hypotheses using multi-sourced data collected from preemployment salesperson cognition tests (presurvey), surveys collected by the researchers, and company-provided actual turnover data (12-months postsurvey).

Summary of Findings

We find support that salespeople who are in a team with members of similar cognitive ability, experience less role overload, subsequently reducing turnover intentions and actual turnover.

Key Contributions

Salesforce turnover is costly for organizations in terms of additional recruitment costs and, more importantly, the loss of human capital. In this regard, this study discusses the interplay between team intelligence fit and individual salespeople's decision to quit. Our findings suggest that HR and sales managers should be aware that teams with a mismatch in members' cognitive ability may need to provide additional job-related resources to reduce the role overload experienced by some team members.

References are available on request.

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When Do Forecasts Fail and When Not? Contingencies Affecting the Accuracy of Sales Managers' Forecast Regarding the Future Business Situation

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EXTENDED ABSTRACT

Research Question

In order to enhance the forecast accuracy of future business situations, the sales force has been found to be a key source of information (McCarthy et al. 2006). Thus, carving out under which contingencies the salesforce might provide reliable forecasts might improve the overall quality of firms' business forecasts. However, looking at existing research from marketing and sales literature, there is only little evidence on how business forecasts may be improved via more accurate information coming from the salesforce.

To develop such a contingency perspective, there are important findings from other literature streams to build on. All these studies have in common that uncertainty poses a major challenge to accurate forecasting. In turn, the extent of the experienced uncertainty of the decision maker is influenced by intrapersonal factors of the decision maker herself and by external factors of the decision situation (Leblebici and Salancik 1981). In this article, we argue that long *firm-specific experience*, high *confidence in the own forecast*, a negative change in the *former order situation* and long *sales cycles* should increase forecast accuracy. Our key goal is to expand literature on contingencies affecting the forecast accuracy of sales managers' business forecast.

Method and Data

This is the starting point of our paper. Our key goal is to expand literature on contingencies affecting the forecast accuracy of sales managers' business forecast. In order to test our hypotheses, we conducted a longitudinal, cross-sectoral and naturalistic study with 180 high-ranking senior managers who work in sales or sales-related functions. Participating managers provided two measurement points: The first survey asked participants for a forecast regarding the next quarter whereas the second questionnaire was completed three months later and asked for actual developments. As regression analysis is a well-established statistical approach in forecast, we employed a moderated regression analysis.

Summary of Findings

Results indicate that the more firm-specific experience sales managers possess, the more closely sales managers' forecasts of the business situation correspond to the actual future

business situation. Moreover, the more confident sales managers are regarding their own forecast, the stronger the correspondence to the actual future business situation. Further, the stronger the negative change in the former order situation and the longer the sales cycle, the higher the accuracy of sales managers' forecast for the future business situation.

Key Contributions

Our article holds important implications for researchers and practitioners. For researchers, our study contributes to the research field of business forecast accuracy by strengthening the sales managers' perspective in this research stream. Specifically, we show under which conditions the accuracy of sales managers' forecast regarding the future business situation is enhanced or rather attenuated. Furthermore, this study constitutes groundwork for research on contingencies concerning the future business situation especially derived from the sales environment. Moreover, in line with behav-ioral decision-making literature (e.g., Duncan 1972), we show that uncertainty poses a major challenge to sales forecasts. We demonstrate, that experience, the perception of uncertainty as well as actual uncertainty have an impact on the sales manager's forecast accuracy.

Our findings also provide direct, actionable implications for practitioners. We advise general management to first regard intrapersonal and environmental factors concerning the sales manager before using sales managers' forecast for overall decision-making. Moreover, our results support the notion that internal infrastructures that promote a systematic processing of information might help to enhance business forecast accuracy. Therefore, transparent business processes as well as the integration of sales intelligence would be an efficient way to improve forecast performance.

References are available on request.

An Analysis of Sales Self-Efficacy Change: Drivers and Outcomes

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Nick Lee, Warwick Business School

Keywords: *self-efficacy, within-person, sales performance, individual change*

Description: *We build on extant research on sales self-efficacy by examining the drivers and outcomes of self-efficacy change*

EXTENDED ABSTRACT

Research Question

The overarching question that underpins this study is: What are the drivers and outcomes of sales self-efficacy change?

Method and Data

A conceptual framework is developed. This examines the influence of self-efficacy change on subsequent effort and performance in salespeople. Additionally, how sales managers can influence self-efficacy change is examined. In order to test the framework, four repeated measure surveys were administered to B2B salespeople in the United States of America; 386. 153, 105, and 75 questionnaires were collected at each time point, respectively.

Summary of Findings

The findings demonstrate negative relationships between sales self-efficacy, and effort allocation and salesperson performance. Additionally, sales anxiety (negative), and positive supervisor feedback and past performance (both positive) are related to self-efficacy change.

Key Contributions

The key contribution of the present study is how it extends existing theory concerning the consequences of self-efficacy. Specifically, the study finds that increases in self-efficacy can lead to subsequent decreases in effort (positively moderated by perceived competitive intensity) and salesperson performance. Thus, blanket recommendations in extant research suggesting that always enhancing the self-efficacy of salespeople seem improper. Additionally, the paper outlines variables that sales managers can look to manipulate to change the self-efficacy of their salespeople.

References are available on request.

How Leader-Member Exchange (LMX) Agreement Impacts Salesperson Turnover

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Keywords: *leader-member exchange, salesperson, turnover, job satisfaction*

Description: *This paper explores how salesperson and sales manager Leader-Member Exchange (LMX) agreement impacts salesperson turnover.*

EXTENDED ABSTRACT

Research Question

New avenues of research are needed that evaluate more nuanced processes to help organizations address salesperson turnover. Specifically, we aim to answer the research question, how does leader-member exchange (LMX) agreement influence a salesperson's decision to leave a company.

Method and Data

Adopting Graen and Uhl-Bien's (1995) 7-item LMX scale, we collect data for 165 salesperson and sales manager dyads, along with measures of job satisfaction. We combine these data with actual turnover data. Using polynomial regression, we test hypotheses pertaining to how salesperson-sales manager LMX agreement impacts salesperson turnover through job satisfaction.

Summary of Findings

We find that imbalanced LMX is negatively related to job satisfaction. We find that agreement at high levels of LMX between a salesperson and sales manager is not related to job satisfaction. In terms of the indirect effect of LMX on turnover through job satisfaction, we find that imbalanced LMX impacts salesperson turnover through job satisfaction.

Key Contributions

Our research provides both theoretical and practical implications. As it pertains to Leader-Member Exchange Theory, wee demonstrate that LMX imbalance may lead to adverse employee perceptions and turnover decisions. Regarding managerial implications, we suggest that sales managers aim to truly understand what type of leadership relationship a given salesperson expects. Sales managers that meet the leadership expectations of a salesperson will reduce the incidences of misunderstanding between both parties, allowing for more effective leadership along with increased resources (e.g., time, energy, effort) to support salespeople in other areas of sales management.

References are available on request.

Incentivizing of Inside Sales Units: Different Incentives for Different Units?

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Keywords: *incentives, social network analysis, theory of justice, network theory, inside sales*

Description: *This study investigates the effectiveness of unit incentives and individual incentives for inside sales units and includes network measures to evaluate the impact of the unit structure on the incentive–unit performance relationships.*

EXTENDED ABSTRACT

Research Questions

1. What is the impact of unit incentives on inside sales unit performance?

2. What is the impact of individual incentives on inside sales unit performance?

3. How does the inside sales unit structure affect the relationship between unit and individual incentives and inside sales unit performance?

Method and Data

To examine our research questions, we use data garnered from a survey. To test our hypotheses, we used regression analysis. To calculate the unit structure, measured by density and centralization, of the inside sales units for inclusion in our conceptual framework, we carried out a social network analysis.

Summary of Findings

Results show that unit incentives are positively related to inside sales unit performance, whereas individual incentives are negatively related to inside sales unit performance. This finding is surprising, because research from other contexts has found a positive relationship of individual incentives and unit performance. Results also reveal that the unit structure affects the incentive–unit performance relationships.

Key Contributions

Results show that inside sales units need to be incentivized differently from units in other contexts. We therefore advise managers not to rely solely on established incentive systems, which may work in other unit contexts, but to tailor their incentive system to the specific context of inside sales units.

Results show that inside sales units' structures affect incentive–unit performance relationships and that managers should employ incentives that correspond with underlying unit structures. Altogether, the findings of this study provide managers with actionable guidelines for incentivizing the growing number of inside sales units.

References are available on request.

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Now Presenting the Undistinguished Achievement Award: How Relative Standing Creates Exceptional Outcomes from Recognizing Unexceptional Sales Associates

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Keywords: *sales, relative standing, retention, recognition, sales performance*

Description: *In this research we demonstrate that highlighting unexceptional performers can be an effective tool to increase salesperson performance and company commitment. These findings demonstrate the role relative standing plays in creating effective recognition strategies and refutes a commonly practiced strategy in the direct sales industry.*

EXTENDED ABSTRACT

Research Question
This research investigates if, contrary to industry norms, there are cases where recognition of unexceptional performers, those whose performance is only slightly above the unrecognized, can have a positive effect on the performance of unrecognized salespeople. This research also investigates the role relative standing plays in creating effective recognition strategies.

Method and Data
This research includes one field experiment with a company that has annual revenues over two billion and two lab experiments conducted via an online panel.

Summary of Findings
Companies frequently use employee recognition to motivate salespeople, and managers often assume that recognizing the overall top-performing salespeople in a direct sales environment will motivate those not recognized to enhance performance. This research demonstrates that, contrary to these industry norms, there are cases where recognition of unexceptional performers, those whose performance is only slightly above the unrecognized, can have a positive effect on the performance of unrecognized salespeople.

In addition to the practical implications this research provides to sales-based organizations, we also use the findings to contribute to existing literature in two separate ways. First, we contribute to the employee recognition literature by being the first, to the best of our knowledge, to experimentally demonstrate that recognition of associates that produce unexceptional (as opposed to exceptional) results increases the perceived relative standing, commitment to the company, and actual performance among similar performing associates. Second, we contribute to the sales literature by applying findings from social comparison literature to suggest that, although given in the best of intentions, recognition of top performers may be an important driver of the low distributor retention rates within the direct-sales industry.

Key Contributions
Our results demonstrate how a specific type of recognition (i.e. highlighting unexceptional performers) can be an effec-

tive method to increase employee performance in contrast to the strategy that most firms employ (i.e highlighting only exceptional performers). In order to understand the effect more fully, we identify the process by which this effect occurs and demonstrate that it is due to enhanced percep-

tions of relative standing. Lastly, we test and document the positive effects of dynamic recognition on the unrecognized employee's commitment.

References are available on request.

Using Salesforce Intelligence to Extract Social Media Intelligence

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Keywords: *gossip theory, social media listening, inter-function coordination, mindset*

Description: *The authors theorize how salespeople can retrieve competitive intelligence for firms by differentiating between gossip and nongossip messages, and how salesperson variables (example: fixed vs. growth mindset) and firm-level variables (example: coordination between marketing and sales teams) can enhance these effects.*

EXTENDED ABSTRACT

Research Question
We explore the role of salespeople in generating competitive intelligence from social media messages.

- How can salespeople retrieve competitive intelligence by differentiating between gossip and nongossip messages originating on social media?

- How does a salesperson's mindset enhance these outcomes?

- How does inter-function coordination between marketing and sales teams enhance these outcomes?

Summary of Findings
A variety of messages (gossip and competitive intelligence) originate on social media. Salespeople with excellent social media listening abilities could be adept at using gossip to their advantage to generate and retrieve competitive intelligence. We define social media listening as sensing, interpreting, evaluating, and responding to social media messages. Additionally, the salesperson's mindset and coordination between marketing and sales teams can further enhance the generation and retrieval of competitive intelligence. However, extant research has not addressed these questions. We address these research gaps by developing the below propositions.

Salespeople with social media listening skills can filter out the gossip and retrieve competitive intelligence from social media messages about own and competing firms.

Salespeople can disseminate self-gossip to control the flow of self-related information to create valuable competitive intelligence in return.

Salespeople with social media listening skills and a growth-oriented mindset (learning orientation) and can further enhance retrieval of competitive intelligence from social media messages.

Inter-function coordination between sales and marketing teams can enhance positive outcomes created by salespeople social media listening.

Key Contributions
Theoretical: This paper conceptualizes the role of salespeople in retrieving competitive intelligence from social media messages by means of differentiating between gossip and nongossip messages. We utilize gossip theory that developed separately from sales literature. Gossip has been contemporarily viewed as malicious with negative associations; however, we present a counter-intuitive perspective on the positive effects of gossip originating on social media. We also theorize the importance of a growth mindset in listening to critical gossip and retrieving competitive intelligence. Finally, we establish the importance of the sales function in a marketing dominated social media context.

Managerial: To ensure retrieval of competitive intelligence, firms need to differentiate between gossip and nongossip messages. Firms can leverage their in-house resources,

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media listening skillforce filter out the gossip Additionally as a growth-oriented mindset can enhance outcomes, it is vital to hire or train salespeople dealing with social media messages to have such a mindset. Social media accounts are handled by marketing teams, yet the salesforce has some unique skills that can be leveraged by firms to generate competitive intelligence. Thus, firms may do well to invest resources that strengthen the marketing-sales interface.

References are available upon request.

Contingent Effects of Smart CRM Technology Implementation on Financial Performance

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Keywords: *sales technology, sales management, CRM technology, customer relationship management, TOE framework*

Description: *This paper examines how the implementation of smart CRM technology affects the financial performance development considering technological, organizational, and environmental contingency factors.*

EXTENDED ABSTRACT

Research Question

New digital technologies for sales organizations in business-to-business (B2B) firms have been in vogue for the past two decades. Above all, scholars paid particular attention to the implementation of digital technologies for customer relationship management (CRM), as there is a general consensus that a sophisticated CRM is a fundamental tenet of a business success model in today's "hypercompetitive" business world. However, developing an enterprise-level, standardized, and division scalable CRM approach remains a particular challenge for many B2B firms. In the last few years, more and more reports about failures of CRM implementation came to light leading to skepticism among managers regarding its potential to generate firm value. This paper sets out to explore the effect of a technological disruption in terms of smart CRM technology (hereafter CRM) implementation on the development of financial performance after the disruption. Moreover, given the multifaceted scopes of CRM technology, we scrutinize technological, organizational and environmental factors that may influence the relationship between CRM implementation and firm performance. Thus, this paper offers novel insights on whether and in which circumstances CRM implementation affects firm profitability.

Method and Data

To empirically assess our research question, we gathered data from a diversified Fortune 100 firm that primarily focuses on B2B customers. We aggregated objective financial data from 110.892 transactions of salespeople from 20 divisions over a period of four and a half years. We additionally conducted a survey with 173 respondents from all 20 divisions. After matching the survey and objective data, we analyzed this data set using a difference-in-differences model to estimate causal effects of the CRM implementation.

Summary of Findings

Results show that CRM implementation indeed leads to a higher financial performance. However, in line with our theorizing, the impact of CRM implementation on financial performance is contingent on certain contextual factors. With respect to technological contingencies, CRM only pay off when the salesforce perceives the technology as useful. Further, firms having a high product customization and employees with a high pronounced openness to change benefit more from CRM implementation. With a view to the environmental contingencies, CRM implementation leads to higher financial performance in industries with high competitive intensity and high price pressure.

Key Contributions

Our results contribute to both literature and practice. First, our study shows that CRM can significantly enhance financial performance in the long run. Considering the longitudinal design of our study, this is a noteworthy contribution to sales and marketing research, since prior studies reveal ambiguous effects of CRM on financial performance. Second, we affirm that the positive effect of CRM on financial performance is subject to technological, organizational, and environmental contingencies which significantly influence the relationship between CRM and financial performance. Therefore, this study also contributes to the TOE framework literature that stresses the importance of technological, envi-

ronmental and organizational contingencies when implementing new digital technologies. Third, this study encourages managers in their efforts to invest in CRM implementation by showing that CRM has a long-term positive effect on financial performance. In addition, providing insights into factors that moderate the relationship between CRM and financial performance will enable managers to understand which contextual factors contribute to a successful CRM implementation and are aligned with the firm strategy. Thus, this study offers managers a guide for a strategic implementation of CRM technology in B2B sales environments.

References are available upon request.

Service Science and Retailing

What's Love Got to Do with It? Fostering Attachment and Loyalty

Role of Multiunit Franchising in Shaping Customer Performance

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Keywords: *multiunit franchise, coopetition, customer satisfaction, franchising*

Description: *A multiunit franchise's size, the proximity of its stores, and market contact with other multiunit franchisees influence the customer satisfaction of its stores.*

EXTENDED ABSTRACT

Research Question

When opening a new franchise store, a franchisor's allocation of markets to multiunit franchisees have implications for competition and cooperation among its stores, which is essential for the efficiency of the network of stores. An important question arises, what role does multiunit franchising play on a franchise store's performance? Specifically, we address the question: How do a multiunit franchise's size, proximity among its stores, and contact with other multiunit franchisees influence the customer satisfaction of its stores?

Method and Data

We examine U.S. based franchisees of McDonald's Corporation. To get the location data of all the franchise stores, we used the franchise disclosure documents which provide location data of all franchise stores in the system. The franchise disclosure document provided the ownership details of each franchisee store that allowed us to map out the multiunit franchisees in the network. To attain each store's customer satisfaction, we used the Google ratings of each store. Customers can rate any store out of five stars using their Google profile. As Google updates its ratings regularly, we could only scrape ratings for each store for the last three years from the year 2016 to the year 2018. We acquired more than 6 million reviews. We aggregated those reviews by each store and year. We used an instrumental variable approach to test our hypotheses.

Summary of Findings

Our results show that the size of a multiunit franchise and proximity of stores in a multiunit franchise negatively affect franchisee store's customer performance, while greater multimarket contact improves the franchisee store's customer performance. Our study offers managers evidence that ownership of franchise stores should be strategically chosen to promote healthy competition and cooperation among stores to enhance the franchise store's customer performance.

Key Contributions

There are three major contributions of this research to the franchising literature. First, we demonstrate the main effects of a multiunit franchise's size and proximity among its stores on a franchise store's performance. In doing so, we show that not all multiunit franchises are similar, and a franchise store's performance is a function of the characteristics of its multiunit franchise. Second, we use a franchise store's customer satisfaction as the metric to measure performance. Franchising literature has several studies studying financial and growth as metrics for performance. However, this study adds to the franchising literature by studying a franchise store's customer performance. Third, we also show the main effect of multimarket contact on franchise store's customer performance. In doing so, we show that the interactions among multiunit franchises in multiple markets have implications for its store's customer performance.

References are available on request.

Pop-Up Stores: Ephemerality and Its Impact on Consumers' Intention to Visit

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Keywords: *pop-up stores, ephemerality, scarcity, intention to visit, need for uniqueness*

Description: *This research examines the relationship between pop-up stores' ephemerality and consumers' intention to visit by considering the mediating role of anticipated product scarcity and the moderating role of NFU.*

EXTENDED ABSTRACT

Research Question

Snapchat, Uber, and Airbnb are responses to changing consumption habits: consumers increasingly prefer ephemerality and immediacy to stability and security. Retail has answered this trend with pop-up stores—an ephemeral, experiential store format. As pop-ups are highly original and unique, it is no surprise that research has determined their target group to be consumers with a high need for uniqueness (NFU) (Robertson et al. 2018). Still, the question remains as to which pop-up characteristics lead consumers to perceive the store as attractive. Research on pop-ups has already identified their experience as having an impact on consumer behavior (Klein et al. 2016). However, these results could apply to all experiential stores, not just pop-ups. We hypothesize that pop-ups' main distinguishing feature—their ephemerality—may contribute to consumers' intention to visit. Specifically, we seek to answer the following research questions:

RQ1: Are pop-ups able to attract visitors due to their ephemerality?

RQ2: Are pop-ups associated with product scarcity on account of their ephemerality, and is this the reason for consumers' visits?

RQ3: What role does NFU play in the relationship between anticipated product scarcity and consumers' intention to visit?

Method and Data

Our study set out to examine the relationship between store ephemerality and consumers' intention to visit by considering the mediating role of anticipated product scarcity and the moderating role of NFU. We recruited 180 participants through social networks and flyers and employed a one-factor, two-level (flagship vs. pop-up store) between-subjects design. Participants were asked to imagine coming across a video of a sportswear brand presenting one of its stores. Respondents were randomly assigned to one of two store type conditions: In the flagship store condition, viewers were shown a variety of products on shelves as well as informational and interactive attractions within the store. For the pop-up store condition, the video included a shop window announcing that the store would only be around for one month. We distinguished between the stores' ephemerality, coding the pop-up as 1 and the permanent flagship as 0. To analyze our model, we performed a mediation analysis (using PROCESS model 4 with 10,000 bootstrap samples; Hayes 2018) and a moderated mediation (using PROCESS model 14 with 10,000 bootstrap samples; Hayes 2018).

Summary of Findings

Our work suggests that pop-ups' main distinguishing feature from other experiential stores—their ephemerality—contributes to consumers' intention to visit. Our results indicate that ephemerality positively affects consumers' intention to visit via anticipated product scarcity, but only if consumers manifest high NFU. Contrary to our expectations, we found no direct effect of store ephemerality on intention to visit.

Key Contributions

Our contribution is threefold. *First*, we contribute to current literature that finds ephemeral consumption as opposed to long-term orientation to be a novel concept of

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consumer behavior (Bardhi and Eckhardt 2017). We demonstrate that ephemerality has a strong influence on consumers' intention to visit. This is an important contribution to the existing literature on pop-ups (e.g., Klein et al. 2016; Robertson et al. 2018), which has largely neglected to consider their distinguishing feature. *Second*, despite pop-ups' having a nonsales focus (Klein et al. 2016), we find that consumers expect an even scarcer product range in pop-ups than in flagships. Furthermore, our results indicate that an exclusive, limited product assortment is an important driver for consumers' intention to visit, especially for those with a high NFU. *Third*, our findings pro-

vide important implications for brands regarding the development of communication strategies for pop-ups. Our study indicates that store ephemerality alone is not enough to make the store attractive. Instead, the results highlight product assortment as an important driver for visit intention, even though pop-ups are not launched primarily to sell merchandise. Therefore, to meet consumers' expectations, pop-ups should offer exclusive products, emphasizing the scarcity of the product assortment in particular for those with a high NFU.

References are available on request.

Manufacturers' Service Growth Through Mergers and Acquisitions: An Event Study

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Keywords: *B2B service acquisitions, servitization, manufacturing firms, abnormal stock returns, event study*

Description: *This research investigates the effects of service acquisitions on a manufacturer's firm value.*

EXTENDED ABSTRACT

Research Question

Driven by competitive pressure, manufacturers add more and more services next to their core physical products. This trend has been deemed as servitization in extant literature. While manufacturers often have the necessary resources for services, they lack the service-specific capabilities. One option for manufacturers to gain those service-specific capabilities is through mergers and acquisitions (M&A). Neither the extant servitization research nor the M&A research investigate the question whether and under which conditions such a service acquisition is beneficial for the manufacturer's firm value. However, given mixed financial outcomes of servitization and the frequent use of acquisitions in the servitization process, it is worthwhile to investigate this question.

Method and Data

We use event study methodology to investigate the effect of a manufacturers' service acquisition on its firm value. The event study methodology is frequently used in the marketing and finance field to analyze value creation through M&A activities. The collected data captures M&A announcements between 2009 to 2018 with a publicly traded U.S. manufacturer as the acquirer and a U.S. service firm as the target company. The final sample consists of 320 M&A events from a variety of manufacturing and service industries, such as machinery, electronics and software.

Summary of Findings

The results reveal that manufacturer's service acquisitions do not increase firm value per se. That means the average abnormal stock return due to the manufacturers' service acquisition is not significantly different from zero. Instead, the firm value effect depends on the underlying servitization learning strategy and several context factors. Our results indicate that the exploitation strategy (i.e., refining existing service capabilities) leads to higher abnormal returns compared to the exploration strategy (i.e., acquiring totally new service capabilities). Hence, manufacturers can expect higher firm value changes when they follow an exploitation strategy. However, high financial slack and a preacquisition relationship to the target increase the firm value effect of an exploration strategy making it also a viable option.

Key Contributions

Our research has theoretical as well as managerial contributions. First, despite its prevalence there has been no prior research that investigates the effectiveness of service acquisition in the manufacturer's servitization process. Our results indicate that service acquisitions do not improve firm value per se, but depend on the underlying learning strategy.

Second, we show that two context factors, financial slack and preacquisition relationship, have a significant effect on the relationship between learning strategy and firm value. This underlines that the manufacturer's acquisition resources play a significant role in determining the firm value impact of service acquisitions.

Finally, our results build a bridge between the servitization research and the M&A research. Both research communities

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have strong interconnections but conduct research mostly independent from each other. Our study synthesizes insights from both research streams narrowing the gap between both communities.

From a managerial perspective, the study's insights help managers to decide on the right strategy and the appropriate target when it comes to service acquisitions. Moreover, the study shows which learning strategy fits best to a company's given resources.

References are available on request.

Do Fruits and Vegetables Have to Be Fully Replenished Throughout the Whole Day? Nudges Against a Source of Food Waste in the Retail Industry

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Keywords: *food waste, display, shopper marketing*

EXTENDED ABSTRACT

Food waste is regarded worldwide as an urgent issue, the importance of which will continue to increase in the coming years (Dreyer, Dukovska-Popovska, Yu, and Hedenstierna, 2019). In addition to households themselves the retail industry is one of the central sources of food waste: Bakery products and fresh produce account for the largest share of this total: In a recent study by Skeaff, Goodman-Smith, and Mirosa (2019), fresh vegetables accounted for 27% of discarded product. One of the reasons for the food waste that arises here is the constant storage and replenishment of fresh fruits and vegetables throughout the day: In this way, large quantities of fresh produce have to be stored, which often spoil before they can be sold (Magalhães, Ferreira, and Silva, 2019). One starting point for retailers has hardly been considered in research so far: Is it possible to avoid the constant stocking and replenishment of fresh fruits and vegetables throughout the day, thereby reducing stock levels and the risk of spoiled goods? Although this approach is discussed in the context of avoiding food waste, it is associated with a higher probability of out-of-stock situations (OOS) in the fresh produce department. Previous studies have shown that OOS reduces the buying intention in the department (and throughout the store), negatively affects attitudes and worsens the emotions experienced during shopping (Aastrup and Kotzab, 2010; Rani and Velayudhan, 2008). The goal of our studies was to observe how consumers react to empty (or almost empty) shelves in the fresh produce department and how the negative effects of OOS situations on buying behaviour can be reduced (or completely negated) by nudges.

One way of influencing behavior directly at the point of sale are nudges (Donnelly, Zatz, Svirsky, and John, 2018). We decided on three informative nudges, which should alter the interpretation of the almost empty shelf: Instead of the negative contamination effects and disgust triggered by the limited product availability of the nearly empty shelves (Castro, Morales, and Nowlis, 2013), the same perception should be interpreted as (a) exclusive or (b) handcrafted by the farmer and therefore limited. In this way the negative contamination effects should be reduced and instead a positive perception and behavioural tendency should result. As the third Nudge c), we reminded concretely of the reduction of food waste. Both Re-Framing (Nudge a and b) and Reminders (c) are typical examples of important nudges (Sunstein, 2014). Our assumption was that by reframing and reminder the situation of limited product availability would not be interpreted negatively (no disgust triggered) and instead the same situation would be reinterpreted positively. In this way, almost empty shelves should also trigger a positive impulse to buy.

We tested our assumptions in two field experiments. First of all, our results show that almost empty shelves in the fruit

and vegetable department actually reduce the buying intention. Apparently customers avoid taking the last products off a shelf—at least if they are perishable. Castro et al. (2013) have identified as a reason for purchase reluctance in perishable goods the threat of contagion and the feeling of disgust. Our results support this assumption: In fact, a higher level of purchase avoidance goes hand in hand with more experienced disgust. At least two of the three nudges, namely the "handcrafted" and the "reminder," reduced the perceived disgust in both studies and increased the buying intention. Only the exclusive presentation could not achieve a consistently positive effect here. It is possible that the intended exclusive impression did not work to the experienced disgust of the almost empty shelves.

Can these results help to avoid food waste? We believe they might be a first step. Because our results show that nudges can contribute to triggering a higher purchase intention (comparable to full shelves) even in case of disgust related shelf presentations. In this way, an appropriate design of the sales display could help prevent fruit and vegetables from having to be completely replenished into the evening hours (thus reducing the storage of fruit and vegetables). However, it remains unclear whether the nudges can also reduce another negative effect of almost empty shelves: These have a negative effect on the attitude towards the shop and could therefore hamper the entire shopping trip. We cannot make any observations about this in this study—this question shall be clarified in future studies.

References are available on request.

Will Private Labels Prevail? An Exploration of Private Label Demand in Online vs. Offline Grocery Stores

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Keywords: *grocery retailing, private labels, multichannel shopping, brand choice*

Description: *The current study investigates the relative demand for private labels in multichannel grocery retailing.*

EXTENDED ABSTRACT

Research Question
The current study sets out to investigate the demand for private labels in online and offline grocery shopping. Specifically, we aim to examine (i) if retailers have more opportunities to sell their private labels through online channel rather than offline and (ii) what are the major factors that influence a choice to purchase a private label.

Method and Data
The study is based on the sales data from a European grocery retailer, which in October 2015 launched an online channel in addition to the existing offline channel.

We develop several logit brand choice models to obtain the probability of the purchase of a private label brand accounting for shopping channel, supply-side, and demand-side factors.

Summary of Findings
Our empirical findings indicate a higher demand for private labels online, which is in line with existing literature. However, we observe that this effect depends not on the channel but the differences in assortment structure online and offline. In contrast to previous studies that demonstrate differences in shopping behavior online and offline, we show that in the case of PLs, those differences are not attributed to a channel effect but are the result of larger category shares held by private labels online. We find that private label's category share is the main determinant of choice to purchase private labels in both channels, outperforming other supply-side and demand-side factors.

Key Contributions
Our study makes substantive contributions to the stream of private label literature by providing insights into PLs demand in a current multichannel retail setting and online grocery retailing specifically. Out research deepens the understanding of multichannel grocery retailing by showing that the online channel does not seem to have any distinctive features that increase the demand for private labels. By demonstrating that retailers' assortment decisions are crucial when it comes to private labels demand, we contributed to the stream of literature that discusses retailer assortment effects. We also contributed to the literature that explains PL success by extending the knowledge on how supply-side factors drive PL demand. Our results also provide significant managerial insights into current private labels reality in the multichannel retailing. The evidence of the main effect of private label's category share on the decision to purchase emphasizes the importance of assortment retail decisions and provides a new perspective on the role of supply-side factors in the success of private labels.

References are available on request.

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An Examination of the Retail Omnichannel Customer Journey: Understanding Customer Interaction and Its Influences on Experience

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Keywords: *omnichannel, customer interaction, customer experience*

Description: *A study about how customer interactions with omnichannel retailers play role in shaping the overall omnichannel customer experience.*

EXTENDED ABSTRACT

Research Question

This research aims to understand an omnichannel retail strategy through the lens of customer interaction. Positioning customer interaction as a multidimensional concept called customer interaction complexity, this study analyses two distinct dimensions: customer interaction breadth (the number of channels and/or touchpoints that customers rely upon in their shopping activities) and customer interaction depth (the number of activities customer conduct when interacting with a retailer). By doing so, this research intends to explore the role of customer interaction breadth and depth in creating customer experience in an omnichannel retail context. Past literature imply that both high level and low level of customer interaction breadth and depth could contribute to a superior customer experience. Hence, it raises a question whether the relationship between customer interaction and customer experience is nonlinear. This paper provides empirical evidence to answer the aforementioned question and explains which level of interaction that shapes the best customer experience.

Method and Data

The first data collection was gathered through a customer's survey using Amazon M-Turk, which consisted of customers in the United States who have a prior experience in interacting with an omnichannel retailer. A total of 485 usable responses were collected and analysed using regression analysis to test the relationship between dimensions of customer interaction complexity and customer experience. A measurement model was assessed by conducting a confirmatory factor analysis. Preliminary analysis of reliability were performed by measuring the construct reliability and Cronbach α values. Followed by the analyses of convergent validity, assessed by the average variance extracted, and discriminant validity. Both linear model and nonlinear (quadratic) models were tested to test the hypotheses. Then, it was accompanied with several follow-up analyses such as testing the alternative specifications for nonlinear model (cubic and exponential specification) and testing the significance of the slopes using STATA.

The second study was an experimental study focused only on the relationship between customer interaction depth and customer experience. The study employed a 2 (Offline-only versus Online-only retailer) $\times$ 3 (Low versus Moderate versus High CID) between-subjects design. As this was a pretest, only 92 subjects participated. The hypothesis was tested using two-way ANOVA.

Summary of Findings

Preliminary analysis shows that after controlling demographic variables of age, income, gender, as well as some

customer characteristics such as length of relationship, purchase frequency, and spending per trip, all dimensions of omnichannel customer interaction have a significant impact to customer experience. Upon a closer look, both customer interaction breadth and depth have a curvilinear relationship with customer experience.

These results, therefore, align with what was suggested by past papers, both low level and high level of customer interaction breadth and depth contributes to a higher level of customer experience. In contrast, the moderate level of customer interaction breadth and depth contributes to lower level of customer experience, suggesting a U-shaped relationships.

In particular for customer interaction depth, a similar result was not statistically supported by the experimental study. However, the lowest mean score of customer experience was contributed by the moderate level of customer interaction depth, which resembles the U-shaped relationship, as shown in survey's result.

Key Contributions

This study builds on and extends existing omnichannel literature in three ways. Firstly, this study is the first one to thoroughly theorize around and empirically examine the relationship between customer's interaction with retail omnichannels and overall customer experience. The present research provides empirical evidence of how customer interaction shapes customer experience. This premise leads to the second contribution of this paper, that is, to consider customer interaction as a multidimensional concept. This perspective offers a new insight not only about how customer interact with multiple channels and touchpoints (customer interaction breadth) but also how customer conducts activities within each channel or touchpoint (customer interaction depth). The latter was usually overlooked in the literature. Hence, this current research can answer whether customers who use a channel for search only or for complete activities, have differences in evaluating their experience. Thirdly, by analysing customer interaction breadth and depth, this study opens a new avenue to help omnichannel retailers understand how to more effectively manage their channels and touchpoints. Specifically, how to design the combination of channels and touchpoints, as well as features within the channel or touchpoint that could deliver the best customer experience.

References are available on request.

Misbehavior Contagion and Its Mitigation in Access-Based Services

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Keywords: *customer misbehavior, misbehavior contagion, interpersonal anonymity, descriptive norm, customer company identification*

Description: *The study investigates the differences in the customer's response to misbehavior contagion. Using mixed method, we demonstrate that injunctive norm in the form of responsible use of accessed product reduces the impact of descriptive norms in the form of misbehavior.*

EXTENDED ABSTRACT

Research Question

Customer misbehavior is quite common in services. It is even more prevalent in access-based services (ABS) due to some specific characteristics of ABS, such as access and consumption of the service in the absence of any physical intervention on the part of the service provider. Research in misbehavior domain suggests that the perceived norm of misbehavior leads to the contagion of such misbehavior. However, this is not always the case. This research is an attempt to answer this question of differences in the customer's response to misbehavior contagion. Specifically, this study aims to address the following question: Why do some customers are affected by the misbehavior contagion, whereas others are not?

Method and Data

The study is divided into two phases. The first phase is a qualitative study to gain insights into the misbehavior phenomenon in the context of ABS. Phase 2 is a quantitative study based on scenario-based quasiexperimental design to test the hypothesized conceptual model.

Summary of Findings

Our research demonstrates that injunctive norm in the form of responsible use of accessed product reduces the impact of descriptive norms in the form of misbehavior. We found that a customer identifying strongly with the company refrains from indulging in any activity inciting loss or harm to the company resulting in a weaker effect of contagion among the customers high on CCI as compared to customers low on CCI. We found that reduced interpersonal anonymity attenuates the effect of previous misbehavior on further contagion of such misbehavior.

Key Contributions

Previous research on misbehavior in ABS considered social norm as a mediating mechanism for the effect of previous misbehavior on misbehavior contagion. We contribute to the literature by providing the boundary condition to this mechanism, i.e., this indirect effect is contingent upon the injunctive norms. Second, we also extend the prior research on misbehavior by explaining the effect of customer-company identification on misbehavior contagion. Third, prior research only looked into one aspect of anonymity, i.e., service provider's anonymity, whereas the interpersonal anonymity, i.e., anonymity between customer to customer has been overlooked.

References are available on request.

The Impact of Managerial Response on Customer Recovery Evaluation in Online Service Setting

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Introduction

Service failures are inevitable (Roschk and Kaiser, 2013) and numerous studies have demonstrated service recovery is effective in offsetting the negative effect of service failures and restoring customer satisfaction (Lastner, Folse, Mangus, and Fennell, 2016; Hogreve, Bilstein, and Mandl, 2017). Few service encounters are isolated. Service failures tend to occur in the presence of other customers—third party customers (Choi and Kim, 2013). Several studies have demonstrated that customers are inclined to be affected by the other customers' recovery experience in offline service encounters, such as restaurants and retail (Kim and Lee, 2012; Van Vaerenbergh, Vermeir, and Lariviere, 2013). However, largely number of research is focused on the focal customer and service provider perspective (Jung and Seock, 2017), ignoring any influence from other customers. In the context of offline service, the service recovery experience of third-party customers can be observed intuitively. What is largely unexplored is just how other-customers' recovery experiences influence the focal customer's recovery attitude in online recovery evaluation.

Without face-to-face interactions and communications, online customer reviews play an important role in the online service encounters. With over 90% of online customers using, and being influenced by, online reviews, this other-customer activity is vital in setting expectations and thus playing a central role in satisfaction and recovery (Sparks, So, and Bradley, 2016; A.K. Fox, Deitz, Royne, and J. D. Fox, 2018). Aware of this, service providers implement several strategies to address reviews. Studies show managerial response (MR) to online customer reviews has a significant influence on the effectiveness of other-customer reviews (Roozen and Raedt, 2018) as well as subsequent reviewer ratings (Wang and Chaudhry, 2018). In order to judge

whether they have been fairly treated, it is very likely for the focal customer to compare others' recovery experience with their own received recovery. Therefore, this research argues that as the main way for customers to obtain third-party recovery information online, MR may have significant effect on the focal customer's recovery evaluation.

The objectives of this research are two-fold: (1) to understand the impact of MR on customer recovery evaluation in online service setting; and (2) to gain insights into whether the impact of MR on customer recovery evaluation varies across customers of different characteristics, namely field-dependent cognitive style and field-independent cognitive style.

Figure 1 presents the conceptual framework of this research. Perceived justice plays a mediation role in the relationship between service recovery and recovery satisfaction. However, the influence of these determinates may vary, depending on MR. Also, not all customers will be sensitive to the influence of MR, depending on customers' different cognitive style.

Literature and Hypotheses

Service Recovery, Perceived Justice and Satisfaction

Service failure will lead to customer dissatisfaction. Service recovery, when done right, even offers the opportunity to eliminate negative effects and restore customer satisfaction (Stauss and Schoeler, 2004; Shin et al., 2018). Prior literature generally classifies service recovery strategy into two types: economic recovery and social recovery (Du, Fan, and Feng, 2010; Y. Zhou, Huang, Tsang, and N. Zhou, 2013). Economic recovery focuses on providing compensation to satisfy customers. Social recovery, in contrast, does not include monetary amounts but focuses on psychological

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Figure 1. Proposed Framework Linking Service Recovery, Perceived Justice, Recovery Statisfaction, Managerial Response, and Cognitive Style
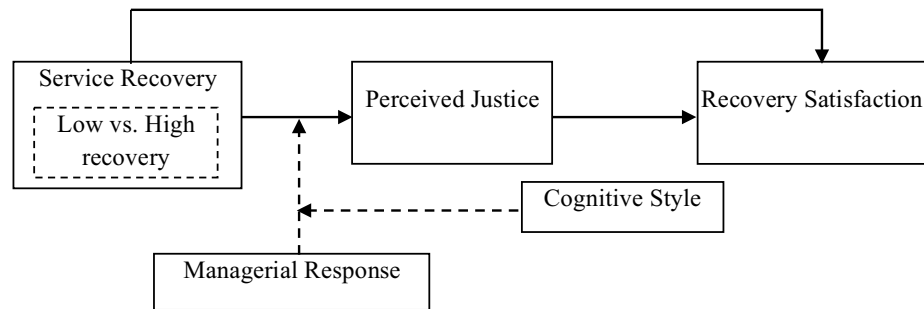
approaches such as offering an apology. Both compensation and apology have been demonstrated to have a significant influence on customers' recovery satisfaction (Boshoff, 1997; Chang and Chen, 2013).

Perceived justice is an important factor for customers when evaluating the recovery performance (Sabharwal, Soch and Kaur, 2010), which has three dimensions: distributive justice, procedural justice, and interactional justice (Chebat and Slusarczyk, 2005). In the service recovery context, customers need to obtain the same remedial value from their loss in order to achieve a balanced state (Smith, Bolton, and Wagner, 1999). Thus, any economic recovery is related to distributive justice (Ha and Jang, 2009) and any social recovery is related to procedural and interactional justice (Siu, Zhang, and Yau, 2013). Customers always expect an apology after a service failure, as numerous research studies show an apology is essential to service failure recovery (Johnston and Fern, 1999). Therefore, we define an apology recovery effort as a low-level—implementing the most basic and required step towards successful recovery. An apology plus a compensation recovery attempt we define as a high-level recovery. This research proposes that:

H_1: High-level recovery will lead to high customer perceived justice and satisfaction.

The Other Customer Perspective and Service Recovery

Previous literature on service failure and recovery focuses on the perspective of the focal customer and/or the service provider (Bitner, Boom, and Mohr, 1994). Service failures and recoveries often occur in the presence of third-party customers. There is currently a gap in our understanding of how a focal customer reacts to a recovery strategy after observing, or having knowledge of, other-customer's recovery

treatments. We assume individuals receive equal treatment under similar circumstances (Leventhal, 1980). If a customer observes other customers' fair treatment, a positive outcome is more possible. In contrast, if other customers are seen as receiving unfair treatment, a negative evaluation is more possible (Clark, Adjei, and Yancey, 2009; Bowden, Gabbott, and Naumann, 2015). Literature addressing other-customer service encounters is still relatively rare, with the field dominated by the focal customer's perspective (Y. Zhou, Huang, Tsang, and N. Zhou, 2013).

In physical service settings, the focal customer can observe service failures and recovery efforts as they occur. In online evaluation encounter, a different vicarious experience takes place through posted reviews. Online reviews create an opportunity for other-customer experiences to be observed (by the focal customer) not just by chance. Such experiences are extended temporally and even organized for convenient discovery. It is an effective way to acquire the other customers' recovery information through online customer reviews and MR. Prior research has demonstrated the importance of MR, showing MR can positively influence subsequent reviews (Xie, Kwok, and Wang, 2017). Researchers divide MR communication into the individual and general levels of communications, with the individual emphasis found to be more effective (Tam and Ho, 2005; Zhang and Vásquez, 2014). Min, Lim, and Magnini (2015) further resolve MR into two parts—empathy statement and verbal cues explanation. In the current research, we analyze more than 10,000 MRs on a professional tourism website, finding: (1) different hotels respond to online reviews differently, but the same hotel responds consistently across their customers; (2) most hotels only use verbal statements denying responsibility while offering explanations, or admitting responsibility and offering a respectful apology; 3) less than 20% of

hotel management responses include specific measures to make up for mistakes. The MR data is thus divided into three categories: explanation statement (express regret and explain excuse), empathy statement (express apology and show respect) and integrated statement (provide both apology and compensation).

Prior literature shows other-customers' unfair experiences will negatively affect focal customers' fairness evaluation (Spencer and Rupp, 2009). This is because a customer compares his/her own treatment with the other-customer(s), impacting feelings of fairness (Skarlicki, Ellard, and Kelln, 1998). Although a customer can feel other-customers' experiences are unfair, individuals are mainly concerned about justice for others in as far as it influences their own outcomes (Lind and Tyler, 1988). When observing recovery attempts in MR, we propose that when the focal customer observes an explanation treatment, the focal customer will experience feelings of unfair treatment towards the other-customer, leading to a negative evaluation of fairness, resulting in both low and high recovery attempts generating lower perceived justice. In contrast, when the focal customer observes dissatisfied customers responded to with an empathy statement or an integrated statement, a higher level of fairness is generated, leading to a higher perceived justice compared to the low recovery response experience. This research, thus, proposes:

H$_2$: MR moderates the relationship between service recovery strategy and perceived justice for the focal customer.

The Moderating Role of Cognitive Style

Cognitive styles are correlated with attitudes and preferences, affecting the way an individual processes information and expresses him/herself (Mefoh and Ezeh, 2016). Cognitive styles represent existing attitudes or behaviors that individuals prefer to when processing information. Two types of cognitive style used in this study are field-independent (FI) and field-dependent (FD). These cognitive styles highlight individual differences that affect the processing of decision making and represent opposite information processing styles. Customers employing an FD style rely on the 'field' of the outside world for clues to making decisions, whereas FI customers decisions based on personal perceptions, not on outside clues (Riding and Cheema, 1991).

Not all customers will be affected by any other-customer recovery experience. Although online customer reviews and MR are important for most customers, the intensity of the effect may differ across different cognitive styles. Information related to others carries more priority for FD individuals. They believe that their self-definition is determined by situation, roles, and obligations, i.e., contextualization. Cus-

tomers relying on an FD style will be more affected by others' experiences. Individuals employing and FI style are more sensitive to information related to themselves. They believe that the existence of individuals is independent, emphasizing self-definition is determined by characteristics, abilities, and achievements emanating from the self. Customers using FI are more independent from external information and are less likely to be affected by actions and experiences of others. These customers tend to evaluate recovery attempt performance according to what they receive in the recovery attempt. Therefore, this research puts forward hypothesis 3:

H$_3$: Cognitive style moderates the effect of managerial response within the focal customer.

H$_{3a}$: Field-independent cognitive style weakens the effect of managerial response on the relationship between recovery strategy and perceived justice.

H$_{3b}$: Field-dependent cognitive style strengthens the effect of managerial response on the relationship between recovery strategy and perceived justice.

Method

Design and Procedure and Participants

By using the Web Crawler System, the researchers download and evaluated more than ten thousand MRs from Ctrip.com, which aims to have a deeper understanding of MR in online hotel booking market. More and more customers tend to search for information and book hotels through online platforms (Sparks et al., 2016). The Ctrip platform is China's most popular online network for travel customers. Customers exhibit high involvement with hotel booking activities as living in a hotel is considered luxury compared to living at home (Roozen and Raedts, 2018).

This study adopts a 2 (low vs high recovery) * 3 (MR: explanation statement, empathy statement vs integrated statement) design. Participants are randomly assigned to one of the experimental scenarios and completed the following questionnaires independently. Each participant was given a questionnaire and completed the information under the guidance of instructed words. They were asked to imagine that they would book a hotel for their National day holiday on the Internet service platform, and after they arrive at the hotel during the holiday, they encountered service failures. A service failure scenario was placed in the first place and then each participant will read either a high or low recovery strategy. At the end of the trip, the participants were asked to evaluate the hotel on the Internet platform. Five online reviews with managerial responses were presented before evaluation procedure. After reading the managerial responses, participants rated their perceived justice, satisfac-

tion, and then provided demographic information. At the end of the experiment, each participant's cognitive style was measured.

Three hundred participants were recruited from a local research company. Thirty-one respondents are excluded from the data analysis for incomplete or corrupt data, leaving 269 valid response sets (128 males, 46.5% participants are between 21-30 years old, 37.5% participants are between 31-40 years old).

Measures

Perceived justice scale is adopted from Smith et al., (1999) and Choi and Choi (2014). A three-item scale adopted from Siu et al. (2013) is used to measure recovery satisfaction. We use the Group Embedded Figures Test (GEFT) to identify customers' cognitive styles. The GEFT is divided into three sections. There are nine practice questions in Section I that are not scored. Sections II and III each include 10 questions, with a correct answer coded as 1 and incorrect as 0. The minimum total score is 0 and maximum is 20. The test needs to be completed within 20 minutes.

Data Analysis and Results

Test for H_1 and H_2

We used Hayes (2013)'s Process method to analyze data and model 11 was chosen.

Results shows that recovery strategy has a significantly positive effect on perceived justice (Effect = 1.26, t = 16.50, p < .001). The effect of perceived justice on recovery satisfaction is also significant (Effect = .38, t = 5.16, p < .001). Even though the direct effect of recovery strategy on recovery satisfaction is insignificant (Effect = .04, t = .31, p > .1), the indirect effect of recovery strategy on recovery satisfaction through perceived justice is significant, which examines the mediation role of perceived justice. The positive effect of MR on justice is significant (Effect = .37, t = 7.93, p < .001). Moreover, the interaction effect of recovery strategy and MR on perceived justice is significant (Effect = −.39, t = -4.13, p < .001).

Spotlight analyses were conducted to deeply analyzed the interaction effect. Results show that when MR belongs to an explanation statement, there is a significant effect of recovery strategy on perceived justice (Effect = 1.57, t = 13.18, p < .001), which indicates that high recovery increases perceived justice. Such result, although inconsistent with the prediction, is interesting and indicating that after observing other-customer's unfair treatment, the focal customer will focus on their own interest and compare their own recovery strategy with others. When MR belongs to an empathy state-

ment, the effect of recovery strategy on perceived justice is significantly positive (Effect = 1.28, t =15.18, p < .001). When MR belongs to an integrated statement given to other-customer, the effect of recovery strategy on perceived justice is significantly positive (Effect = .99, t = 8.27, p < .001). From the analysis, it can be clearly seen that an explanatory MR will reduce the focal customer's perceived justice on low level recovery, and an integrated MR will significantly increase the focal customer's perceived justice on low level recovery. However, this effect does not work on the high-level recovery, when the focal customer is offered a high recovery, no matter what the style of MR is, a higher level of perceived justice will be generated.

Test for H_3

Participants were categorized as FI and FD based on the scores measured by GEFT. In this study, the score ranged from 4 to 18. The mean score and the standard deviation were found as 9.93 and 3.52 respectively. Based on formulation, 131 participants were categorized as FD and 138 participants were categorized as FI.

Results show that cognitive style will positively influence customer's perceived justice (Effect = .42, t = 5.53, p < .001). The interaction effect of recovery strategy and cognitive style on perceived justice is significant (Effect = −.73, t = −4.79, p < .001). Even though the interaction effect of MR and cognitive style on perceived justice is insignificant (Effect = .10, t = 1.02, p > .1), the interaction effect of recovery strategy, MR and cognitive style on perceived justice is significant (Effect = −.60, t = −3.21, p < .01), showing that cognitive style moderates the effect of managerial response on the relationship between recovery strategy and perceived justice.

In order to deeply understand the interaction effect, we conducted a spotlight analyze. Results show that for FD focal customers, the conditional effect of recovery strategy * MR interaction is significant (Effect = −.69, t = −5.16, p < .001), indicating that FD focal customers are more likely influenced by MR. For FI focal customers, the conditional effect of recovery strategy * MR interaction is insignificant (Effect = −.09, t = −.72, p > .1), indicating that FI focal customers are more independent and less likely influenced by MR, thus the effect of MR on FI focal customers is dampened.

Discussion and Conclusion

This research extended our understanding of the effect of other-customers' recovery treatments from the offline service setting to the online service setting. Prior literature shows that observing others' unfair treatment will result in increased negative evaluations (Colquitt, 2004), yet, much of the research has been conducted in the offline context,

such as in restaurants or retail setting. In the current research, we examine the effect of other-customer service failure experiences in an online setting.

This research finds the moderating role of MR on the focal customer's recovery evaluations, which gives some contributions to online reviews literature. Online customer negative reviews represent complaints about their service experience and the review details indicate the service failure process. In this study, we treated MR as the service provider's recovery strategy. Other than divided MR into personalized and generic responses (Roozen and Raedts, 2018), we divided MR into three types (explanation statement, empathy statement, and integrated statement) based on analysis of more than 10,000 actual managerial response. Moreover, this study examines the boundary effectiveness of recovery strategy (low vs. high recovery). Results indicate that observing others' service recovery experiences (observing MR) moderates the relationship between recovery strategy and perceived justice.

These results are also useful for service providers when managing service encounters with focal customers who have access to other-customer service failures and management's recovery attempts. Service failures often take place in the presence of other customers, both in offline and online service settings. Service providers should acknowledge that not only failure and recovery attributes affect recovery evaluations, but that other-customer recovery experiences also have implications on the focal customer. In the offline service setting, it is easy to understand how a focal customer can witness other-customers' service experiences directly. Online service settings differ, when evaluating online, customers acquired the third-party service experience indirectly through MR. Always supplying compensation (high-level recovery), along with apology, for customer dissatisfaction is not an economically realistic approach. Our findings suggest that MR will improve the situations of low-level recovery. MR in an integrated statement will increase customer's perceived justice. Thus, it is very essential for online service providers to balance the recovery treatment to the focal customer and all other customers.

There are several limitations of this research. For example, this research used a scenario-based experimental design, to represent the online service setting, rather than an actual consumption experience. Although using scenarios in experiments can help to control relevant variables (Guo, Lotz, Tang, and Gruen, 2016), future research can consider the actual service experiences in a field study to replicate and extend the findings of this research. Also, more research is needed to explore more other situational variables, such as

service failure severity, customer attribution, and other personality variables.

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When Apology Is Not the Best Policy: The Negative Impact of Apologies on Consumer Judgment and Behavior

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Keywords: *service recovery, apologies, consumer behavior, field study, memory*

Description: *The current work provides an important conceptual boundary to the literature on effective service recoveries by demonstrating that apologies harm consumer views of a firm and repurchase behaviors when issued for a service failure that the consumer never noticed in the first place.*

EXTENDED ABSTRACT

Research Question

Proactive service recovery in the form of firm-issued apologies may negatively impact consumers' views of the firm if they never initially diagnosed an experience as a failure. In this paper we address three research questions: Can apologies for service failures lead to less favorable views of the firm and repurchase behaviors? What is the role of ambiguity in these negative effects of apologies? Does encoding the experience as a failure mediate the negative relationship between apologies and negative attitudes towards the firm?

Method and Data

Study 1 tested whether apologies may backfire when issued for ambiguous failures using undergraduate participants who were delayed 10 minutes and either did or did not receive an apology from the research assistant. Study 2 examined in a vignette-based study whether the impact of apologies on consumer evaluations is moderated by the ambiguity of the service failure. In study 3, we tested our hypothesis that encoding an experience as a failure mediates the negative apology-satisfaction relationship. We conducted study 4 seeking to extent the above findings to actual consumer repurchase behaviors. Frontline employees either gave proactive apologies for an anticipated ambiguous failure or did not and we tracked those consumers' repurchase behaviors.

Summary of Findings

Students in Study 1 who received an apology for the delayed start evaluated the research experience and research assistant more unfavorably that those who did not receive an apology. Study 2 found that the relative ambiguity of the failure moderated the efficacy of the apology while in Study 3 we found support that people's encoding of an experience as a failure mediated the negative effect of apologies on satisfaction. Study 4 found that apologies for our ambiguously late orders decreased frequency of repurchases and total spend compared to similar consumers who did not receive an apology.

Key Contributions

Our results highlight the need for managers to think carefully about when to implement a proactive service recovery initiative. Although apology may be an effective way to restore consumers' sense of justice when consumers have already encoded an experience as a failure, if consumers have not already encoded an experience as a failure, apology may tarnish consumers' impressions of the firm and decrease loyalty. In such instances, firms' efforts may be better directed toward ensuring that consumers' next experience is an unambiguously positive one.

References are available on request.

Brand Tier as Boundary Condition for Customer Perception of Service Failures

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Keywords: *service tiers, service failure, prospect theory*

Description: *The paper investigates the role of brand tier in the consumer perception of service failures.*

EXTENDED ABSTRACT

Research Question
A significant amount of extant service research focuses on customer perceptions of service failures, specifically, comparing concentrated versus dispersed service failures. Another research stream in marketing examines how customers differ in their responses toward brands in different tiers (high-tier brands versus low-tier brands). However, the differential customer perceptions of concentrated versus dispersed service failures across services in different tiers (high-tier versus low-tier) have not been examined in the literature. To address the gap, this research develops a theory-based conceptual framework to compare customer response to failures for services in different tiers.

Summary of Findings
In a market with multiple brands and different reference levels, we have shown that the comparison of concentrated and dispersed failure is contingent upon the brand tier. While the conclusions are the same for both tiers for extremely high (concentrated failures are more harmful for both tiers) or extremely low reference levels (concentrated failures are less harmful for both tiers), for moderate reference levels (the most reasonable scenario in the marketplace), the two tiers are perceived differently—concentrated failures are more harmful than dispersed failures for high-tier service; the reverse is true for low-tier service. This nuanced interpretation is a major contribution of our conceptualization compared to prior work.

Key Contributions
This research develops a theory-based conceptual framework to compare customer response to concentrated versus dispersed service failures for services in different brand tiers (high-tier versus low-tier). A number of propositions are developed and their theoretical implications, managerial applications, and future research directions are highlighted.

References are available on request.

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Consumer Response to Dehumanization of Frontline Employees: The Role of Political Ideology

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Description: *This paper investigates the interactive effect of the dehumanization of frontline employees and customers' political ideology on their willingness to use service and the psychological mechanism operates this effect.*

EXTENDED ABSTRACT

Research Question

Dehumanization refers to a failure to perceive human-like capacities of other people, including a capacity to think, plan and have goals (i.e., agency), and a capacity to have emotions and feelings (i.e., experience) (Gray, Gray, and Wegner, 2007; Haslam, 2006). Dehumanization in its subtle forms is widespread in everyday social interactions including marketplace interactions. Recent studies in consumer psychology have started investigating the concept of dehumanization in the marketplace (Castelo, Schmitt, and Sarvary, 2019; Henkel, Boegershausen, Hoegg, Aquino, and Lemmink, 2018; Hill, Cunningham, and Gentlemen, 2016). In frontline services, managers usually desire a robot-like behavior of employees to have more efficient service delivery (Ritzer, 1983). Our research aims to answer the intriguing research question of *whether, when and why consumers like or dislike the dehumanization of frontline employees*. Adopting the mind perception approach to dehumanization (Gray et al. 2007; Waytz et al. 2010), we define the dehumanization of frontline employees as the phenomenon in which employees are instructed by their firm to behave during service interactions with a limited capacity to think, plan and have goals and a limited capacity to have emotions and feelings.

Method and Data

We conducted 2 experiments using the Amazon Mechanical Turk platform. Study 1 utilized the coffee shop context. We manipulated dehumanization (yes vs. no) between-subjects and measured political ideology. We measured willingness to visit the coffee shop, dehumanization of employees and political ideology. In study 2, we tested our hypotheses in a hotel context. We used the 2 (dehumanization of employees: yes vs. no) × 2 (firm types: global chain vs. independent firm) between-subjects design and measured political ideology. We measured willingness to stay, anticipated surface acting, capitalism stereotype confirmation (e.g., "This coffee shop is representative of any capitalist enterprise"), dehumanization of employees, and political ideology.

Summary of Findings

The findings of two experiments consistently show that among liberals, the dehumanization of employees results in lower willingness to use service, whereas there is no difference in willingness to use across two dehumanization conditions among conservatives. Furthermore, study 2 demonstrates two mechanisms underlying this effect such that dehumanization enhances anticipated surface acting and capitalism stereotype confirmation, both of which collectively result in lower willingness to use service among liberals. Study 2 also illustrates that dehumanization is particularly harmful to unrepresentative capitalist firms—that is, independent firms (vs. global firms).

Key Contributions

We extend service marketing literature in several ways. First, we shed light on the other crucial manifestation and

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consequence of dehumanization in frontline services, alongside the recent finding by Henkel et al. (2018). Second, we specify when and why the dehumanization of employees can affect consumer intention to use service. Our research also extends the emerging body of consumer political ideology literature by showing that the ideology also guides consumers during their decision-making process in the frontline service. Finally, we contribute to research on dehumanization by demonstrating its market-related consequences.

Our findings provide service managers with practical implications of how and why they need to tailor their management styles (dehumanization vs. nondehumanization) with target customers segmented based on political ideology and with their service firm types.

References are available on request.

The Role of Anthropomorphism in Consumer Experience: An Exploration of Human-Like Artificial Intelligence (AI) Services

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Keywords: *artificial intelligence services, chatbot, augmented reality, shopping experiences*

EXTENDED ABSTRACT

The current research attempts to fill research gaps by shedding lights on anthropomorphism and perceived customization to explain differing consumer shopping experiences driven by Artificial Intelligence (AI) services. Our research questions are: How would consumers differentiate conversation-based AI services (i.e., chatbot) and image-based AI services (i.e., AR) engaged in the consumption experiences? Will the type of AI services yield differing value perceptions of the services (i.e., functional, conditional, social, emotional, and epistemic) and different service perceptions such as customization? How do they further affect company-related outcomes such as attitude, patronage intention, and shopping experiences? What are the mediating and moderating mechanisms under consumers' AI service experience?

This study employed a pilot study (n = 126) and a main study (n = 189) using experimental designs. The stimuli for AI services were developed regarding chatbot and augmented reality (AR) services in a furniture shopping context. Samples were drawn from university students and U.S. consumers through Amazon M-Turk.

AI services improve consumers' patronage intention and shopping experiences greater than traditional website. Inter-estingly, AR services appear to be robust in yielding greater value perceptions (functional, conditional, social, emotional, and epistemic) than chatbot services. The five value perceptions have significant impact on consumers' attitude toward the service, which further enhance patronage intention of the service and the company, along with shopping experiences. More importantly, the results confirm that the positive impact of AI services on patronage intention and shopping experiences occur through perceived customization. Also, the degree of anthropomorphism is found to moderate the mediation of perceived customization underlying the impact of AI services.

This research delineates the theoretical understanding of new era of artificial intelligence (AI) services in consumer shopping environments. It confirms differing value perceptions by types of AI services (chatbot vs. augmented reality) and a mediating mechanism (i.e., perceived customization). Furthermore, the degree of anthropomorphism moderates the mediation of perceived customization. These insights are novel, which makes important theoretical and managerial contributions to the marketing and retailing literature.

References are available on request.

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Curated Retailing: How Data Sensitivity and Social Presence Influence Privacy Concerns

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Keywords: *curated retailing, social presence, privacy concerns, data sensitivity, trust*

Description: *This research examines how curated retailing might affect privacy concerns as an important issue in online retailing and provides evidence that data sensitivity increases and social presence decreases privacy concerns and considers perceived usefulness and competence as important moderator and mediator.*

EXTENDED ABSTRACT

Research Question

Curated retailing offers personal assistance in online retailing by preselecting products that fit to the individual needs of the customer. In exchange, consumers need to reveal their preferences. The level of sensitivity of requested data depends on the provider ranging in the fashion industry from clothing size to exact body dimensions (Sebald and Jacob 2018). But interdependencies between personalized online assistance and regulations of private data use evoke trade-off decisions for consumers (John et al. 2011). Previous research spotted sensitivity of personal data as relevant dimension of privacy concerns (Mothersbaugh et al. 2012). Further, personalized online services have been investigated only by considering low levels of personal interaction such as in recommendation systems (Guan et al. 2016) or chat bots (Turel, Connelly, and Fisk 2013).

Therefore, the purpose of this study is to give first insights about privacy concerns and the relevance of personal interaction between seller and buyer. Moreover, we examine differences within the relationship of data sensitivity, social presence and privacy concerns by considering perceived usefulness as moderator and perceived competence as mediator. This study is among the first empirical investigation that compares different specifications of social presence in curated retailing in order to evaluate benefits and limitations.

Method and Data

To examine whether social presence interacts with concerns about data sensitivity, respondents were asked to imagine a purchase situation in which they test curated retailing for clothes and were randomly assigned to a 2 (social presence: low vs. high) × 2 (data sensitivity: low vs. high) between-participants factorial design. In the condition with low social presence consumers had no personal contact with the online store. Whereas in the condition with high social presence, participants were told that a private fashion stylist was assigned to help them. Furthermore, we asked respondents to disclose low vs. highly sensitive data ranging from clothing size to problem zones of their body. A pretest confirmed a significant difference between low and highly sensitive data beforehand.

In order to test our proposed prediction that data sensitivity increases and social presence decreases privacy concerns, we applied a two-way ANOVA (N = 504, 65.7% female, M_{age} = 34.5). Further, a moderation analysis revealed the effect of perceived usefulness and a simple mediation analysis was carried out to assess the role of perceived competence.

Summary of Findings

The ANOVA confirms that high sensitivity of requested data increases privacy concerns whereas a high social presence

lowers privacy concerns. The proposed interaction, suggesting that social presence lowers privacy concerns when sensitive data is requested, cannot be observed. Hence, the effect of social presence is not dependent on the sensitivity of data.

Contrary to our expectations and the reviewed literature, the moderation analysis reveals that perceived usefulness does not lower privacy concerns, even though perceived usefulness has a strong negative direct effect on privacy concerns. Instead, participants experience higher privacy concerns due to sensitive data, when usefulness is perceived as high compared to, when usefulness of the service is perceived as low.

Further, we find that competence mediates the effect of social presence on privacy concerns. Social presence increases shop competence significantly and thus lead to a reduction of privacy concerns. When including perceived competence as mediator, the effect of social presence on privacy concerns is no longer significant. However, the indirect effect is significant. Consequently, a high (vs. low) social presence decreases privacy concerns just because customers perceive that the online store possesses enough competence to provide him useful recommendation while shopping online.

Key Contributions

This study supports theoretical observations by Social Presence Theory and Privacy Calculus Model and contributes to the literature by demonstrating applicability on curated retailing. Moreover, our findings provide first empirical evidence how trust is involved regarding private data use in curated retailing.

In accordance with the Privacy Calculus Model, our results confirm that high (vs. low) data sensitivity intensifies privacy concerns. Further, social presence through individual shopping assistance has proven to be an important predictor in reducing privacy concerns as stated in Social Presence Theory.

As social presence is strongly related to trust and confidence, the mediating role of competence was tested. We identify that social presence only has an advantageous effect on privacy concerns when perceived competence is high. Hence, the results contribute to the field of social presence as well as online retailing by highlighting the relevance of perceived competence.

Surprisingly, our study reveals that perceived usefulness intensifies privacy concerns in case of highly sensitive data. This differs from previous research findings and provides a comprehensive understanding of sensitive data usage in online retailing. As privacy concerns are an ongoing and important issue in online shopping, results of this research show valuable ways to react towards this challenge.

References are available on request.

Services in the Sharing Economy: An Examination of Consumer Motivations to Engage in Access-Based Services

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Jennifer L. Stevens, University of Toledo

Keywords: *sharing economy, access-based services, cluster analysis, perceived commerciality, self-image congruence*

Description: *Not all consumers have the same motivations for engaging in the sharing economy or seek the same outcomes, therefore, this research seeks to better understand the motives that influence consumer utilization of the sharing economy.*

EXTENDED ABSTRACT

Research Question

The sharing economy is estimated to contribute more than $700 billion to the national economy (Horowitz and Rosati 2014) with the largest growth within platforms providing services. It is critical for firms to understand the various motivations of consumers when they are making decisions about which access-based services to use. Consumers may be motivated by a variety of factors, including: innovativeness, perceived commerciality, status seeking, self-image congruence, social norms, identity appraisal, and organizational trust. Thus, we address the following: (1) How do consumers differ from each other in their motivations for using access-based services? and (2) How do consumers' motivations impact their evaluations of access-based services?

Method and Data

A large-scale data collection was conducted. The survey was designed for individuals utilizing access-based services. In order to participate in the survey, each respondent had to enter the name of the access-based service they currently use. This procedure resulted in a sample of 601 sharing economy users. A two-step cluster analysis procedure was used to categorize sample respondents based on responses to seven clustering variables. In addition, follow-up analyses (e.g., MANOVA and chi-square tests) were conducted to assess differences between the clusters.

Summary of Findings

The findings of this research provide valuable insights into consumers' engagement within access-based services. This research investigated seven significant characteristics that relate to consumers' motivations for participating within the sharing economy. Utilizing a cluster analysis, four unique segments emerged that marketers must account for when designing access-based service strategies—the Dubious Deciders, Status Seekers, Faithful Followers, and Ardent Adopters.

Key Contributions

As most of our understanding of consumer behavior is grounded in ownership theory, research focused on access-based consumers is vital for companies to design appropriate strategies. Our results have important implications for sharing economy services as they seek to attract customers and maximize customer satisfaction. It is evident from the results that diverse segments of access-based consumers exist. What is appealing to one segment of consumers may not work for another so it is important that platforms strategically determine the consumer group that it would like to target.

References are available on request.

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Understanding the Influence of Biomorphic Design Forms in Servicescapes

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Keywords: *biomorphic designs, attention restoration theory, place identity theory, S-O-R Model, servicescape preference*

Description: *This study presents and validates the relationship between biomorphic servicescapes designs and consumer servicescape preferences by applying theoretical frameworks from architectural studies.*

EXTENDED ABSTRACT

Research Question

This research explores the relationship between biomorphic servicescape designs (indicated as curvilinear layouts, livable elements, natural posters and finishes, and warm lighting in the servicescape designs) and servicescape preference. Further, it explains how biomorphic designs can help users to get better connected with the servicescapes by introducing the mediating role of attention restoration as explained by attention restoration theory and of place identity (both emotional and cognitive).

Method and Data

The methodology includes multiple studies; (1) one-short treatment with photographic images (sourced from numerous online repositories) as stimuli and (2) 3×2 factorial designs with 3D visuals (generated using Google Sketchup 3D modelling software) as stimuli. The respondents for the first study were chosen among postgraduate students of a leading university in India. The total usable responses for this study were 3,680. The respondents for the second study was sourced from social media contacts of 3 researchers ($n = 654$).

Key Contributions

This research adopts and validates the concept of biomorphism—indirect experience of nature—from architecture

domain and introduces biomorphic servicescape designs, which could be more practical at times compared to biophilic (expressed as the presence of natural elements) in servicescapes. It establishes the influences of biomorphic servicescape designs on customer preferences. Using the S-O-R model, it further explains this relationship through mediating effects of attention restoration and place identity.

With evidence of indirect experience of nature influencing servicescape preference, managers can invest in biomorphic servicescape designs to have desired effects and improved ROI. Service marketers who engage with highly attention deprived, high stressed customers or who wish to position their service brands for audiences who identify themselves well with nature may particularly find it useful to invest in biomorphic designs of servicescapes.

Summary of Findings

Arguably, this research is the first one that explores the indirect effects of nature in servicescape designs and thereby introduces biomorphism to marketing studies. The research, through multiple studies, establishes that indirect effects of nature in servicescapes or biomorphic designs lead to higher customer preference. By establishing the mediating role of attention restoration and place identity, it explains how bio-

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morphism is related to customer preference of a servicescape. Another significant contribution is that the research establishes the effects of biomorphic servicescape design on place identity.

References are available on request.

Feeling Watched: The Effects of Tip Visibility

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Hong Yuan, University of Oregon

Keywords: *tipping, point-of-sale, tip visibility, privacy, digital tipping*

Description: *We find that the customers tipping and word-of-mouth behaviors vary depending on whether digital tipping platforms are private from employees and/or other patrons.*

EXTENDED ABSTRACT

Research Question
How are tipping behaviors and customer engagement (e.g., eWOM) affected when a customer's tip selection is visible to other patrons or employees?

Method and Data
Two lab experiments with ANOVA and PROCESS analysis, supplemented by qualitative analysis of in-depth interviews.

Summary of Findings
When customers' tip selections are visible to other patrons, tip amounts and customer engagement increase. When customers' tip selections are visible to employees, tip amounts and customer engagement decrease. When customers' tip selections are visible to neither employees nor other patrons, tip amounts decrease while customer engagement increases. When customers' tip selections are visible to both employees and other patrons, tip amounts increase while customer engagement decreases. If managers explicitly state that customer's tip selections are private, tip amounts and customer engagement increase. The effects of tip visibility on tip amounts and customer engagement are partially mediated by consumer inferences of manipulative intent.

Key Contributions
We contribute to the services literature by demonstrating the divergent effects of tip visibility, as well as provide managers with interventions that can increase tip amounts and improve customer engagement. Specifically, we show that when customers' tip selections are visible to other patrons, rather than visible to employees, tip amounts and customer engagement increase. We further demonstrate that tip amounts and customer engagement are not always correlated. For example, when customers believe no one can see their tip selections, tips decrease while customer engagement increases, but when customers believe other patrons and employees can both see their tip selections, the opposite occurs: tip amounts increase and customer engagement decreases. Finally, we demonstrate managerial interventions that can reduce consumer inferences of manipulative intent during the tipping process and increase consumer generosity when tips are visible.

References are available on request.

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"Dear Stranger, This Looks Good on You": The Effect of Ambiguous Interactive Virtual Presence on Store Loyalty in Offline Retailing

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Keywords: *virtual presence, hedonic shopping experience, store loyalty, offline retailing, experimental research*

Description: *An experimental study investigating the effect of an ambiguous interactive virtual presence in offline shopping, as opposed to no virtual or social presence and a nonambiguous interactive virtual or social presence, on customers' hedonic shopping experience and store loyalty.*

EXTENDED ABSTRACT

Research Questions

The role of social influence on the consumption process is undisputed. Nowadays, even more ubiquitous shopping companions than friends or family are customers' smartphones. Retailers are trying to take advantage of customers' smartphone consultation during their shopping trip in the store and have begun experimenting with location-based, real-time customer-to-customer online communities that enable shoppers in geographical proximity to a store or mall to anonymously interact with each other. Such efforts create a new form of interactive presence in offline shopping, which can be characterized as an ambiguous interactive virtual presence. This innovative approach potentially offers a relationship marketing instrument that retailers can use to effectively enhance the shopping experience and customers' loyalty to the store. Given the novelty of this intriguing tool for offline retailers, no research has been conducted so far. With this research, we aim to answer three research questions: (1) Does an ambiguous interactive virtual presence have an effect on customers' loyalty toward the retail store? (2) What is the relevant psychological mechanism that explains the loyalty effect? (3) How does an ambiguous interactive virtual presence compare to other relevant types of interactive presence (nonambiguous interactive virtual or social presence) during offline shopping in its loyalty effect?

Method and Data

In this experimental scenario study, we employed a posttest only control group design with four groups, which vary in terms of the type interactive presence (i.e., text message from a friend vs. personal feedback from a friend vs. feedback via new shopping community app vs. shopping without any pal) during an offline purchase in a shopping mall context. In total, 213 respondents from the United States were randomly assigned to one of our four experimental scenarios. Subsequently, customers evaluate the hedonic shopping experience as well as their enjoyment of the interaction, then indicate their overall behavioral loyalty towards the store. Regression-based analyses were conducted to test the hypothesized effects in our conceptual model using the PROCESS macro.

Summary of Findings

The findings from our quantitative study are threefold. First, we verify a baseline effect of ambiguous interactive virtual presence in a retail setting compared to the control group (no presence). We empirically demonstrate the existence of a loyalty effect of an ambiguous interactive virtual presence on customers' store loyalty. Second, we detect hedonic shopping experience as the psychological mechanism that explains the link between ambiguous, interactive virtual

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presence and store loyalty as a full mediation. Third, a comparison of the three forms of interactive presence (ambiguous interactive virtual presence, nonambiguous interactive virtual presence, nonambiguous interactive social presence) yields no significant differences in the indirect effects on store loyalty. Furthermore, we examine the contingency role of customers' enjoyment of interacting with the focal source. Compared to the ambiguous interactive virtual presence, the index of moderated mediation is significant and negative for the other two alternatives, indicating that high enjoyment of interaction via the app leads to a stronger loyalty effect.

Key Contributions

Prior research on interactive presence in a retail context has largely focused on the social presence of familiar people like friends or family in offline retailing or the virtual presence of unknown people in online retailing such as through electronic word-of-mouth. Our research provides a novel perspective by investigating how an ambiguous interactive virtual presence influences the shopping experience and store loyalty in an offline retail setting. We contribute to marketing research and practice in three ways. First, we show that encouraging customers to use an ambiguous interactive virtual presence during their shopping trip as a purchase pal can help to effectively increase their loyalty to the focal store and augment their customer relationship. Second, we find customers' perceptions of a hedonic shopping experience to act as the psychological mechanism that explains the link between an ambiguous interactive virtual presence and store loyalty. Third, we also find that different forms of interactive presence during a shopping trip have varying effects, contingent on customers' enjoyment of the interaction. This is in line with existing literature regarding technology acceptance, which have identified enjoyment as important antecedent for the use of technological communication tools.

References are available on request.

Drivers of Service Suppliers' Loyalty Towards Sharing Platforms

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Keywords: *sharing platform, service suppliers, network externalities, platform loyalty, platform service quality*

Description: *With this study, we analyze the drivers of service suppliers' satisfaction and commitment with sharing platforms.*

EXTENDED ABSTRACT

Research Question

With a focus on the lodging business, with our study we analyze factors that influence service suppliers' loyalty towards service platforms. We argue that satisfaction with the platform and commitment to the platform are important to build loyalty. As drivers of service suppliers' satisfaction and commitment to the platform, we analyze the role of perceived service quality and platform attractiveness. We show the relevance of these factors via a study among service suppliers that offer rental homes on home rental platforms. Altogether 1,618 hosts from two home rental platforms participated in our study. Our data suggests that platform satisfaction is more important than commitment and that platform performance and service quality as well as brand attractiveness are key in driving suppliers' satisfaction with the platform. Managers therefore need to optimize their service strategies. With regard to theory, our results imply that platform attractiveness for suppliers that are in competition to each other rather is driven by brand and customer related elements, while competitors' attractiveness seems to reduce satisfaction with the platform.

Method and Data

We carried out an online study among service suppliers of two European internationally operating lodging platforms on which service suppliers offer their homes for holiday rental. We distributed our questionnaire online to the service suppliers via the platform organizations. Altogether, 11,556 hosts were approached via the platform organization and we received 2,256 questionnaires, of which we were able to include 1,618 fully completed questionnaires into our study (brand A: 658; brand B: 960).

Summary of Findings

With a focus on the lodging business, with our study we analyze factors that influence service suppliers' loyalty towards service platforms. We argue that satisfaction with the platform and commitment to the platform are important to build loyalty. As drivers of service suppliers' satisfaction and commitment to the platform, we analyze the role of perceived service quality and platform attractiveness. We show the relevance of these factors via a study among service suppliers that offer rental homes on home rental platforms. Our data suggests that platform satisfaction is more important than commitment and that platform performance and service quality as well as brand attractiveness are key in driving suppliers' satisfaction with the platform. Managers therefore need to optimize their service strategies. With regard to theory, our results imply that platform attractiveness for suppliers that are in competition to each other rather is driven by brand and customer related elements, while competitors' attractiveness seems to reduce satisfaction with the platform.

Key Contributions

We can confirm the service-quality—satisfaction—loyalty link for the platform economy with a focus on service suppliers that offer their services via a sharing economy platform. Our results emphasize the relevance of 'hard facts' in building relationships in digitized environments, thus indicating that employee-related aspects are of less importance.

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In addition, results show that on the horizontal level of competition between service suppliers, negative spillovers seem to dominate in the perspective of the service suppliers. This confirms conceptual arguments that rather focus such negative single-side network effects. For platform organizations our study points to the fact that involving employees in platform services might need restructuring in the business model. The supplier base does not seem to regard employee-related services as important and employees do not seem to contribute to platform success. In addition, results indicate that to be able to build an attractive supplier base, they need to work on their business models to make it attractive for suppliers to join (and stay) at a platform that consists of strong competitors. They need to create win-win offers to their supplier base in order to achieve cross-network externalities that are important for the platform to survive.

References are available on request.

Wegman's Effect: When Customers Receive Relational and Restorative Benefits

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Tobias Otterbring, Aarhus University

Keywords: *servicescapes, place attachment, exchange concept, transformative service research, grocery retailing*

Description: *The authors coined the term "Wegman's Effect" to denote the confluence of a restorative servicescape and relational resources on a customer's mental well-being and on the formation of a deep customer-organizational bond or "place attachment," which encourages customer repurchase intentions.*

EXTENDED ABSTRACT

Research Question

This work seeks to understand why some service organizations thrive in highly competitive industries, such as grocery retailing, while others seem to be failing or languishing in the so-called 'retail apocalypse.' More specifically, this article draws on Attention Restoration Theory (Kaplan, 1995) to explore the extent to which customers of a grocery store perceive the setting as having four qualities that promote human well-being (Rosenbaum and Massiah, 2011). Then, the article draws on Tombs and McColl-Kennedy's (2003) concept of a social servicescape, to explore the extent to which the grocery store's customers perceive their receiving relational resources (e.g., product knowledge and friendliness) from the organization's employees or other customers.

The authors speculate that a customer's sense of the store's restorative potential and relational resources are both drivers of a profound customer-store bond, or place attachment (Brocato et al., 2015; Debenedeti *et al*., 2014)., as well as positively influencing a customer's perception of his or her subjective sense of well-being (Friman et al., 2018).

Lastly, the authors explore that extent to which place attachment and a customer's sense of well-being influence a customer's future repurchase attention (Hellier *et al*., 2003; Ziethaml et al., 1996).

Method and Data

Data collection occurred through a self-administered questionnaire. A convenience sample of Spanish respondents was obtained by one of the study's authors, along with a group of field investigators, who intercepted shoppers as they exited a government-subsidized grocery store. The store serves governmental employees, providing customers with excellent customer service and friendly employees.

The sampling occurred over a one-week period and 500 grocery store shoppers voluntarily agreed to participate in the study. Of the respondents, 396 (79.2%) were women, and 104 (20.8%) were men. Although this study's demographic sample was heavily skewed towards females, it is worth noting here that extant retailing research reveals that females typically assume primary responsibilities for grocery shopping in their households (Dholakia, 1999).

The scale items came from published research in marketing and environmental psychology. The proposed structural model was examined using PLS-SEM via SmartPLS 3.0 software (Ringle et. al., 2015). The PLS-SEM was employed to analyze the proposed model fit, as this method is considered as the most appropriate statistical procedure because it does not require or assume that analyzed data is normally distributed (Hair et al., 2017). PLS-SEM is also especially

useful for evaluating the fit of hypothesized models that have higher-order constructs (Becker et. al., 2012).

Summary of Findings

The authors coined the term "Wegman's Effect" to denote the confluence of a restorative servicescape and relational resources on a customer's mental well-being and on the formation of a customer-organizational place attachment, which encourages customer repurchase intentions.

The Wegman's Effect suggests that consumers maintain attachments to service organizations because patronage offers them a type of transformative catharsis via restorative environmental conditions and relational interactions. The confluence of restorative conditions in a service organization's consumption setting (Rosenbaum and Massiah, 2011), along with relational resources (Friman et al., 2018), such as banter (Oldenburg and Brissett, 1982), in addition to an organization's product and service offerings, sets the foundation for encouraging an organization's customers to remain loyal, as patronage helps customers fulfill many needs, many of which are not associated with goods and services.

Researchers have shown how service settings, such as casinos, urban retail locales, and lifestyle centers, may contain restorative stimuli that promote customer well-being. One may speculate whether brick-and-mortar retailers may compete with e-commerce competition by incorporating restorative environmental conditions, as well as educating employees on how to extend relational resources to customers (e.g., engage in small conversations, learn customers' names, and so forth).

Key Contributions

The Wegman's Effect highlights the importance of architecture and human resources in promoting consumer patronage. Most service organizations are unable to create environments that facilitate human restoration and simultaneously offer consumers opportunities for social interaction with employees or other customers. In these instances, marketplace exchanges are utilitarian in nature and held together by weak person-place bonds that are often based upon convenience rather than a commitment to patronage.

Practitioners are encouraged to explore how consumption settings may be crafted in a manner that promotes human restoration. Organizations may want to incorporate natural elements into physical realms to facilitate human restoration. Others may draw upon the "third place concept" (Williams and Hipp, 2019) to consider how their establishments can host their customers' social relationships.

Theoretical and methodological opportunities abound for researchers to explore how environmental conditions in physical and virtual consumption settings may promote well-being. This research suggests that organizations may build bonds with customers and enhance their well-being by creating servicescapes that promote human restoration and encourage social interaction between employees and customers. Indeed, consumption settings are comprised of physical, natural and social stimuli, which may all work together to influence a consumer's daily life and personal experience.

References are available on request.

Value Based Selling as Fair Treatment Practice: Dealing with Privacy Concerns in Product-Service System Selling

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Dirk Totzek, University of Passau

Keywords: *service innovations, solution selling, customer privacy, pricing, B2B relationships*

Description: *This research examines the effectiveness of both value based selling and formal contracts in alleviating the negative outcomes of customer privacy concerns in a business-to-business solution-selling context.*

EXTENDED ABSTRACT

Research Question

In many industries, digitalization and Internet of Things have given way to providers switching from selling products to selling product-service systems (PSS). PSS providers offer business customer solutions that help improve these customers' business processes and add to their competitive advantage. However, customers are often skeptical. They fear of loss of control and security issues next to functional and financial risk. In particular, the provider's challenge is to find better ways in sales to convince customers to share their data and to adopt product-service systems (PSS). In this study, we propose value based selling (VBS) as an alternative approach for sellers to alleviate customer risk related to PSS and to ensure the PSS provider's profitability. Our model draws on privacy calculus research and accounts for performance-based contracting as alternative alleviation mechanism.

Method and Data

The data were collected after field interviews and round table discussions with managers and concern 250 US firms that combine manufacturing and services and thus offer PSS. Sales, marketing and service managers acted as key respondents. We checked for nonresponse and common method bias to ensure these biases do not affect our results. We operationalized the key study constructs using multiitem measures borrowed from previous studies after conducting a pretest with 30 respondents. We estimated the structural model using partial least squares, adding the direct effects of our moderators next to the interactions for a correct estimation and using simple slope analysis to facilitate their interpretation.

Summary and Findings

The results confirm that privacy concerns fuel business customers' price sensitivity. While contracts may help sell PSS, contracts make customers more rather than less price sensitive. In contrast, VBS has the potential to mitigate the negative relationship between customers' privacy concerns and their price sensitivity. VBS also positively moderates the effect of customer price sensitivity on PSS provider profitability, changing it from negative to positive. Interestingly, however, VBS has a negative rather than a positive moderating effect on the price sensitivity—customer satisfaction relationship. This may be explained by VBS' cueing of customers on value, i.e., benefits *and* cost.

Key Contributions

First, we add to the PSS literature by focusing on privacy concerns of customers. Systematic underestimation of privacy-driven price sensitivity may explain why many PSS providers struggle selling these systems profitably. Building on privacy calculus research, we propose that the weighing of risk versus benefits tends to make customers focus on price, and thus to become price sensitive. Second, we add to

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the extremely limited number of studies on differences in risk perceptions of B2B customers regarding technology-based service innovations. Specifically, we study the effectiveness of VBS in complementing contractual arrangements in alleviating privacy concerns and increasing customer satisfaction and supplier profitability. Finally, we draw attention to ethical issues in marketing in general and in selling and operating PSS in particular.

References are available on request.

The Impact of Customers' Variety-Seeking Tendencies on Loyalty Points Redemption

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Keywords: *loyalty program, variety-seeking, point redemption, two-part model*

Description: *This research examines the effects of consumers' variety-seeking behavior on their point redemption decisions in a coalition loyalty program context.*

EXTENDED ABSTRACT

Research Question

Many companies in industries, ranging from hotels to airlines, use loyalty programs to entice customers to repurchase. One commonly practiced loyalty program is the award of points. Though these points are valuable, the majority of them remain unredeemed (Bijmolt, Dorotic, and Verhoef 2011). Prior research suggests that the lack of customers' point redemption is mostly driven by cognitive and psychological factors such as product types (Kivetz and Simonson 2002), nonmonetary transaction cost (Stourm, Brandlow, and Fader 2015) or mental accounting for cash versus point (Stourm, Brandlow, and Fader 2015). However, most of the prior research on loyalty programs have focused on point accumulation without considering customers' heterogeneity in their purchasing and redeeming patterns. In this research, we investigate the impact of customers' variety-seeking behavior in terms of collecting and redeeming points on point redemption decisions in a coalition loyalty program. Specially, we investigate the impact of consumers' variety-seeking behavior on (1) their probability to redeem points and (2) the number of points redeemed.

Method and Data

Our research employs a dataset from a popular multivendor loyalty program in South Korea. The sample consists of customers' purchase and redemption history of all loyalty program customers in the restaurant category for 34 months. We choose entropy as the measure for customers' variety-seeking behavior (Kahn 1995). Also, since purchase and point redemption are two separate decisions in the loyalty program, the variety-seeking tendency may differ across the two decisions. Therefore, with high and low entropy levels in each decision, we propose a 2 × 2 framework to segment customers. The four segments include low variety-seeking in both purchase and point redemption (LPLR), high variety-seeking in purchases and low variety-seeking in redemption (HPLR), high variety-seeking in both purchase and point redemption (HPHR), low variety-seeking in purchases and high variety-seeking in point redemptions (LPHR). We investigate point redemption decisions with a two-part model (Dorotic et al. 2014). In the first part, customers in the loyalty program make decisions on whether to redeem or not. In the second part, customers decide how many points to redeem if they choose to redeem in the first stage. We control for past point accumulation, brand heterogeneity, and time trend of point redemption in the model.

Summary of Findings

The estimation results reflect a positive influence of redemption variety on the probability to redeem and a negative influence of purchase variety on the number of points redeemed. In the first part of the model, the segments with high redemption variety (HPHR and LPHR) are more likely to redeem than the segments with low variety redemption variety (HPLR and LPLR). In the second part of the model, the segments with high purchase variety (HPLR and HPHR) redeem fewer points than the segments with low purchase variety (LPHR and LPLR).

Key Contributions

We show that customers in the loyalty program behave differently when redeeming reward points, and variety-seeking is one factor that may explain the difference in customers' point redemption decisions. The findings differ from the traditional view that point stockpiling is commonplace across the population. Also, our findings provide insights into identifying customer groups that are more profitable in loyalty programs. In particular, customers who have low purchase variety are more likely to redeem a greater number of points. Since the points accumulated by customers are debts to firms and point redemption improves customer loyalty (Bijmolt and Verhoef 2017), firms will be better off with higher point redemption from customers. Our findings suggest that firms should target customers with a low variety-seeking tendency in their purchase. Among these customers, those with low purchase variety but high redemption variety (the LPHR segment) are the most profitable ones—they are more likely to redeem than others and also tend to redeem more points at the same time.

References are available on request.

Designing Brand Descriptions for the Digital Organizational Frontlines

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EXTENDED ABSTRACT

There is a seismic shift in the retail landscape: brick and mortar retailers are rapidly closing their physical stores, and this evolution provides marketers with both great challenges and opportunities for great success. FLEs provide vital information-sharing services to customers and are at the frontier of an organization's competitive advantage. However, despite their key role, the digitization of the retail environment has caused concern that the FLE will be all-but-eliminated, with nearly half of all U.S. FLE jobs expected to disappear by 2020. Consequently, retailers are struggling with how to provide the information-sharing services to customers that have been traditionally exclusive to FLEs. The present research provides a solution for this problem and has implications for both theory and for practice. Through a longitudinal field study encompassing 3,224 consumers and 126 brands, we use computational linguistics to show that brand descriptions differentially and oppositely affect purchase quantity, price paid per product, and total sales.

This study was motivated by three research questions, which structure this discussion. We respond to and answer these in the following subsections.

When the information-sharing role of human FLEs are replaced by nonhuman digital brand touch points, how do product descriptions affect:

Purchase quantity. Prior research has demonstrated that FLEs are a key aspect of an organization's competitive advantage, and that FLEs share information about products to help customers make selection decisions. Consequently, most customers follow employee's product recommendations. However, when an FLE is absent, retailer and service providers are unsure how to share brand-relevant information with customers. Through a longitudinal field study including 3,224 customers and 126 different brands, our research demonstrates that information-sharing brand descriptions on digital touchpoints significantly affect purchase quantity. Specifically, we demonstrate that whereas high-analytical descriptions *decrease* purchases quantity, high-clout descriptions *increase* purchase quantity. We also explore the role of emotional tone and analytical thinking in product descriptions.

Price paid per product. Additionally, we demonstrate that these brand descriptions significantly affect consumers' price paid per product. Specifically, we show that whereas high-analytical descriptions *decrease* price paid per product, high-clout descriptions *increase* price paid per product.

Total sales. Furthermore, we demonstrate that these brand descriptions significantly affect total sales. Specifically, we show that whereas high-analytical descriptions *decrease* total sales, high-clout descriptions *increase* total sales. We also illustrate the mechanism through which brand descriptions affect total sales: High-analytic (*High-Clout*) brand descriptions significantly decrease (*increase*) total sales.

Implications

For theory. Utilizing advances in semantic representation and computational linguistics, we build upon impulse purchasing theories and socially-oriented purchasing theories by extending them to the newly-digitized organizational frontlines. Specifically, concerning impulse purchasing, we demonstrate that the mechanism through which high-analytic brand descriptions *decrease* total sales are through both purchase quantity and amount paid per product. Addition-

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ally, concerning socially-oriented purchasing, we demonstrate that the mechanism through which high-clout brand descriptions *decrease* total sales are through purchase quantity and amount paid per product.

For practice. From a managerial perspective, increasing in-store technology has dramatically changed the retail landscape (Grewal et al. 2019), and in-store technology is becoming a common touchpoint for consumers along their purchase journey (Lemon and Verhoef 2016). By providing evidence revealing when information-sharing on digital touchpoints *harms* and *benefits* retail and service providers, we demonstrate the practical benefits of successfully using digital touchpoints in the organizational frontlines. Specifically, we demonstrate when brand descriptions on digital displays can harm (high-analytic) or benefit (high-clout): (1) purchase quantity, (2) price paid per product, and (3) total sales.

Conclusions

Through a longitudinal field study encompassing 3,224 consumers and 126 brands, we use computational linguistics to show that brand descriptions differentially and oppositely affect purchase quantity, price paid per product, and total sales. We hope these results stimulate additional research on information-sharing within the digitization of the organizational frontlines and how retailers and service organizations can use brand descriptions to compensate for the information-sharing that is lost with the decline of the FLE. Finally, we hope that our research will encourage the use of carefully-crafted brand descriptions, semantic associations, and computational linguistics on the organizational frontlines and contribute to the discussion on the efficacy of this practice.

References are available on request.

Does the Digitalization of Retailing Disrupt Consumers' Attachment to Retail Places?

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Keywords: *place attachment, offline/ online retail environment, behavioral loyalty*

Description: *This study examines how emotional relationships that consumers form with retail stores are transforming in the digitalizing retail environment.*

EXTENDED ABSTRACT

Research Question

Place attachment is an emotional bond between an individual and a specific location (Low and Altman, 1992). It is based on physical, social, historical and cultural meanings associated with the place (Low and Altman, 1992), and it is characterized as positive (Brocato et al., 2015) and functional (Droseltis and Vignoles, 2010) connection, which evokes tendency to visit the place repeatedly (Plunkett et al., 2019). The concept has been studied in many different contexts, however, it has been rarely applied in commercial context and therefore the understanding of how consumers form attachment to commercial places such as retail stores is considerably limited. Moreover, places of consumption are undergoing rapid change as the retail environment shifts from tangible physical places to intangible digital spaces. This raises a question whether place, one important element in the marketing mix, loses its significance in building bonds with customers. In this study, we examine the concept of place attachment in a new context of offline and online retail stores, and we explore how it affects consumers' switching intentions and spreading of positive word of mouth (WoM).

Research Question

How is consumer place attachment constructed in different channels and what are the consequences to consumers´ behavioral loyalty?

Method and Data

We drew the sample (n = 1196) from a consumer panel operated by a market research company and obtained 873 responses regarding place attachment in offline retail stores and 296 responses regarding online retail stores. In the questionnaire, the respondents were referring to one of four Finnish retailers—Iittala, Ikea, Pentik and Stockmann. These particular stores were selected due to their character, as they are likely to arouse consumers' emotions that can develop into attachment in long term. While Iittala and Pentik represent rather small design stores selling glassware, kitchen equipment and home décor products, Ikea and Stockmann represent bigger retail stores that sell wider range of products. In the sample, 45.6% of the respondents were male and 54.4% were female. The distribution among age and yearly income groups was rather even. More than half of the respondents (58%) were between the ages of 25 and 54 years old. Slightly more than half (52.6%) reported earning less than the average Finnish salary, 30% earned more than average and 17.4% did not give salary information. The number of responses for each store reflected the store size; Ikea accounted for 51.8% of the responses, Stockmann 27%, Iittala 12.4%, Pentik 8.8%.

Summary of Findings

Despite the fundamental differences in the character of offline and online retail stores, the results show that place attachment

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can be triggered by online stores as well as physical shops. Moreover, the results suggest that the dimensionality of place attachment does not substantially differ in the online context compared to the offline environment. The difference between the online and offline environments seems to lie in the physical dimension of place attachment (i.e., place dependence). While shopping offline, consumers are attracted to the appeal of a particular place, moreover, they face physical and time restrictions. When they shop online, however, consumers can browse several stores with a couple of clicks. Therefore, they may not perceive the importance of a particular online store as a "place," as they have so many more options at hand. Unlike previous studies (Brocato et al., 2015; Johnson et al., 2015), this study did not find a significant connection between social bonds and consumers' behavioral loyalty, either in traditional offline stores or in online retail stores. Importantly, place attachment plays an important role in consumers' switching intentions in offline retail stores, but does not affect switching intentions in the online retail environment.

Key Contributions

This study confirms the importance of place attachment as an antecedent of consumer behavioral loyalty towards retail stores and further enhances the current knowledge of how distinct dimensions of place attachment (i.e., place identity, place dependence, and social bonds) affect consumer behavioral loyalty. Moreover, this study examines the place attachment in a novel context of digitalizing retail environment and sheds light on how consumers form emotional bonds with online retails spaces. The findings suggest that consumers can establish emotional attachment also with online stores, not only traditional brick and mortar retail stores. The results also show that place attachment and the identity of the place play an important role in spreading positive WoM in both offline and online retail environments. This implies that the design of the servicescape in the online environment is just as important as in the offline shops as consumers identify themselves with the features of the store and perceive it as a part of their own self-identity. However, unlike in the offline environment, establishing emotional attachment with the store does not prevent the consumers to switch to other provider in online environment. These findings have important implications for retailers operating in multichannel environment.

References are available on request.

Social Media, AI, and Digital Marketing

Brands, Social Influencers, and Social Media

New Technologies and Customer Relationship

Increase the Effectiveness of Online Shopping and Mobile Apps

Influencing Factors on Multifarious Information Disclosure on Facebook: Privacy, SNS Trust, and Social Gratifications

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Keywords: *privacy, SNS trust, social gratifications, social media, Facebook, information disclosure*

Description: *This paper addresses the gap in understanding what influences the disclosure of characteristic-, observational- and financial-type of information on Facebook, which led to the findings that trust towards social networking site (SNS) platform and social gratifications are significant in influencing the disclosure of a specific type of information.*

EXTENDED ABSTRACT

To understand consumers better, data collection is necessary for marketers. With the existence of privacy paradox and raising privacy concerns, this study extended privacy calculus framework by incorporating social networking site (SNS) trust and social gratifications to gain a nuanced understanding of the decision-making process of information disclosure.

Research Question

This research addresses several limitations such as the inclination of previous studies to encapsulate and address information disclosure as a disclosure of singular, one-dimensional type of information, and the lack of focus on the 'social' element of privacy calculus framework for SNS research context by adopting social gratifications derived from the uses and gratifications theory. The question that we would like to answer is: what are the factors that specifically influence each of the multifarious information on Facebook?

To answer this question, this paper extended privacy calculus framework by incorporating SNS trust and using a specific construct of social gratifications to examine which factor influences characteristic, observational and financial information disclosure on Facebook.

Method and Data

This study adopted a cross-sectional survey design to collect its data, where there were 259 completed and valid responses to be used for the subsequent data analysis. This study used SmartPLS 3 to conduct the data analysis with partial least squares structural equation modelling (PLS-SEM). Internal consistency, convergent validity, and discriminant validity are necessary to evaluate the reliability and validity of the construct measures of the reflective measurement of this study, and all criteria for reflective measurement have been met.

Summary of Findings

Findings show that SNS trust significantly influences the disclosure of characteristic information, meanwhile social gratifications significantly influence the disclosure of observational information. We also found the lack of a significant impact of perceived privacy risks on any information disclosure, which may contribute to the understanding of privacy paradox—the discrepancy between privacy attitudes and information disclosure behaviors. Simultaneously, the significance of SNS trust also shows that the extension of privacy calculus framework is paramount to further understand information disclosure attitudes, especially when privacy paradox is still largely evident. The findings, however, did not show any particular construct that affects the disclosure of financial information.

Key Contributions

The theoretical contribution of this paper includes an extension of privacy calculus framework by incorporating SNS trust for the distinct context of information disclosure on

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SNS platforms. This paper also provides an insight into the importance of categorizing multifarious information disclosure. As social gratifications were found to influence the disclosure of observational-type of information, this finding fills the gap in the extant literature on the role of social gratifications. Our findings also indicate the continuous importance of SNS trust for consumers further strengthens marketers' need to focus on building trust from their consumers to prevent the erosion of the values of their organization (Keller, 1993), therefore they should also pay attention to the platforms used to achieve their marketing objectives.

Despite the abovementioned contributions, this study is not without limitations, in which the samples of our study limit the generalizability of the findings. Future research could address this by testing our framework on specific diverse groups (such as gender differences, see Tifferet (2019)), or by incorporating other potential constructs that could explain the anomaly or paradox such as privacy control (Debatin, Lovejoy, Horn, and Hughes, 2009) or privacy regulations (Milne and Culnan, 2004).

References are available on request.

Online Social Networks Disclosure: The Effect of Choice Defaults on Maximizers' Propensity to Share Personal Information

Georgiana Craciun, Duquesne University

Keywords: *social network site (SNS), privacy, disclosure, choice default, maximizing mindset*

Description: *This research examines the moderating effect of maximizing mindset on the relationship between privacy setting defaults and likelihood of disclosure in the SNS context.*

EXTENDED ABSTRACT

Research Question

This paper examines whether maximizers and satisficers apply different decision strategies when choosing a SNS privacy level in the presence of defaults. The present research addresses the following research question: How does a maximizing mindset influence consumers' decisions to disclose personal information on SNS in the presence of choice defaults? Based on prior literature, we argue that individuals do not have well-defined preferences with respect to privacy choices and that the trade-off between privacy and connectivity increases choice difficulty. In response to increased choice difficulty, maximizers are more likely to experience anticipated regret. In order to cope with this negative emotion, maximizers will avoid an active choice and stick with the default option, which may be seen as a recommendation or normative option.

Method and Data

Two hundred Amazon MTurkers participated in an experiment. First, participants completed a task (Ma, 2014) that was intended to activate a maximizing or a satisficing mindset. Then, participants were presented with a scenario about a new SNS. They were asked to select their privacy settings by answering four questions: who can see your future posts on your personal page?; who can post on your personal page?; who can see posts/photos you are tagged in?; and who can see your friends list? Respondents could choose only one option from the following: "Only me," "Close friends," "Friends," "Friends of friends," and "Everyone." The default privacy setting was either "Only me" or "Everyone." An ordinal regression model was used and the main effect of the default condition was significant for three of the privacy questions, and marginally significant for the fourth one. Participants in the "Everyone" default condition were more likely to choose higher level categories (i.e., options allowing wide access to one's personal information). The two-way interaction between the maximizing mindset and default was significant across three questions and marginally significant for the fourth question. When maximizers (but not satisficers) received the "Everyone" (vs. "Only Me") default they were more likely to allow others access to their personal information.

Summary of Findings

Results support a preference for default privacy settings such that, in general, individuals are more likely to disclose their private page and allow others to post on it when the privacy setting default allows public access ("everyone") than when the default is restrictive ("only me"). Moreover, findings demonstrate that the users' maximizing mindset moderates these effects such that default preferences are prevalent for maximizers, but not for satisficers. This research highlights a paradoxical finding. Maximizers, who are motivated to spend extra resources (e.g., cognitive resources, time, etc.) to find the best option, demonstrate a heuristic approach to decision making by following the default option. We argue that this paradoxical behavior is motivated by the increased anticipated regret that determines maximizers to delegate decision to default options. Past research suggests that the inclination to use heuristic approaches increases with decision difficulty, that is, when decision making tasks are seen as complex and outcomes are associated with risk or chance (Lai, 2010).

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Key Contributions

First, this study adds to the growing body of literature on online privacy and disclosure. Specifically, while prior studies have found that disclosure is determined by several personality and contextual factors (Chen, 2015; Gabisch, 2013), few studies have looked into how consumers respond to disclosure choice defaults (Craciun, 2018; Cho, 2019; Dogruel, 2017). Second, this study enriches our knowledge regarding how a maximizing mindset influences consumer behavior. While past research has demonstrated how maximizers versus satisficers choose among several products in a given choice set, this is the first study, to the authors' best knowledge, that examines how maximizers and satisficers choose in the presence of default options.

For SNS providers interested in personalizing privacy setting options, the present study suggests a potentially important and powerful segmentation variable—maximizing tendency. Specifically, the present results demonstrate the strength of the default effects for individuals with a maximizing versus satisficing mindset. Moreover, these findings and implications can be extended to other contexts in which consumers make decisions in the presence of defaults (retirement planning, organ donation, product choice). Our findings are also useful for educating consumers about potential decision biases due to dispositional (maximizing tendency) and contextual (choice defaults) factors.

References are available on request.

Hidden Ads, Impression Laundering, and Bot Traffic: Marketing Professionals' Views on Online Advertising Fraud

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Keywords: *online advertising fraud, programmatic, network model of advertising, invalid traffic, interview*

Description: *The study aims to provide an overview of online marketing professionals' attitude towards OAF by conducting a total of eighty-nine interviews.*

EXTENDED ABSTRACT

Research Question

Online advertising fraud (OAF) is defined as a *type of invalid traffic, that is generated intentionally by sources to increase their own profits at the cost of other members in the supply chain, and which does not represent legitimate and quality ad traffic that should be included in measurement counts*. It goes without saying that advertisements not seen by humans have no hope of affecting consumer behavior, moreover, OAF undermines the integrity of every other performance and effectiveness metric.

Such a phenomenon requires a systematic analysis not only from the technological side but also from the marketing perspective. Unfortunately, very limited papers have explored OAF in advertising literature. In response to this need, the present study provides preliminary insights into online marketing professionals' views on OAF and asks the following questions: (RQ1) What is OAF, according to online marketing professionals? (RQ2) What does OAF mean to online marketing professionals? (RQ3) How do online marketing professionals fight (detect, prevent) OAF?

Method and Data

This study employed qualitative paradigmatic perspective using selected marketing professionals with expert knowledge in the online advertising industry. A total of 89 interviews were conducted. Data were collected using a semi-structured interview guide containing four sections (introduction; current online advertising technology landscape; perception of OAF; prevention). The recorded interviews were transcribed and analyzed using the QSR NVivo qualitative software package. Transcripts were thoroughly examined and coded on a line-by-line basis (open coding) before being grouped in categories (axial coding).

Summary of Findings

Interviews revealed that OAF is a rather complex concept interacting with multiple factors. The online advertising ecosystem is far from transparent: it is highly fragmented and given the open nature of the programmatic advertising ecosystem, increasingly more intermediaries are present between the content producer and the advertiser. Nearly one-third of the respondents regarded OAF as a real threat and expressed their concerns. The loss caused by fraud is difficult to estimate because the problem is not necessarily visible to every player; therefore, online marketing professionals underestimate the importance of the problem. The analysis also revealed that not everyone is eager to prevent OAF, managing suspicious ad spending usually costs more money than what you can gain from prevention, and it is therefore not worth investigating it. In some cases, advertisers and brand managers have unrealistic expectations and set targets that are virtually impossible to meet, leading other players to commit fraud. There were two different fraud prevention strategies used by the respondents: in-house solutions and cooperation with trusted partners or third-party verification companies. Those respondents who executed prevention in-house took care of the problem due to trust issues.

Key Contributions

Research propositions are advanced, aimed at addressing the key emergent issues in relation to OAF. (1) In general, aware-

ness of OAF is low in the advertising industry, but advertisers (clients) are even less informed than agencies. (2) Majority of the advertisers are not knowledgeable enough about OAF to effectively fight/ prevent it. (3) Paid-per-cost advertising system is biased and does not motivate industry workers to fight/ prevent OAF. (4) Advertisers are accepting the fact that 10 percent of their budget is spent on OAF.

Hopefully, this study will also stimulate greater attention to marketers' attitude toward fraud as well as expand the scope of discussion on the limitations of online advertising.

References are available on request.

Social Networking Sites as Drivers of Users' Willingness to Disclose Information for Personalization

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Lars Meyer-Waarden, Toulouse School of Management

Andreas Munzel, Université de Montpellier

EXTENDED ABSTRACT

Research Question

As the number of social commerce platforms is dramatically increasing, it is critical to investigate how SNSs shape product and service demand by personalization.

Method and Data

The model is tested using survey data from a representative (gender, age, and education) online panel sample of 649 French respondents.

Summary of Findings

We show that SNS use frequency positively and indirectly affects users' willingness to disclose information for personalization, which leads to better information quality and better personalized recommendations, via SNS posting frequency.

While the literature usually considers a privacy calculus a simple antecedent of online disclosure, we show that a privacy calculus can influence the strength of the positive relationship between SNS use and SNS posting frequencies, and thus, the complete psychological process: Trust beliefs positively impact the strength of the indirect relationship between SNS use frequency and willingness to disclose information for personalization via SNS posting frequency, contrary to information collection concerns.

Key Contributions

First, we extend social exchange theory (Blau 1964) by providing a psychological process that deals with the effect of SNS activity on users' willingness to disclose information for personalization.

Second, we contribute to the literature on the privacy calculus theory (Dinev and Hart 2006) by considering the moderating effects of trust beliefs and information collection concerns.

References are available on request.

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The Evolving Nature of Voluntary Knowledge Contribution in Online Forums: Do We Over-Emphasize the Role of Trust?

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Keywords: *online forum, critical mass, knowledge sharing behavior, trust*

Description: *This paper looks at the role of trust in voluntary knowledge contribution in online forums.*

EXTENDED ABSTRACT

Research Question
How does the evolution of trust sustain the development of an online forum?

Method and Data
In the first part of our study, we tested a model using dynamic optimization analyses with data from 63,000 users of the fourth largest online forum in USA. In the second study we performed network analyses on a sample of 147,190 users of an interest-oriented online forum to investigate the sustainability of the forum.

Summary of Findings
We found that interpersonal trust contributes to rapid expansion of online voluntary knowledge contribution; while institutional trust is associated with its decline. We further investigated how an online forum can be self-sustainable.

Building on the theory of critical mass, we found that the emergence of initial contributors of knowledge and the exit of membership under certain conditions after a critical point are essential for an online forum being sustainable. Findings suggest that online trust building is important for the initial contributors to facilitate achievement of a point of critical mass. After the critical point, the network structure can allow online knowledge contribution behaviors to become self-sustainable.

Key Contributions
Our findings contribute to knowledge about the conditions in which trust motivates behavior in online forums. We extend this knowledge to identify the conditions where trust ceases to be a motivator.

References are available on request.

Digital Marketing Strategy Backlash: Negative Effect of Banner Advertisement on In-App Coupon

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Keywords: *coupon, banner advertisement, mobile marketing, digital marketing*

Description: *The focus of our research is to understand the effect of combining banner advertisements with coupons- a phenomenon that has become common in the digital space.*

EXTENDED ABSTRACT

Research Question

The ascent of new media with the rise of new digital platforms and the availability of customer data in the form of digital footprint, have given rise to a flurry of research in digital marketing strategy and consumer behavior. Coupons are one of the traditional promotional tools targeted towards price sensitive customers to encourage trial or purchase. The inception of digital platforms has now given rise to online coupons— websites specializing in coupons and mobile or mobile app-based coupons. Mobile app-based coupons are especially convenient to use since they can be searched and redeemed directly on the mobile phone. While these apps would initially barter coupons for customer information on shopping behavior, which was subsequently traded with interested parties, they have now moved to displaying pop-up and banner advertisements of the products for which coupons are being redeemed. Traditional marketing theory suggests that exposure to multiple forms of promotional activity from the same brand reinforces brand perception and acceptance. Both academic and corporate research has confirmed the benefit of exposing consumers to multiple forms of promotional activities in order to ensure regular contact and reinforcement of the brand. The focus of our study is to understand the effect of combining banner advertisements with coupons- a phenomenon that has become common in the digital space.

Method and Data

We conducted two studies. In study 1, 200 MTurk volunteers participated in a 2 (banner type: still vs. video) × 2 (banner content: coupon product vs. separate product from the same brand) between subject study where we evaluated their attitude towards a product.

In study 2, 73 students participated in a 2 condition (banner content: coupon product vs. complementary product from the same brand) between subject study where we evaluated their attitude towards a toothpaste (focal product) and a toothbrush (complementary product).

Both studies supported our arguments.

Summary of Findings

Conventional wisdom suggests that the amount of time that users have to spend in order to validate the coupon is extremely small. Furthermore, since it is displayed only on the mobile screen, users have absolute freedom to engage in other activities. But in the eyes of the customers, having to watch a banner ad in order to activate a coupon could be considered as additional cost borne by the users (in terms of time/attention). Alternatively, the coupon could be viewed as a form of restrictive compensation for viewing banner ads. Either way, if the coupon is no longer perceived as a no-strings-attached offer, it simply loses its excitement. As an extension of the dampened pleasure, user attitude towards the coupon product also decreases.

Key Contributions

Our study demonstrates the negative impact of showing banner advertisements to customers in order to activate

coupons. While past literature and conventional wisdom suggests that using two different forms of promotion should reinforce customer attitude, evidence from our study suggests that customers have a different interpretation of such strategy. Essentially, the excitement and positive attitude associated with using a coupon (standalone) is negatively affected by the forced-viewing of banner advertisement which in turn reduces positive attitude towards both the coupon product and the banner-ad product. This effect persists irrespective of the banner-ad type (still or video).

References are available upon request.

"We Speak Like You Do": The Effect of Language Style Matching in Management Response to Negative Reviews

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EXTENDED ABSTRACT

Research Questions

Should firms focus on language style while responding to negative online reviews? If yes, how language style matching (LSM) between firm management response and customers' negative online review impacts prospective customers' attitude, purchase intention and firm sales performance?

How the firm's overall online rating as the boundary condition moderates the effect between LSM in management response to negative reviews on firms' sales performance?

Method and Data Used

We test our hypotheses across two studies. In Study 1, we conducted a scenario-based experiment in the hotel context. We asked 263 U.S. Mturk workers to participate in the study to examine the positive effect of LSM on prospective customer attitudes, which then mediates the LSM-purchase intention relationship. In Study 2, we combined 11,694 negative online reviews (1* and 2*) and management response data of 349 hotels from TripAdvisor and corresponding financial performance data acquired from a U.S.-based consulting company. We used a dynamic panel data model to test the effect to test the positive effect of LSM on firm sales performance and the moderating effect of firms' overall rating.

Summary of Findings

The two studies provide evidence that language styles matching between management response and customers' negative online reviews positively impact prospective customers' attitudes, which in turn mediates the LSM-purchase intention relationship. The study also reveals that LSM enhances firms' sales performance, the effect is strengthened when the hotels have low (vs. high) overall ratings.

Key Contributions

Our finding extends the Communication Accommodation Theory's (CAT) application to a new context (online management response) and examines accommodation effects beyond the immediate communication dyad, which enriches the current understanding of CAT. Moreover, while prior research has examined the effect of LSM between existing customers' reviews and intended customers on firm performance (customer to business) (e.g., Ludwig et al., 2013), our study provides empirical evidence that not only the number of function words in the reviews but also the adoption and matching of language style in firm's responses positively impacts prospective customer attitude and firm sales performance.

With regard to the practical contribution, to handle negative reviews efficiently, we suggest firms assess the reviewer's

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language style and provide a closely matched response on this style by adopting text mining technologies. Importantly, the LSM style does not presume the tone matching (i.e., provider can be more positive in response to negative statements but match the review on the number of different function words). Furthermore, we suggest that the effectiveness of management intervention on review sites through LSM use in management responses depends on the overall rating. More precisely, the positive effect of LSM on sales performance prevails for firms with lower ratings.

References are available on request.

Mobile Applications Performance and Construal Level Theory

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Keywords: *construal level theory, mobile applications, role playing*

Description: *This paper studies the impact of construal level of mobile app descriptions and app icons on the app performance in the market.*

EXTENDED ABSTRACT

Research Question

What is the impact of construal level of mobile app descriptions and app icons on the mobile app performance?

Method and Data

Data for this research is collected through Google Play (Google's Android app store) until May 2016. Since this research focuses on role-playing mobile gaming apps, data from this category was collected. App descriptions and app icons were analyzed for 273 apps. Linguistic Inquiry and Word Count (LIWC) software is used to analyze the app descriptions and to calculate their construal level. App icons' construal level were analyzed by the criteria that whether they include a human image. After calculating the construal level of the app descriptions and app icons, the relationship between their construal level and app performance was analyzed.

Summary of Findings

For role-playing mobile apps, the lower level of construal in app description leads to better app performance. In addition, the lower level of social distance in app icon results in increased app performance. An interaction analysis showed that the negative impact of high construal level in the app description gets worse if the app icon has also high construal level.

Key Contributions

App developers might need to use low construal level in their app description and app icons to increase their app performance. This is the first research that studies the relationship between construal level of app features and role-playing app performance.

References are available on request.

Mirror, Mirror on the Wall: Which Type of Content Has the Most Engagement of All?

Jana Gross, ETH Zurich
Florian von Wangenheim, ETH Zurich

Description: *This paper investigates why and how consumers engage with sponsored compared to nonsponsored content.*

EXTENDED ABSTRACT

Research Question
The increasing popularity of influencer marketing has encouraged many companies to cooperate with social media influencers for sponsored posts on social media platforms. Social media influencers (SMIs) are individuals or a group of individuals who aggregate followers on their social media profiles. In *sponsored posts*, SMIs produce posts that contain advertising messages for companies and upload them to their social media profiles. Sponsored posts come in different advertising message types. In contrast to *informational posts*, which focus on increasing awareness about advertised brands and products, *promotional posts* focus on increasing sales for companies. Companies select and pay SMIs based on their posts' engagement. Yet, are sponsored posts adopted for advertising as engaging as nonsponsored posts? Should sponsored posts be crafted for microinfluencers and macroinfluencers alike? This paper aims to answer these questions.

Method and Data
To answer these questions, we conducted two studies. In Study 1, we empirically tested more than 60,000 Instagram posts. We ran a negative binomial regression to account for the count structure of the dependent variable, *engagement*, the total number of likes and comments on a post. The main variables of interest are *sponsorship*, a dummy variable indicating whether or not a post is sponsored, and *advertising*, indicating the advertising type of a sponsored post. We included the variable, *followers*, indicating the number of followers on the Instagram profile to which the post was uploaded. Additionally, we included a set of control variables in our model. In Study 2, we supplement findings of Study 1 by conducting an online experiment on the underlying mechanism. We conducted a two-level between-subject experimental design. Data is analyzed by linear regression.

Summary of Findings
We find differences between consumers' engagement with sponsored and nonsponsored posts. We also find differences between microinfluencers and macroinfluencers. Our findings show differences between consumers' engagement with promotional posts by microinfluencers and macroinfluencers.

Key Contributions
We contribute to marketing theory and practice. From a research perspective, we respond to the call for more research into influencer marketing generally, particularly into microinfluencers and macroinfluencers. We also make a substantive contribution to literature on consumer engagement on social media platforms. From a practitioner perspective, we make practical recommendations to companies and SMIs, both microinfluencers and macroinfluencers, on how to craft sponsored posts when striving for engagement.

References are available on request.

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How Consumers Use Social Media Channels for Negative Word-of-Mouth

Noelle Chung, NEOMA Business School

Ruth N. Bolton, Arizona State University

Keywords: *electronic word of mouth, social media, word-of-mouth, coping motives, complaining behavior*

Description: *This paper investigates how and why consumers use different social media channels for negative word-of-mouth behavior.*

EXTENDED ABSTRACT

Research Question

How word-of-mouth different experiencing a product or service

Method and Data

Summary of Findings

They shared nWOM on video-sharing sites when they had the desire for financial compensation or appreciation from the firm. In addition, the results show that the legislation aiming to protect consumers from strategic lawsuits against public participation, such as nWOM, has not increased nWOM incidences on social media, which is against its legislative purpose.

Key Contributions

First, we propose a categorization of social media channels and suggest their role as a means of coping. Second, our broader conceptualization of nWOM as social coping extends prior conceptualizations of nWOM as an indirect revenge behavior or as the social sharing of emotion. Third, we provide empirical evidence that coping motives are underexplored antecedents of channel-specific nWOM engagement. Last, we show that the impact of anti-SLAPP (strategic lawsuits against public participation) legislation on dissatisfied consumers' nWOM was negative which is against its intention to reduce the legal burden of consumers who are sued because of their nWOM. Our findings offer useful insights to managers who are attempting to design channel-specific communication strategies to manage nWOM.

References are available on request.

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Blessing in Disguise? Utilizing Humor to Cope with Inappropriate Complaints on Social Media

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Sören Köcher, TU Dortmund University

Keywords: *social media, service recovery, humor, online complaint handling*

Description: *This paper shows how a humorous response to an inappropriate online complaint leads to favourable brand outcomes.*

EXTENDED ABSTRACT

Research Question

New media has transformed the marketing environment. Social media platforms, such as Facebook, influence consumer behavior in different marketing domains (Lamberton and Stephen et al. 2016). In particular, negative experiences with a certain brand or company can easily be shared and reach a broad audience of fellow customers (Van Noort and Willemson 2011). It is not only crucial to satisfy the complainant, but also maintaining the brand reputation for the online audience, also referred to as observers or bystanders (Breitsohl, Khammash, and Griffiths 2010). Because the mass audience can follow the complaint and the company's reaction, it is important to understand which response strategies are appropriate for complaints (Hennig-Thurau et al. 2010). Formally stated, this research addresses the following research questions: (1) What is an appropriate response strategy for inappropriate online complaints? (2) Can humor be used to deal with inappropriate online complaints and lead to positive brand outcomes for the observers?

Method and Data

To test the hypothesis, we performed two online experiments in spring 2019. In study 1 we tested the basic assumption that a humorous response strategy is more appealing for the observers and enhances online engagement. The goal of study 2 was to see if a humorous answer might influence bystanders' attitudes which go beyond social media outcomes, namely brand personality and brand affect. In study

1 participants were recruited via Facebook (n = 100; 72% female; 15-60 years old, M = 34.41; SD = 10.875) and in study 2 (n = 83; 37,3% female; 18–34 years old, M = 21.72; SD = 2.78) students of an introductory business class could participate in exchange for credits.

Summary of Findings

We could show that a humorous response strategy to an inappropriate complaint leads to greater online engagement, enhances liking of the post and the intention to tell a friend about it. Moreover, it forms the brand personality, which is an important objective since it influences brand attitudes, image and purchase behavior. Although we showed that humor has negative effects on certain brand dimensions, the overall evaluation in form of brand affect was positive.

Key Contributions

Our paper contributes to the growing literature of online complaint handling in several ways. First of all, we are the first who address the problem of handling inappropriate complaints on social media. Our preliminary analysis revealed that companies are faced with vast amount of online incivility, which can harm the brand enormously if companies do not react. Moreover, we offer a communication strategy which can enhance consumer engagement and brand affect. We contribute to theory as we show that a humorous response does not affect all brand personality dimensions in the same way and provide an explanation based on the Elaboration Likelihood Model. Our results

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might be transferable to other marketing domains, where humorous communication is an important objective.

We could show that handling an inappropriate complaint in a humorous way has positive outcomes for the company. Companies can enhance social media engagement, form their brand personality, and enhance brand affect. Depending on the company's objective such a strategy opens opportunities to position the brand regarding different dimensions depending which image objective they want to achieve.

References are available on request.

The Effect of Firms' Communication Language on Word-of-Mouth: The Case of Mobile Applications

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Chadwick J. Miller, Washington State University

Keywords: *word of mouth, analytic thinking, holistic thinking, mobile apps*

Description: *In this study, we use real data from the Play Store to investigate the relationship between the firm's communication language and the positive word-of-mouth.*

EXTENDED ABSTRACT

Research Question

The importance of online reviews continues to increase in both online and brick-and-mortar businesses. Previous research has acknowledged the importance of this form of word-of-mouth (WOM). Specifically, researchers have investigated the consequences associated with online reviews and word-of-mouth (Liu, 2006; Chevalier and Mayzlin, 2006; Trusov et al., 2009; Zhu and Zhang, 2010). Yet, with three notable exceptions (Berger and Schwartz 2011; Bond et al. 2019; Moore 2015), there is a lack of attention devoted to the drivers and antecedents of WOM.

Building upon analytic and holistic styles of thinking (Nisbett et al., 2001), we fill this gap. Specifically, our work suggests that how a firm describes its products affects the valence of online WOM as represented in consumer reviews. Further, we explore how the product's price moderates this relationship. We propose our hypotheses as follows:

H_1: If a firm uses more analytical language to communicate the product's benefits, the product will get less positive WOM than a firm who uses less analytical language.

H_2: The relationship between analytical communication language and positive WOM is moderated by the price of the product, such that the at the high price values, analytical communication language is more negatively associated with positive WOM.

Method and Data

To test our hypotheses, we make use of a customer dataset from the mobile game and mobile application industry which is a growing market. We selected the top 2400 mobile applications (free, paid, game, nongame) from google play. Four applications did not have any reviews and we left them out of the sample. Each application has a description, with an average of 316 words, written by the application developer. We extracted all the recent reviews (all the reviews or the most recent 4,480 reviews) written by consumers about the apps. With an average of 2,584.2 reviews per app, we collected and analyzed 6,191,757 reviews. We used LIWC 2015 (Pennebaker et al. 2015) to analyze mobile app's description and (as a robustness test) reviews. The dictionary-based approach used here has been employed and validated in past research (Humphreys and Wang, 2017; Tausczik and Pennebaker, 2010). In addition to each mobile app's description, their price and their reviews, we collected and controlled for their release date, cumulative app rating, total number of reviews, the information about whether the app offers in-app purchases or not, the information about whether the app contains advertisement or not, and whether it is a game or not.

Summary of Findings

We find that the analytical language used in product descriptions has a negative relationship with WOM score (b = –.002, *p* < .001), as we hypothesized (H1). This sug-

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gests that communicating with more analytical language to consumers decreases their overall WOM score toward the product. In addition, the interaction between analytical language and the app price is negatively related to the WOM score (b = −.0004, p = .07), which supports our second hypothesis (H2). Thus, for games and applications that have high prices, when marketers use more analytical language in product descriptions, consumers decrease their overall WOM score toward the product. Overall adjusted R^2 of the full model is 78.87 % with $F(12, 2383) = 746$, $p < .001$ and AIC equals to 519.56. While the model with covariates only (excluding main effects e.g. Analytic, Price, and Analytic × Price) would have an adjusted R^2 equals to 78.65 % with $F(9, 2386) = 981.1$, $p < .001$ and AIC equals to 541.92. So, the model improvement by our proposed main effects is notable.

We subject our data to several robustness tests, using alternative dependent variables. The results are robust with our previous findings.

Key Contributions
In this study, we used real data from the Play Store to investigate the relationship between the firm's communication language and the positive WOM. Building upon analytic and holistic styles of thinking, we found that using analytical language to communicate with consumers causes the firm to lose the positive judgement of consumers toward their product. Further, as we predicted, a higher price would make analytical language more negatively influential on the positivity of WOM.

In addition to its theoretical contribution, this study has several managerial implications as well. First, it suggests that managers can have an impact on WOM even after the product is complete and is ready to be sold. Additionally, managers should consider that as price increases, managers should further avoid using analytical language to describe the benefits and features of the product.

Further, although we apply our analysis to the mobile application context where consumers generally see a product description just before their purchase, we expect that our results would also apply to more traditional contexts. In other words, for brands that make use of repeated advertising, we anticipate even stronger effects, because the analytical language is likely more strongly associated with their offerings.

References are available on request.

How Delightful Is Indian Wellness Tourism? Assessing Service Quality Using Sentiment Analysis

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Rajeev Kumar Panda, National Institute of Technology Rourkela

EXTENDED ABSTRACT

Research Questions
- Can online social platforms be used efficiently to gather and monitor customer reviews?

- How efficient is machine learning in the field of service marketing?

- What are the factors which can help in enhancing the customer service experience?

- What are those areas that require development to enrich wellness tourism in India?

Method and Data
The study investigates online customer opinion through the help of opinion mining shared through platforms such as Google reviews, hotels' websites, review sites and blogs to identify important elements of customer experience in wellness resorts in India. Naive Bayes machine learning algorithm was used to conduct sentiment analysis. Eight resorts/ hotels were identified across India which provides wellness facilities to their customer. In total 400 recent customer reviews (January 2019 to June 2019) were extracted for the selected resorts from different blogs and websites. Only English language was considered to avoid translation complexity of reviews posted in Hindi or regional languages used across India.

Summary of Findings
This study helps to contribute in how wellness care centres/ resorts and similar service providers in the tourism business can benefit from the application of technology-based research which is both cost-effective and powerful in gaining accurate customer insights. The findings revealed the real issues behind negative sentiments were bad food quality, poorly maintained amenities, delay in service and respond to complaints, lack of training and experience of staffs and sluggish behaviour. It was also found that the machine learning technique was able to uncover additional reasons behind negative sentiments which might not have been possible with a structured questionnaire. Machine learning was also faster and was able to analyse a large corpus of data which would have been humanly difficult and time-consuming and thus a costly affair.

Key Contributions
- Methodologies to acquire customer feedback from social media with the help of data extraction tools and techniques.

- Faster interpretation of customer feedback and quick response; can decrease possibilities of negative impact on brand image.

- Get new insights, suggestions and predict prospect customer requirements which may not be possible in traditional questionnaire-based approaches.

Machine learning approaches can predict real-time customer experiences without much manual intervention thus will reduce business cost and valuable time.

References are available upon request

Level Up or Game Over? Investigating the Influence of User and Expert Reviews on Video Games Sales

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Sven Heidenreich, Saarland University

Franziska Handrich, Saarland University

Keywords: *video game sales, online user reviews, online expert reviews, econometric, signaling theory*

Description: *This research develops an econometric model that predicts video game sales and thereby focuses on the relative influence of online reviews by ordinary users and experts.*

EXTENDED ABSTRACT

Research Question

The video game industry has become one of the most important entertainment industries creating yearly revenues of $130 Billion. Although the industry has huge economic importance, there is a surprising lack of research on success factors of video games. This research addresses this gap by exploring factors that drive video game sales, focusing on online reviews by (ordinary) users and experts. Thereby, this research analyzes nonlinear effects of both types of reviews and examines their relative influence on video game sales.

Method and Data

This study uses an econometric approach and analyzes sales data of 953 games matched with 683,456 user reviews and 55,160 expert reviews. Data analysis relies on polynomial regression.

Key Contributions

1. We develop a theoretical framework based on signaling theory and theory on quality of information to make predictions about the influence of competing quality signals.

2. Our findings shed new light on consumer purchase decisions in the video game market. We develop an econometric model that explains a large fraction of the variance in video game sales and could be valuable for future research in this area. Moreover, we highlight that expert reviews play a central and much more important role than user reviews in the video game market.

3. Our results provide crucial implications for companies marketing video games. Our findings indicate that the common strategy of publishing games in a rather unfinished state to generate revenues as soon as possible is not advisable. Games that are flawed in early versions, likely receive worse expert ratings, which crucially influence subsequent sales. Additionally, our findings suggest that companies should utilize positive expert reviews in their marketing efforts and enhance their visibility.

Summary of Findings

Our analysis shows that user and expert reviews substantially influence video game sales. However, user reviews only have a significant influence, when ratings are extreme. These ratings stand out and function as a more visible and clear quality signal. Compared to user reviews, the influence of expert reviews on sales is clearly greater. For expert reviews, also mid-range ratings have a significant influence. Similarly, as with user reviews, more extreme ratings have a greater influence. Overall, our results indicate that expert reviews are a central quality signal in the video game market. Expert reviews have a high visibility and signal fit, delivering accurate descriptions of games that give consumers clear advice.

References are available upon request.

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Choice Reversals with User-Generated Content and Firm-Generated Content

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Keywords: *user-generated content, firm-generated content, message identification, source similarity, consumer expertise, consumer purchase intention*

Description: *Employing four experimental studies, this research suggests that general consumers are more likely influenced user generated messages whereas expert consumers are more likely influenced by firm generated messages.*

EXTENDED ABSTRACT

Research Question

Are consumers more likely to be influenced by user-generated content or firm-generated content and why?

Method and Data

To answer the research question, we conducted four experimental studies in different consumption settings and conditions to test our hypotheses.

Summary of Findings

Results from experiments 1 and 2 suggest that UGC is more likely to persuade general and expert consumers than FGC in any FGC differ steps. In UGC in Alternin affekt high revieri content. The effects are different for general consumers vs. expert consumers. Across the four studies, the results also suggest that the observed UGC- and FGC-influenced behavior are mediated by consumer expertise and FGC demonstrate higher consistence influence on consumer purchase behavior.

Key Contributions

Our research reconciles the mixed findings of extant research on the relative impact of FGC and UGC. Our findings also illuminate mechanisms through which UGC and FGC influence consumer purchase behavior. Specifically, this research is the first to reveal whether UGC or FGC is more likely to motivate consumers to buy depending on whom among the three consumers types that support decide Grodkilf until reaction by transmit time trans-the repeats on sib the of which UGC and FGC influence consumers. Managerially, these findings suggest (1) that a customer-segmented communication strategy would be beneficial to on content but should also make the information sources salient for different types of consumers.

References are available on request.

A Process-Based View of Negative Incidents Progression on Digital Platforms

Amal K. Alsahli, Case Western Reserve University

Keywords: *digital platforms, attribution theory, grounded theory, process model, sensemaking*

Description: *Drawing on qualitative investigation of multiple case studies, the present study explains the dynamic social process behind the progression of negative incidents in the digital platform context.*

EXTENDED ABSTRACT

Research Question

Given the theoretical and practical implications of understanding the progression of negative incidents by third-party providers "complementors" in digital platforms, and the lack of comprehensive studies addressing such a research gap, the present study explores how these incidents evolve over time, how end-users perceive them, and how a platform responds to them.

Method and Data

Aiming to generate a theoretical model that explicates the consequences of negative incidents caused by third-party providers in a digital platform setting, this research adopts a grounded theory methodology followed by a revelatory multicase study of extreme negative incidents on YouTube as reported in major traditional media publications (Eisenhardt 1989; Strauss and Corbin 1998; Yin 2009).

Empirical materials on negative content on YouTube are collected through an extensive search in major U.S. and international media publications ranging from newspapers to blogs to newswires and press releases between the year 2005, the year the platform was founded, until the year of 2018. This search is facilitated using Nexis Uni (formerly known as LexisNexis) database for archival publications records. After removing redundant content, a total of 53 negative incidents covered in 102 news articles were identified.

Summary of Findings

In contrary to the variance approach that focuses on the cause and effects relationships among a set of variables. The present study employs a process approach to explain the dynamic social process behind the progression of negative incidents in the digital platform context. The proposed process model views this dynamic relationships among the platform actors as a sequence of events and stages ordered over time. The resolution of the negative incident has emerged as the outcome of interest. Incident is resolved when end-users no longer complain about the negative video or about the platform's response, or lack thereof. End-users and public external community seem to experience a sensemaking process that bracket the cues from the environment in order to develop a plausible meaning of what is going on (Weick 1995; Weick, Sutcliffe, and Obstfeld 2005).

Key Contributions

The present research makes important contributions to the literature on both digital platforms and attribution theory. First, attribution theory has been applied in the context of digital platforms to explain the process of how the perception of negative incidents and the platform response to these incidents vary and disperse over time. This dispersion is a result of the dynamic social interactions among the end-users, the platform, the service providers or complementors, and the external community. Second, the study applies the organizational sensemaking lens to explain these interactions by the different actors in the platform ecosystem. Our proposed process exemplifies the essentials of sensemaking where people retrospectively develop meanings to their collective experiences.

The study also contributes to practice by highlighting the critical role of time in the development of collective meaning by the diverse actors in the platform ecosystem. This necessitates a prompt platform response. It also motivates the platform designers to pay attention to the over-time moral outrage, which could help in the design of a trustworthy, safe, value-driven, and ethical platform.

References are available on request.

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Toward an Optimal Display of Online Ratings' Distribution

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Keywords: *online consumer ratings, graph perception, negativity effect, consumer choice*

EXTENDED ABSTRACT

Research Question

Review platforms and e-tailers allow consumers to rate and review product and services on their websites. Given a large number of reviews posted for each item, they usually provide their visitors with summary information such as the weighted average of ratings and their underlying distributions. However, they use different formats to display the distribution of ratings. Prominent websites, such as Amazon.com and Yelp.com, use either simple or framed bar graphs. In this research, we focus on the following questions: In an online buying context, do consumers evaluate an item differently when its ratings' distribution is presented in different formats (i.e., framed versus simple bar graph)? Is consumer preference from a choice set influenced by the distribution format? If so, then what is the underlying psychological mechanism causing this difference?

Method and Data

Undergraduate students and online participants (N = 2,396) participated in six studies. A large number of distributions (226 unique distributions) were sampled from a pool of 130,000 randomly generated distributions. Participants were randomly assigned to treatment groups and were asked to make a judgment (i.e., evaluate several product or services, estimate the means of distributions, and/or choose a product from a choice set) based on the presented ratings distributions. In study 5, while doing the evaluation task, participants' eye movements were recorded via eye-tracker. Studies were analyzed by mixed-effects regression analysis, ANOVA, or Chi-square tests.

Summary of Findings

Our findings in study 1, 2, 4, 5, and 6A demonstrate that relative to a framed bar graphs, where part-to-whole relationships are visually available, consumers evaluate an item more positively when its ratings' distribution is presented in a simple bar graph. Study 3, 4, and 5 provide strong evidence that the inferiority of framed bar graphs is due to the negativity effect as participants paid relatively more attention (measured by eye fixations) to the negative information in framed versus simple bar graph format. In fact, the additional negative visual cues in a framed bar graph are more diagnostic than the additional positive visual cues. In study 6B, participants were required to choose a product from a choice set consist of four options. The results revealed that due to the relative salience of negative and positive information, the format in which distributions are presented can influence consumer choice even when additional statistical information, such as average ratings, is displayed.

Key Contributions

By examining the ratings' distribution format, we uniquely contribute to the literature. What's more, we uncover a novel framing effect and demonstrate that framing effect extends to online ratings distribution formats. For practitioners, our work demonstrates that relatively subtle features of ratings' information, such as the distribution format, can influence consumers' evaluations and preferences. Visitors to review platforms are usually in the final stages of the purchase funnel and this work suggests that by altering their distribution formats to simple bar graphs, review platforms can boost visitors' evaluations of their offerings.

References are available on request.

Is Creativity Purely Random? Testing Alternate Algorithms for Idea Screening in Crowdsourcing Contests ...

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Gerard Tellis, University of Southern California

Johann Fueller, University of Innsbruck

Keywords: *crowdsourcing, artificial intelligence, creativity, innovation, idea screening, predictions*

EXTENDED ABSTRACT

Research Question

Which of 3 recently published measures that have a significant impact on creativity - Idea's Word Colocation (Toubia and Netzer 2017), Ideator's Inspiration Redundancy (Stephen, Zubcsek and Goldenberg 2016), and Topic Atypicality (Berger and Packard 2018) - performs best in predicting creativity? Can we extend these althorithms to increase the predictive power further? Can these three algorithms or a combination of them partially or fully substitute for human experts?

Method and Data

To compare the predictive accuracy of the three algorithms, we rely on pooled data from ten different ideation contests conducted for firms such as Lufthansa, Telekom, and DHL. We use and extend the three algorithms and test which of those performs best using a Bayesian Lasso.

Summary of Findings

First, any individual algorithm does not meet the standard provided by the client in out of sample prediction when used alone; however, when used together, the algorithms can meet this standard. Second, the ability of the Idea's Word Colocation method to screen out bad ideas varies as a function of the corpus used to measure colocation: Wikipedia does best, followed by a pool of other ideas from the same contest, then Google Patents, then Google Search results. Third, the Topic Atypicality metric developed in another context fails to meet the standard in our dataset, while a related method developed here does so. Fourth, when the best versions of the algorithms are used, all three contribute to prediction accuracy, even when used together.

Key Contributions

First, we demonstrate the performance of algorithms for screening ideas outside of the estimation/training sample, while prior work has focused on in-sample prediction. Out-of-sample predictions are a more rigorous test because they do not exploit idiosyncrasies of the data.

Second, we generate predictions based on three new word colocation networks: Wikipedia, Google patents, and the "Own" network. Wikipedia and Google patents represent the wisdom of experts and are extensions to Toubia and Netzer's (2017) wisdom of the crowd based on Google Search. The third, "Own", network captures contextual relevance.

Third, we develop a new approach for measuring Topic Atypicality, whose key component is the number of topics an idea has in common with a reference corpus. This method has significant predictive power.

Fourth, algorithms achieve impressive out-of-sample performance on the task of removing the worst ideas, but human judges outperform algorithms in choosing the best creative ideas.

References are available on request.

Brands on Social Media: A Metasynthesis on the Social Media Value Chain

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Francesca Sotgiu, Vrije Universiteit Amsterdam
Peeter W.J. Verlegh, Vrije Universiteit Amsterdam

Keywords: *owned social media, earned social media, brand image, consumer buying behavior, metaanalysis*

Description: *In our paper we conducted a metaanalysis on the effects of a brand's marketing activity on various outcome metrics including earned social media, brand image and eventually firm performance.*

EXTENDED ABSTRACT

Research Question

With more than three billion social media users worldwide, brands have long recognized the potential of social media to generate strong marketing outcomes, such as brand image and sales (Moorman 2018). Many brands have established an active social media presence, across a multitude of channels, including Facebook, Instagram, Twitter, YouTube, and brand-related blogs. The brand-initiated content shared through these channels aims to influence brand image and consumer behavior, either directly or indirectly, by stimulating "earned social media" (i.e., brand-related content generated by third parties, including consumers; Stephen and Galak 2012). Yet companies often question the actual return of their social media presence. Specifically, to what extent does it stimulate earned social media? More importantly, does it improve brand image, purchase intentions, and sales? To address these questions, we introduce the social media value chain, through which brands' owned social media influences earned social media and brand image, which in turn affects consumer buying behavior. While previous research has examined some of the linkages in this value chain, a holistic assessment is missing.

Method and Data

For our metaanalysis we collected published and unpublished studies. We first conducted a literature search in academic databases. Second, we performed a manual issue-by-issue review of the top publication outlets in marketing, strategy and management, information systems and computer science. Third, we applied a snowballing procedure aimed at identifying additional studies from the reference lists. Last, we performed a keyword search on Google Scholar using the word "social media" in combination with various search terms related to earned social media, brand image, or consumer buying behavior. We completed the search process in December 2018 excluding conceptual papers, or studies that did not report the necessary information for our empirical synthesis. We conduct a three-step metaanalysis of the social media value chain, which encompasses 1,504 effects collected across 124 papers spanning from 2009 to 2018, covering 40 platforms, 15 industries, and 61 countries. Our metaanalysis follows a three-step approach. In the first step, we summarize the effect sizes using a random-effect Hedges-Olkins metaanalytic (HOMA) procedure. In the second step, we test our theoretical framework in a metaanalytic structural equation model (MASEM), and finally we identify important moderators in a hierarchical linear metaanalysis (HiLMA).

Summary of Findings

Our findings emphasize the importance to account for the social media value chain: owned social media has a strong and positive effect on earned social media and brand image, and a weaker effect on buying behavior. The latter effect is in fact fully mediated by earned social media and brand image. Interestingly, both owned and earned social media can influence consumer buying behavior through (their ability to stimulate) brand image.

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Turning to content, hedonic owned social media is most effective in driving earned social media, while functional content works best in amplifying brand image. While functional and hedonic content do not differ in their impact on consumer buying behavior, social content is the least effective. Regarding contextual moderators, we find that social networks stimulate more earned social media than microblogs, while to affect brand image microblogs are more effective. The effects are stronger in the service industry for all performance metrics and vary with the extent to which countries are digitally and economically advanced (with stronger effects on brand image and weaker effects on consumer buying behavior for more digitally and economically advanced countries). Finally, the impact of social media on consumer buying behavior has weakened over the years.

Key Contributions

We aim to contribute to the literature in five ways. First, we summarize the large body of literature on social media marketing, highlighting the overall effects of owned social media on different marketing outcome variables. Second, we propose and test the social media value chain and confirm the important mediating effects of earned social media and brand image on consumer buying behavior. Having a clear picture of the direct and indirect effects enables both academics and practitioners to estimate marketing outcomes more accurately. Third, we explore how to create engaging brand content to stimulate earned social media, brand image, and sales. As these effects may be contingent on the content type, we quantify the impact of functional, hedonic, and social content, highlighting important differences. Fourth, we report the platform–industry–country combination for which owned social media is best. This helps managers to efficiently allocate their social media marketing budget across the different industries and countries. Fifth, by taking stock of the existing literature, we highlight various gaps from our literature search and metaanalytic analyses. For example, we note the opportunity to explore a more diversified set of owned social media content types and branding aspects to leverage social media.

References are available on request.

Brand Narratives in Social Media Communication: Implications for Consumer Sharing

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Keywords: *consumer sharing, narrative images, social media, text-image relationships*

Description: *In this study, we analyze narrative images and their effect on consumer sharing. We identify three aspects (person, text within the image, caption complexity) of social media posts which attenuate the positive effect of narrative images on consumer sharing.*

EXTENDED ABSTRACT

Research Question

What visual elements in brand messages generate a compelling narrative and, in turn, trigger consumer sharing on social media? Images that tell a compelling narrative are more important than ever to engage consumers with brand messages, especially on social media. Over *40* billion images have been shared to date and 95 million images are shared daily on Instagram (Hootsuite 2018). A study on the effectiveness of brand messages in social media has shown that images failing to tell a compelling narrative to consumers are accountable for a *40%* disengagement rate (Quintly 2016), meaning that the inclusion *per se* of any image in brand messages does not lead to greater consumer sharing (SocialQuant 2017).

This research investigates what visual elements generate compelling narratives and how these elements interact with textual elements (caption, text within the image) in affecting consumer sharing.

Method and Data

We collected *7,681* posts from two leading social media platforms, Facebook and Twitter. The data set includes posts by eight brands across different industries.

Our dependent variable, consumer message sharing, was operationalized as the number of retweets or shares on Facebook (Gong et al. 2017).

Our independent variables were coded using Upwork. We hired image annotation specialists who coded the images in narrative or conceptual, whether there was a person in the image, or text within the image. Caption complexity was measured with the Flesh Reading Ease index (Berger and Milkman 2012).

As control variables, we included message positivity, presence of questions, the number of words in the text, whether the post appeared on the weekend, and the number of hashtags included in the message.

We ran two separate models for the Twitter and Facebook data sets. Consumer sharing follows a negative binomial distribution, with an over-dispersed count around the mean (Heimbach and Hinz 2016). We use a lagged dependent variable (share/retweet count$_{-1}$) in the predictor set, so that the model can account for carryover effects from one share/tweet to the next (Franses and van Oest 2007).

Summary of Findings

First, our results show that consumers share significantly more narrative images than conceptual ones. This effect is consistent across Twitter and Facebook. Second, images showcasing a person result in weaker consumer sharing when combined with narrative images. This effect is consistent across Twitter and Facebook. Third, we find partial sup-

port for our prediction regarding the interaction between text within the image and narrative images. Text within the image has a negative effect on consumer sharing when combined with narrative images only for Twitter but not for Facebook. Fourth, complex captions have a negative effect on consumer sharing when combined with narrative images (compared to conceptual images) both for Twitter and for Facebook.

Key Contributions

The findings of our study provide insight into the role of images in social media conversations by making at least three important contributions. In line with past research (Escalas 2004), this study demonstrates that narrative images are shared more by consumers than nonnarrative images. This effect is observed on real posts across two social media platforms, i.e., Twitter and Facebook, asserting the generalizability of the role of narrative structures beyond restricted empirical contexts, such as laboratory experiments. Second, in considering the specific story component of personified actors (Banerjee and Greene 2012), this research shows that, in a social media context, including a person in the narrative has a negative effect on consumer sharing (Farace et al. 2017). Third, we advance knowledge on consumer sharing of brand messages by analyzing how text within narrative images affect consumer sharing. Our findings show that including text within images, negatively affect consumer sharing of brand messages for Twitter but not for Facebook. Fourth, we leverage literature on text-image relationships (Bateman 2014) by showing that the complexity of captions in social media posts has a negative on consumer sharing of brand messages.

This study provides straightforward and actionable implications for brand managers dealing with social media content. Although we demonstrate that narrative images are a powerful communication tool that should be used on social media platforms, this study highlights at least three aspects (person, text within the image, and caption complexity) that decreases consumer sharing of brand messages when narrative images are included. Our findings highlight that content composition of brand messages requires a careful evaluation from practitioners. Using multimodal social media posts can be a powerful tool for brand communication. However, it is crucial for managers to understand that modes have different purposes and limitations and, therefore, need careful consideration when combined to create engaging narratives for consumers to be shared on social media platforms.

References are available on request.

Social Influencers in Hedonic and Utilitarian Conditions

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EXTENDED ABSTRACT

Research Question

The power of influencers and their fields of activity are continuously growing. Until now, little empirical research has been carried out on possible connections between a consumer's (hedonic or utilitarian) consumption goal and the ideal characteristics of an influencer. The work at hand investigates into two characteristics of influencers, for which a differentiation might be necessary, namely influencers' expertise and utilitarian/hedonic argument style. The underlying scenario is consumers' selection of a hotel for (1) a holiday (hedonic consumption goal) or (2) a professional/universitarian seminar (utilitarian consumption goal).

Method and Data

On the whole 229 data sets were employed. The data was analyzed by means of structural equation modeling in SmartPLS.

Summary of Findings

Contrary to extant research on fields outside influencer marketing expertise appears to be more important under hedonic than utilitarian conditions. With reference to argument style the results demonstrate that a hedonic argument style is more effective if consumers pursue a hedonic consumption goal, while a utilitarian style is more effective when consumers pursue a utilitarian consumption goal. This is not counter-intuitive. However, it clarifies the ideal pairing of argument style and consumption goal in the context of influencer marketing. Literature from other research fields (e. g. advertising texts) produced ambiguous results. One body of literature argued in favor of goal-matching arguments while other scholars situationally recommend goal-mismatching arguments. Overall, the results demonstrate that findings from other research areas cannot be transferred one-to one to influencer marketing. This area rather seems to follow its own principles.

Key Contributions

The study sheds light on an issue, on which little empirical research has been carried out until now, namely the interplay between a consumer's (hedonic or utilitarian) consumption goal and the ideal characteristics of an influencer. Moreover, research in influencer marketing in the context of tourism products is likewise still scarce. This study generates partiall surprising results (see next section) and helps to clarify the relevance of the two charcterisitcs expertise and argument style in the specific field of influencer marketing under hedonic and utilitarian conditions.

References are available on request.

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Segmenting Consumers Using Facebook Profile Pictures: A Two-Step Clustering Approach

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Keywords: *impression management, segmentation, cluster analysis, profile pictures, Facebook*

Description: *This paper segments consumers based on their Facebook profile picture choices.*

EXTENDED ABSTRACT

Research Questions

RQ1. Are there differences among Facebook users on the basis of visual elements such as emotional expression, dressing style, indoor vs outdoor settings, which they use to project themselves in PPs?

RQ2. Is it possible to identify distinct group of Facebook users according to the composition of visual cues?

RQ3. Does visual element patterns of the identified groups have any impact on impression management in Facebook?

Method and Data

This exploratory research considers Facebook accounts of randomly selected international users for effectively analyzing the profile pictures (PPs) and other visual cues relevant to impression management. The selection of Facebook PPs was carried out using Imagecrashers software, which displays random Facebook profile based on Facebook Graph API. Among the 650 profiles, 32 were excluded due to missing data or discrepancy in information. Data analysis involved the application of hierarchical and k-means clustering method for segmenting users into identifiable and homogeneous groups. Also, these groups were assessed for possible linkages with Facebook usage, engagement with brands, and demographics, as exhibited in Facebook profiles.

Summary of Findings

The empirical results of the full sample (n = 618) using cluster analysis technique resulted in three distinct clusters (agglomer-

ation coefficient = 3.26), which are named Reserved, Lovesome, and Go-getter. These clusters exhibit approximately similar size with each accounting for one-third of the segmented groups. The clusters show significant differences in terms of the dressing style, situational settings, eye contact, and eye cover, but not in terms of image style and presence of background objects. Subsequently, these findings extend support to the notion that visual cues reduce uncertainty and enhance social presence. The findings also exhibits the inclusion of self-expression needs of the consumers along with the conventional need to belong and need for self-expression.

Key Contributions

1. Profiling of Facebook users from different countries based on their PPs into three distinct segments- Reserved, Lovesome, and Go-getter.

2. Providing empirical evidences for inclusion of "self-expressive need" among the existing two motives for Facebook usage- need to belong and need for self-promotion.

3. Advocating the importance of nonverbal i.e. majorly visual cues for understanding impression management in social networking sites.

4. Ensuring robust and reliable segmentation results due to analysis of visual cues and not self-reports, which are often termed biased and inaccurate for managerial decision-making.

References are available on request.

eWOM Influentials: Digital Influencers and Celebrities

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Description: *This research aims to explore whether, how, and when digital influencers (versus celebrity) are more effective in generating eWOM.*

EXTENDED ABSTRACT

Research Question
While many brands have recently used digital influencers alongside traditional celebrities to promote their products and increase brand awareness, it is not clear which choice is the best for companies. Thus, this research aims to explore whether, how, and when digital influencers (versus celebrity) are more effective in generating eWOM. We focus on boundary conditions, such as brand and product-level factors, and the underlying mechanisms of the effects.

Method and Data
We conducted two studies to test our hypotheses. Study 1 is a field study that examines the impact of digital influencer versus celebrity campaigns on eWOM generation. We manually collected 142 digital influencer campaigns and 285 celebrity campaigns from media sources including Lexis-Nexis and Factiva during the 2007–2018 period. Using keywords and hashtags of each marketing campaign, we obtained information about consumer engagement with the campaign on social media channels, including Facebook, Twitter, Instagram, Youtube, and online forums using Infegy Atlas social media analytics platform.

In Study 2, we used a large-scale experiment on actual consumers to evaluate various digital influencer and celebrity campaigns in the automobile, clothing, mattress, and kitchen appliance categories. Our purpose is to corroborate findings of Study 1 and investigate the mechanisms underlying the differential effects of digital influencers versus celebrity and the boundary effects. We recruited 634 respondents who participated in a 2 (influencer: digital influencer vs. celebrity) × 2 (luxury: Mercedes-Benz/Nike/Tempur-Pedic vs. affordable: Ford/Old Navy/Nectar) and 2 (private: Mattress/Kitchen Appliances vs. public: Car/Clothing) between-subject design. We measured participants' self-identification, social status, and perceived social connectedness as potential mediators. Control variables include brand knowledge, prior brand experience, product category involvement, consumer's need for uniqueness and brand equity.

Summary of Findings
Results of the interaction effects of influencer type and brand and product level moderators from Study 1 reveal several conditions when digital influencer marketing campaigns actually can evoke more online conversations than celebrity marketing campaigns. Specifically, the negative interaction effect of influencer and brand type suggests that digital influencer marketing campaigns generate more eWOM posts for affordable brands than for luxury brands. By contrast, the positive interaction effect of influencer type and product category suggests that digital influencer marketing campaigns generate more eWOM post for private consumption categories than public consumption categories. We also find that digital influencer marketing campaigns generate less positive sentiment for luxury brands than for affordable brands, but more positive sentiment for private consumption categories than for public consumption categories.

Regression analysis results of the experimental data confirmed our findings obtained from Study 1. More importantly, mediation analysis suggests that perceived social connectedness mediates the effect of digital influencers on eWOM volume/sentiment, whereas identity signaling mediates the effect of celebrities on eWOM volume/sentiment.

Key Contributions

Our research makes several significant contributions. First, it is the first empirical research to examine the effect of the type of endorsers (i.e., digital influencers vs. celebrities) on eWOM generation, although previous research has studied how content characteristics (Berger 2011; Berger and Milkman 2012; Berger and Schwartz 2011; Chen and Berger 2013), individual factors (Angelis et al. 2012; Cheema and Kaikati 2010; Shin, Song, and Biswas 2014; Wojnicki and Godes 2013), and brand characteristics (Eelen, Özturan, and Verlegh 2017; Lovett, Peres, and Shachar 2013; Paharia, Avery, and Keinan 2014; Relling et al. 2016) drive online sharing. Thus, our research fills this important gap and contributes to eWOM literatures. Second, our research identifies the boundary conditions (e.g., brand-level and product-level factors) under which digital influencers are more effective in generating eWOM than celebrities, and the underlying mechanisms of these effects. By doing so, our research sheds light on when, how and why to choose digital influencers versus celebrities as brand endorsers to drive online engagement.

References are available upon request.

The Advent of Artificial Intimacy: An AI-Consumer Relationship Framework Using the Case of Amazon's Alexa

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Description: *This exploratory study examines how AI-powered devices could forge a more intimate relationship with customers, and proposes a framework encompassing all the likely constituents in that relationship.*

EXTENDED ABSTRACT

Research Question

There have been significant developments in the field of customer relationship management (CRM) in recent decades, which includes the increasing use of automated forms of interactivity between brands and their customers. Indeed, customer interactions and relationships with businesses through automated means can be expected to increase in the future. In fact, Forrester predicted that business spending on AI will increase by 300 percent in attempts to enhance effectiveness and cater to an ever growing population of tech savvy, socially conscious consumers who know what they want. For the past few years, organizations have been competing to create superior customer experiences to attract customers and establish loyalty by providing more accurate personalized interactions. To accommodate the growing expectations of consumers, businesses are expected to focus on centralising the knowledge management, integrating chatbots and live agents, and combining both AI and human input. This would shift firms' focus from knowledge retention to building better relationships with customers. Companies such as Amazon, Google, and Apple continuously look for cutting-edge technology to keep ahead in the competition using AI to improve customer intimacy. Accordingly, this paper aims to further explore how AI-powered devices could forge a more intimate relationship with customers. The study proposes a framework encompassing all the likely constituents in that relationship. The case of Amazon's voice activated AI, namely Alexa, is used for that end.

Method and Data

An exploratory research approach was adopted, using an inductive thematic analysis to identify and analyze themes in the collected data. The data was collected from Amazon's customers' reviews relating to Alexa on the e-retailer's website. In total, 16,687 comments were analyzed. Following the research methodology approach adopted, the codes were inspired from the data collected, reflecting consumers' evaluations of Alexa. In order to ensure a high degree of reliability, three researchers coded separately the data into the various themes. The different iterations were then compared to ensure that the thematic coding reflected well the categories that the comments were put into.

Key Contributions

From a scholarly perspective, the wealth of data collected brought interesting findings. At its core, the data showed that an AI-consumer relationship comes in a nonlinear form, as it is based on a series of dynamic relationship iterations between the (a) *AI device*, (b) the *AI user*, and (c) the *social circle of the user*. Furthermore, two types of relationships emerged categorized as either cognitive or affective. Interestingly, the social aspect of the relationship between the AI device and its user could fall under either of these two categories.

The cognitive relationship encompasses both the functional and the convenience aspects of the relationship that Alexa

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provides to its users. Such aspects revolve around useful services such as providing general information (e.g. weather, news, traffic…), offering entertainment (e.g. games, music…), and managing all connected devices (light control, electric outlets, temperature control…). As for the emotional relationship, it is based upon an attachment to the AI device, which is triggered by a love/passion feeling that the user may develop towards it. In fact, some of the reviews analyzed reveal a remarkable intensity in expressed emotions and in the high ensuing dependence.

From a practice-viewpoint, this study tackles the nascent, yet fast growing field of consumer behavior vis-à-vis AI-powered devices. As these devices are proliferating into consumers' homes, becoming a core component of their lifestyle, there is a dire need for brands and companies to understand early on the intricacies that govern such relationships in order to know how to manage it best. Indeed, as the expected potential of these AI devices is extremely high, the relationship direction between consumers and these devices is crucial to understand. Accordingly, in this study, a framework was devised on the premise that such relationships are nonlinear and encompass three fundamental components, namely: users, their social circle, and the AI device itself. Furthermore, the AI-consumer relationship seems to encompass two fundamental categories: affective and cognitive. While the cognitive area is straightforward as it bases itself on the basic general uses of the device (such as traffic, news, weather and IoT control), the affective category came to be the most interesting and controversial one as it showed the degree to which consumers are getting emotionally attached to the personified AI. As the framework integrates the social circle as part of that relationship, brands should also consider the acceptance/rejection forces that accompany the adoption and usage of such devices in consumers' homes.

Summary of Findings

This research is among the first to tackle an AI-consumer relationship framework that embeds its different constituencies covering both cognitive and affective perspectives. The study shows that such relationships are nonlinear and involve multiple stakeholders with different needs. If the AI-user relationship is properly tackled through the integration of the functional, social and affective solutions, such relationship will turn into a close intimate one that would forge high dependence amongst users towards the AI personified device, allowing brands to use Alexa as their endorser inside their target market's own home.

References are available on request.

May I Help You? Social Presence and Anthropomorphism in Consumer/VSA Interactions

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Keywords: *virtual service assistant, artificial intelligence, social presence, anthropomorphism, recommendation quality*

Description: *The present study examines the role and outcomes of perceived social presence and anthropomorphism in human-machine interactions in the context of online services.*

EXTENDED ABSTRACT

Research Question

This study aims to contribute to the understanding of the outcomes of consumer-VSA interaction in the context of online services. We seek to answer the following question: What role does the social presence perceived during a human-VSA interaction play in the effectiveness of a VSA as a recommendation agent? Furthermore, we seek to understand how adding human features to nonhuman applications affects interaction outcomes, which inspires a second question: Can the effectiveness of the VSA's recommendation be improved by increasing the anthropomorphism of the VSA?

Method and Data

The present study followed a between-subjects field experimental design with 173 usable responses. Two experimental conditions (anthropomorphism: low, high) were created based on an online government service where the AI-based VSA provided help to citizens. The VSA operated on the service's website throughout the experiment period, and its appearance and conversations were modified for the two experimental conditions. The high anthropomorphism condition featured a picture of the company's actual service person and a slight modification of the conversation toward a more socially oriented style. The low anthropomorphism condition featured a picture of a robot and a conversation modified toward a task-oriented style that contained fewer greetings or other notes in the conversation. The respondents were the clients of the online service who voluntarily engaged in conversations with the VSA for help with their current service-related problem. At the end of the conversation, the respondents were asked to participate in the survey. The research instrument consisted of the validated scales of perceived social presence, anthropomorphism, recommendation quality, and trust in the VSA as a recommendation agent.

Summary of Findings

The present study extends the existing knowledge of the role and outcomes of perceived social presence and anthropomorphism in human-machine interactions in the context of online services. VSAs were understood as social actors whose interaction outcomes are a function of social presence and anthropomorphic cues. The constructed model was tested with a sample of individuals using a VSA in an online government service that provide help and recommendations for the service customers. The perceived recommendation quality and trust in the VSA as a recommendation agent were understood as indicators of recommendation effectiveness. Perceived social presence was the main driver of recommendation effectiveness, which accounts well for perceived recommendation quality and trust in the VSA. Trust is largely explained by perceived recommendation quality, which is driven by perceived social presence and the anthropomorphism per-

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ceived during the interaction with the VSA. The results confirmed a positive relationship between perceived social presence and trust in the VSA mediated by perceived recommendation quality. The results also showed a significant negative moderation effect of anthropomorphism. Therefore, the effect of perceived social presence on perceived recommendation quality was stronger in the case of a robot-like VSA than in the case of a human-like VSA.

Key Contributions

The results add to current knowledge by showing that the effectiveness of AI-based VSAs as recommendation agents is driven by their ability to add social presence to online services. Social presence positively affected recommendation quality and trust in the VSA. In addition, the result showed a negative moderation effect of anthropomorphism on the PSP-PRQ relationship. This suggests that adding social presence to an online service by using a robot-like VSA is more effective than using a VSA that mimics a human. This may relate to the expectations of individuals regarding the interaction quality with a VSA. For managers, the results show that VSAs can be seen as social actors that effectively provide information, help, and recommendations for customers online and that their effectiveness depends on characteristics that give customers the feeling of being with another. Therefore, while the results encourage the use of VSAs as an interaction channel, VSAs should be framed as machines for the customers.

References are available on request.

A Streamer's Stream: The What and How of Successful Social Live Streaming

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Description: *This research examines how live streamers should communicate to their audiences to enhance streamer-beneficial outcomes.*

EXTENDED ABSTRACT

Research Question

Social live streaming is an emerging form of digital media that is gaining in popularity (TwitchTracker 2019). It enables real-time content generation and consumption and facilitates synchronous interactions between streamers and their community. Social live streams differ from other popular media forms, such as TV or Videos-on-Demand (Schweidel and Moe 2016) in two key aspects. First, the streaming and the consumption of content occurs in real-time. Second, it allows for a synchronous interaction between the content creator (i.e., streamer) and his/her respective community (i.e., live-chat). So far, most researchers have focused on the motivations of viewers for watching live streams and for engaging in monetary activities towards the stream (e.g., Sjoblöm and Hamari 2017). Thus, previous literature has neglected to identify how streamers can design their live communication directed at their viewers in order to drive nonmonetary and monetary outcomes. Against the background of a highly competitive streaming market (Zhao et al. 2018), the authors examine communication foci (the "what") and communication styles (the "how") as levers of streaming success. In doing so, they analyze their impact on nonmonetary and monetary outcomes.

Method and Data

This research draws on data collected via a two-wave questionnaire comprising viewers' perceptions of streamer communications and their actual behavior towards a specific stream(er). Participants were recruited through various internet forums and other social media focusing on gaming and/or streaming (e.g., Reddit). Using seemingly unrelated regression (SUR), the authors analyze the proposed impact of communication focus on nonmonetary (i.e., the average time spent watching the chosen stream) as well as monetary outcomes (i.e., whether a participant has made a donation) while considering the moderating role of communication style. The use of SUR allows them to account for correlated error terms in the equation system and the specific distributions of each equation's dependent variables.

Summary of Findings

The SUR results depict that communication foci represent a double-edged sword: community-focused communication has a positive (negative) influence on nonmonetary (monetary) outcomes, and content-focused communication has a negative (positive) influence on nonmonetary (monetary) outcomes. Consequently, streamers need to carefully consider whether they focus on building a viewer base or cashflow through donations because although one particular communication focus may enhance one outcome, it may harm the other. Further, depending on their communication focus, streamers should thoroughly choose between adopting a utilitarian-superior style or a hedonic-superior style. The utilitarian-superior style should be particularly embraced by streamers when they center their communication on the content to drive monetary outcomes as it can further enhance it. Nevertheless, this style should be avoided

when the streamer follows a community-focused approach because it amplifies the negative impact on financial consequences of a stream.

Key Contributions

This study contributes to social media research in general and to the emerging literature on social live streaming specifically. Because the authors identify communication foci and styles for driving nonmonetary and monetary outcomes of live streams, the findings particularly provide insights for research concerned with drivers of customer engagement in social media. Of specific interest for practitioners, the study demonstrates how streaming content providers (e.g., marketers or influencers) should adjust their communications for driving engagement in the context of synchronous social media (i.e., social live streams).

References are available on request.

Service Encounters with Robots: Understanding Customers' Attributions of Responsibility and Stability

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Keywords: *frontline robots, service failure, customers' attributions, responsibility, stability*

Description: *This work explores the attributions that customers make when they experience service robots in the frontline.*

EXTENDED ABSTRACT

Research Question

Despite the recent interest in frontline robots, much remains to be explored. First, although an abundance of theoretical predictions is provided about how replacing frontline employees with service robots may affect customers' experiences, empirical evidence is virtually nonexistent. Second, emerging research in service journals merely acknowledges the role of technological advances in general instead of studying a specific technology in an applied setting. Third, service failure has been a topic of particular interest in previous work on service technology and likely continues to be in the service robot era because of the strong relationship between service failure and customer satisfaction. Finally, not only from a marketing perspective, but also from an ethical and legal point-of-view, it is important to know how responsibility can be ascribed to the actions of autonomously operating frontline robots.

This article thus aims to better understand attributions that customers make following a successful or unsuccessful service encounter with a service robot. More specifically, this paper sets out to compare customer attributions in service encounters where the agent is a human (employee) to those in encounters where the agent is a service robot.

Method and Data

Two vignette-based experimental studies were employed. The first study consisted of a 2 (frontline agent: human employee vs. robot) × 2 (service outcome: failure vs. success) between-subjects experimental design. Research hypotheses were tested with data collected from 331 U.S. customers who were recruited through a market research agency and randomly assigned to each of the four scenarios. In this case, scenarios focused on a hotel's reception.

The second study focused on the service failure situation with a twofold objective: (1) to replicate the particular findings of Study 1 (a service provided by a robot leads to high customer attributions of firm responsibility and outcome stability) in a different service context (restaurants), and (2) to explore how firms can alleviate these detrimental consequences of frontline robot introduction by distinguishing between their level of intelligence (mechanical vs. analytical). Participants of this second study were 229 U.S. customers recruited in a similar fashion as the first study, which were randomly assigned to each of three scenarios involving the mechanical AI robot, analytical AI robot, or employee.

Summary of Findings

Results from study 1 indicate that respondents make stronger attributions of responsibility for the service performance towards humans than towards robots, especially when a service failure occurs. This implies that people attribute responsibility to the firm rather than the frontline robot. Interestingly, the perceived stability of the performance is greater when the service is conducted by a robot than

by an employee. This implies that customers expect employees to shape up after a poor experience but expect little improvement in robots' performance over time.

Results from study 2 confirm in another service failure situation that a service provided by a robot leads to high customer attributions of firm responsibility and outcome stability, especially for mechanical AI robots. However, no differences arise in customer attributions of firm responsibility when comparing analytical AI robot and frontline employees, suggesting that the level of robot intelligence can be used to alleviate the negative attributions made by customers.

Key Contributions

Customer responses to frontline robots have remained largely unexplored; previous work in this domain has been predominantly conceptual on nature. This paper is the first, up to our knowledge, to explore the attributions that customers make when they experience service robots in the frontline. Therefore, this research contributes to literature on customer attribution in service encounters with robots by examining the three loci of attributions (employees, technology, and the firm) at the same time, including the attribution of stability.

Practically, this research offers organizational and technical responses to failed robot service encounters, as customers tend to attribute the responsibility for the service outcome more to the firm than to the robot. For example, informing customers about the learning capability of the robot will help resolve some of the negative attributions made by customers.

References are available on request.

Do You Like Me, Alexa? A Qualitative Approach of Anthropomorphism of Digital Voice Assistants

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Keywords: *anthropomorphism, digital voice assistant, technology acceptance, qualitative study, consumer*

Description: *This study investigates the influence of anthropomorphism, the transfer of human characteristics to non-human devices, on digital voice assistants in a holistic qualitative approach.*

EXTENDED ABSTRACT

Research Questions

Nowadays almost one billion people worldwide use digital voice assistants, also called conversational agents. One approach to improve user acceptance is to simulate human traits in the digital voice assistants design to increase familiarity and satisfaction with the assistant. To investigate this phenomenon in a more holistic and fundamental approach we conducted a qualitative study based on the research questions:

• Does anthropomorphism drive the acceptance of digital voice assistants?

• Which anthropomorphic factors influence the consumer's intention?

Method and Data

We conducted a qualitative study. First, a problem-oriented semi-structured interview guideline was developed taking into account previous literature. In order to offer enough space for the presentation of one's own subjective views, open questions were formulated. Subsequently, persons with different demographics were recruited. A total of 20 persons (IP) were interviewed, 50% male (average age M = 33.25, SD = 13.27). These participants were interviewed in nine categories. Audio files of all interviews were created, transcribed and coded.

Summary of the Findings

The results describe the influence of anthropomorphism of digital voice assistants, which can be done via voice and character attributes. Consumers rate the upper categories functionality, behavior, anthropomorphic attributes and relationship as important drivers to evaluate it more positive. The subcategories can be divided into: preference over other technology, function/role, social behavior, adaptability, personality, independence, interaction, voice, appearance, competence and intelligence, proximity and distance and emotions during use.

Key Contributions

The purpose of this study was to investigate the phenomenon of anthropomorphism to provide a basis for future research. These insights are relevant for marketing research, advertising and retail management. The results confirm that almost all participants find it more pleasant when the digital assistant has human features. For companies, this means that the implementation of human traits can lead to higher acceptance. Many of the interviewees felt that the increase in human characteristics in a digital voice assistant is positive, but they prefer the functionality over this human likeness. In the future, it would be interesting to check if humanlike characteristics like apologies would overcome the effect of a partly dysfunction. We believe that this study can contribute a fundamental part in the understanding of using digital voice assistants.

References are available on request.

Is Social Value Relevant for Online Shoppers?

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ABSTRACT

The impact of social (or symbolic) value of shopping is well researched in in-store shopping literature. However, although the utilitarian (functional) and hedonic (emotional) value of shopping has been investigated before, there are relatively very few studies that investigate the social value of on-line shopping. In this study we propose that the social value may be relevant even for on-line shoppers and will impact their shopping intentions. We test this contention with actual on-line shoppers and find that they do derive social value from on-line shopping and that the social value does significantly impact their shopping behavior. These findings have useful implications for sellers in designing and upgrading their shopping websites.

Keywords: *loyalty of online shoppers, utilitarian value, hedonic value, social value*

Introduction

Based on a review of in-store shopping literature we suggest that there are three types of values provided by a shopping website to its consumers—hedonic, utilitarian and social. Further, taking cues from value literature we expect that all three types of value will positively impact site loyalty (SL). However, while the role of both utilitarian and hedonic shopping values have been explored in the context of online shopping, the role of social value of online shopping has not been investigated.

In this article, we suggest that online shopping can also provide social benefits. Consumers often share their online shopping experiences with each other and are sometimes known to do online shopping together with friends. In addition, consumers may identify with the shopping websites and the symbolic value it represents. Symbolic value fulfills intrinsic consumer need for personal and group identity (Smith and Colgate, 2007; Kakar and kakar, 2018a, Kakar and Kakar, 2018b; Kakar and Kakar, 2018c).

We also propose that that the primary value that consumers seek from online shopping is utilitarian value (UV). Hence we propose that UV will have a higher direct impact on SL than hedonic value (HV) and social value (SV) provided by the website to the consumer. Further, we argue that UV will moderate the impact of SV and HV on SL such that after a satisfactory value of UV is provided by the website, HV and SV will have a higher impact on SL than at low UV.

We test these hypotheses with 172 young online shoppers. Overall the hypotheses were supported by the 431 data points provided by the participants. The findings of the study have useful implications for online sellers in designing online shopping website. In addition, the study provides insight into new areas of potential research in the area of online shopping. These implications for practitioners and researchers in the domain are discussed in the contribution section.

Literature Review

A review of literature shows that earlier in-store shopping research focused on shopper's utilitarian needs (Babin et al., 1994). Utilitarian consumer behavior is described from a functional or task-related standpoint and may be thought of as accomplishment of "work" (Babin et al., 1994). Consumers derive UV when the shopping mission or tasks are accomplished efficiently (Sherry et al., 1993). Later research established that consumption can take place for hedonic reasons too (Hirschman and Holbrook, 1982; Lim and Ang, 2008). Consumers often shop because they enjoy shopping and not just for accomplishing a mission or goals. Babin et al. (1994) in an empirical study found that HV unlike UV can influence unplanned shopping behavior.

However, while HV and the UV of shopping are well researched in online shopping literature, less attention has been focused on social value (SV) of shopping. The in-store shoppers also view shopping as a social outing and a way to bond with family and friends (Arnold and Reynolds, 2003). Additionally, patronizing a particular store or buying a particular product represents a way in which the consumer wants to see herself or be seen by others (Sheth et al., 1991; Sirgy et al., 2000; Sweeney and Soutar, 2001) and can serve as a vehicle for status enhancement by communicating "signs of position or membership to others" (Rintamaki et al., 2006). 10. For example, buying clothes at Zara creates the impression of being "cool" and buying luxury goods at Cartier is a symbol of status and prestige. Further, consumers are known to identify themselves in relation to other consumers or group of consumers (Bagozzi, 2007; Kelman, 1974). "When I go to Starbucks, I am part of a closed club of afictionados even if I don't interact with any." (Aaker, 2009). Thus retail shopping experience can also be used by individuals in enhancing self-esteem as well as assigning social identity and status to themselves as well as others (Belk, 1988; Solomon, 1983).

One can expect online shopping will also provide self-esteem and status benefits to its consumers. By sharing their online shopping experience consumers can enhance their own self esteem as well as status within the desired community of consumers. Self-esteem and status can provide immense psychological and emotional benefits to the consumer. Status is often pursued by consumers as an ego reward (Emerson, 1962), or a source of gratifying social contract (Homans, 1950) and serves as a psychological asset (Fornbrun, 2001). In addition, enhanced status can be used by consumers to seek economic and social advantage. However, there are gaps in the current literature. The relevance of social value of online shopping in building consumers' self-identity and social status has not been investigated. Further, neither in-store nor online shopping literature considers the interrelationship between these values as they impact the loyalty of shoppers. In this study we develop a theoretical model to address these gaps in literature and test the complex relationships between the various values provided by the shopping site and their impact on site loyalty.

Hypotheses Development

In the consumer behavior literature the value provided by the product is suggested to lead directly to favorable outcomes such as behavioral intentions (BI) to purchase, use or remain loyal to a product or service (e.g., Cronin et al., 1997; Sirohi, McLaughlin, and Wittink, 1998; Sweeney, Soutar, and Johnson, 1999; Wakefield and Barnes, 1996; Holbrook, 1994; Yang and Peterson, 2004). Sirdeshmukh, Singh and Sabol (2002) argue that customer value is a superordinate

goal and behavioral intention is a subordinate goal. According to goal and action identity theories, a superordinate goal is likely to regulate subordinate goals.

Thus, "customer value regulates behavioral intentions toward the service provider as long as a product or service provides superior value" (Sirdeshmukh et al., 2002, p. 21). Further, loyalty is the result of the individual's belief that the value received from consuming a product or service is greater than the value of nonconsuming (Hallowell, 1996). In response to this greater value obtained, the individual is motivated to remain loyal to the shopping site, and also promote it by, for instance, positive WOM (Word-of-Mouth) behaviors (Luis, Carlos and Migue, 2008).

The UV that the consumer derives from online shopping is the degree to which it helps her achieve functional and practical goals. The HV that the consumer derives from online shopping is the degree to which it gives her pleasure, enjoyment or fun. The SV that consumers derive from online shopping is the extent to which it provides both self-esteem and status benefits to the consumers. Thus, UV, SV and HV are antecedents of SL. The greater the UV, SV and HV derived by the consumer of the shopping site the greater will be their impact on SL. All three values provided by the shopping site, SV, UV and HV, will therefore significantly and positively impact SL, leading us to the following hypothesis:

Hypothesis 1: The SL to an online shopping site will be positively influenced by the perceived UV, HV and SV derived from the site by the consumer

In the context of UV and HV, the work of Higgins (2001), Chernev (2004), and Chitturi, Raghunathan and Mahajan (2007), indicate that the goals served by utilitarian benefits are primarily to avoid pain, whereas the goals served by hedonic benefits are primarily to seek pleasure. As Keiningham and Vavra (2001, p. 176) state, "Creating delight for your customers first requires knowing and eliminating their points of pain, and then listening to their desires." Chitturi, Raghunathan and Mahajan (2007) document that consumers attach greater importance to the hedonic (versus utilitarian) dimension, but only after a "necessary" level of functionality are satisfied.

This is consistent with Kivetz and Simonson (2002), who state that, utilitarian and hedonic dimensions are conceptually related to necessities and luxuries respectively. Social scientists generally agree that, compared to necessities, luxuries hold a lower status in terms of importance (e.g., Berry 1994; Maslow 1970; Weber 1998). A predilection towards a hedonic alternative at the cost of functional performance is likely to raise concerns that one is being extravagant or friv-

olous, resulting in feelings of guilt (Kivetz and Simonson 2002). Although, hedonic features generate pleasure and joy, Kivetz and Simonson (2002a) note that consumers attach greater weight to the utilitarian (versus hedonic) dimension, unless they believe that they have "earned the right to indulge."

Berry (1994) proposes a "principle of precedence" to argue that there is a moral obligation to fulfil needs first, before looking to fulfil luxuries. Until the consumer is satisfied that the required level of functionality is provided for, she will prefer utilitarian features over hedonic (Kakar, 2014; Kakar, 2015. It allows her to avoid feeling guilty and puts her on a "safer ground" in justifying her decision. Customers thus pay little attention to hedonic characteristics before functional requirements are met. But, once functional requirements are met, consumers become interested in maximizing hedonic quality (Chitturi, 2003, Kakar, 2015, Kakar and kakar, 2017a; Kakar and Kakar, 2017b, Kakar, 2017c); Kakar and Kakar, 2019). Thus, we expect UV to moderate the impact of HV on SL. At lower UV we do not expect significant impact of HV on SL. But at higher UV, we expect HV will have a significantly higher impact on SL.

Norman's (1998) predicted that once a software product provides the required features at ever decreasing prices, considerations of convenience and reliability, and, later, of appearance and symbolic ownership, will become more important. Norman (1998) had based his predictions on the observation that watches after accomplishing the requisite functional, reliability and durability needs of the consumer (UV) are now sold as objects of fashion, emotion and status (HV and SV). Initially the watch makers had focused entirely on accuracy of time keeping, introducing newer features such as date, month and year and making watches more durable such as through water proofing. However, today watch makers focus on attractive design and styling and sell watches as jewelry items. To the consumers watches represent objects of fashion, emotion and status. In line with this reasoning, we suggest that once the UV is provided by online shopping at a satisfactory level, HV and SV will become more important to the consumers than UV, leading us to the following hypothesis:

Hypothesis 2: The UV derived by the consumer from an online shopping site will moderate the impact of SV and HV such that at low levels of UV their impact on SL will be lower than at high levels of UV

Method

Study Setting and Design

An Experimental method was adopted in the study. Experimental research is a useful method for examining cause and effect. It offers a methodical way of comparing differences in the effect of treatments (such as perceived value provided by the shopping site to the consumers) on the dependent variable (SL to the online shopping site). Actual online shoppers participated in the study. Each randomly chosen participant in the study answered a questionnaire based survey that captures data on demographics and relevant independent variables, dependent variable and control variables. The shoppers provided their responses on all online shopping sites they used for purchasing goods in the past 6 months. In all 172 participants provided a total of 431 responses to the survey.

Participants

The participants were recruited from a large public university. The college of business of this university encourages research exposure by awarding students extra credit for research exposure. An email was sent randomly to 200 students of the college of business from among its 2300 students inviting them to participate in the study. We received a total of 181 responses. Based on this response we invited all 181 students to participate in the study. Among those invited to participate 172 actually participated in the study.

Measures Used

Tested measures were used to capture data pertaining to HV, SV, UV and SL. Rintamaki et al. (2006) measures were used for HV, SV and UV and Yoo and Donthu (2001) measure was used for SL. All measures used a 9-point Likert scale with anchors of 9 (strongly agree) and 1 (strongly disagree) in line with the recommendation that increasing the number of choice-points increases scale sensitivity without damaging scale reliability (Cummins and Gullone, 2000). Responses were coded such that high levels of the constructs are represented by high values. Some items were reverse coded. The overall value for each construct was created by averaging the participant responses.

Control Procedures

Extraneous variables such as age, gender and length of use experience were controlled for in the analysis of participant responses. Studies have shown that HV impacts females and males differently (Gefen and Straub, 1997; Venkatesh, Morris, and Ackerman, 2000; Wu and Lu, 2013). Further, younger men tend to seek greater novelty and innovativeness in the early stages of using a new product or technology (e.g., Chau and Hui, 1998). Thus, age and gender may impact the assessment of HV derived from a shopping site. Additionally, length of use experience may impact SL. If the consumer derives value from using an online shopping site it becomes increasingly important to him due to habitual use behavior. When a behavior has been performed many times

in the past, subsequent behavior increasingly becomes under the control of an automated cognitive process (Aarts, Verplanken and van Knippenberg, 1998). Consumers form favorable intentions about acts they have frequently performed in the past (Ouellette and Wood, 1998), such as repeated use of the online shopping site, making them increasing dependent on the habit (Gefen, 2003) thereby enhancing their SL.

Method of Analyses

Factor analysis was performed on the data set obtained from the participants to establish that validity and reliability of the measures used in the study. Further, the correlation matrix and internal reliabilities of the measures were also examined. The widely recommended Moderated Hierarchical Multiple Regression (MHMR) was used for testing the direct and interaction effects of independent variables (Cortina, 1993; Cohen, 1978; Dunlap and Kemery, 1987; Stone and Hollenbeck, 1989). MHMR reveals how well each independent variable predicts the dependent variable, after extracting variance due to other independent and control variables in the regression equation and interaction effects after extracting variance due to independent and control variables.

In the first step of MHMR analysis gender, age and length of use experience of participants were included, followed by UV in the second step, HV in the third step, SV in the fourth step and the interaction terms of the three values, UV*HV, UV*SV and HV*SV were introduced in the fifth and final step. The interaction effect is present if significant variance in the dependent variable is explained by the interaction terms over and above the variance explained by the control variables and the direct effect of the predictor variables (Cortina, 1993). For analyzing the individual interactions, such as for example UV*HV, we performed a simple slope test as recommended by Aiken and West (2001). Further we also conducted a slope difference test suggested by Dawson

and Richter (2006) to determine if the difference in slopes calculated by the Aiken and West (2001) method at 1 standard deviation (1SD) above mean and 1 standard deviation (1 SD) below mean of the moderating variable is significant.

Results and Analyses

The results of the factor analysis using IBM© SPSS© Statistics Version 19 show that the factors extracted using Varimax rotation represented the scales used in the study (the UV scale represented by items U1 to U6, the HV scale represented by items H1 to H6, the SV scale represented by items S1 to S6, and the SL scale represented by items L1 to L3. The high loadings (>.50) within factors demonstrated convergent validity of items within scales, and the no cross loadings (>.40) between factors demonstrated discriminant validity between scales. The internal reliabilities of all the scales used in the study were greater than .70 (see Table 1). Further none of the inter-correlations between the scales were greater than .65 (Tables 2 and 3).

The direct impacts of UV, HV and HV on SL was supported by MHMR analyses (see Table 3), thereby supporting Hypothesis 1. The direct impact of UV on SL was found to be higher than the direct impact of HV and SV. The moderating effect of UV on the impact of HV and SV provided by the online shopping site to the consumers on their loyalty was also supported by MHMR analysis. The interaction terms in Step 4 (Table 3) show a significant increase in variance explained over and above those explained by the control variables and the main effects of UV, HV and SV by the interaction terms UV*HV and UV*SV. The significant ($p = .05$) difference in impacts of SV on SL at low UV (1 SD below mean) and high (1 SD above mean) levels of UV (B = .05, B = .16) and of HV at low and high levels of UV (B = −.07, B = .13) supported Hypothesis 2. No significant interaction was found between HV*SV on their impact on SL.

Table 1. Internal Reliability of Scales

Name of the scale	Cronbach's Alpha	Number of Items
Utilitarian Value (UV)	0.94	6
Hedonic Value (HV)	0.91	6
Social Value (SV)	0.82	6
Site Loyalty (SL)	0.92	3

*$p < .05$

Table 2. Correlations Between Variables

	UV	HV	SV	CL
UV	1.00			
HV	.20	1.00		
SV	.165	.16*	1.00	
SL	.31*	.22*	.24*	1.00

Contribution

The study findings make multiple contributions to online shopping literature. They show, perhaps for the first time in literature, that the SV derived from online shopping sites have a significant direct impact on SL of online shoppers. Although UV of an online shopping site had the maximum impact on SL explaining 15% of its variance, SV also explained a significant 8% of the variance in SL. Further SV had a significant indirect impact on SL at high level of UV, Thus, designers of online shopping sites should focus on providing all three types of values, not only UV and HV, but also SV to its maximize SL of consumers. For example, the popular Betty Crocker Mixer Web site provides SV by allowing its members to connect with other consumers as well as talk to experts (Aaker. 2009). However, priority should be given to UV. Not only does it have the maximum direct impact on SL, at low levels of UV increasing SV and HV had a nonsignificant impact on SL. However, once higher levels of UV are reached the impacts of HV and SV on SL become salient.

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Table 3. Mhmr for Impacts of Uv, Hv and Sv on Sl

Step	Variables added in each step	Change in R- Square
1	Control: Gender, Age, Experience	.08*
2	Main Effect: UV	.16*
3	Main Effect: HV	.07*
4	Main Effect: SV	.08*

*$P < .05$

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Should They or Should They Not: An Analysis of Online Review Effectiveness in Manufacturers' Online Shop

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Description: *Based on the Persuasion Knowledge Model and two experimental studies, our research takes a fresh perspective on online reviews and evaluates whether and if so how manufacturers' online shops should offer online reviews.*

EXTENDED ABSTRACT

Research Question

Online reviews are an increasingly important tool for online shops but are only effective if perceived as being credible (Reimer/Benkenstein, 2016). Many customers are skeptical about online reviews because online review manipulation is widely discussed in the media and it is difficult for customers to detect whether online reviews have been manipulated (Hu et al., 2012). Thus, online review credibility and customers' perception of an online shop's manipulative intent represent critical factors for online review effectiveness.

Until now, it is not clear whether online review publication in manufacturers' online shops will have the intended positive consequences. It can be assumed that manufacturers' compared to retailers' online shops are perceived as less credible sources for publishing online reviews for two main reasons. First, manufacturers' online shops solely sell their own brands and thus have a high commercial interest in endorsing their own products with online reviews. Second, customers assume that manufacturers who operate their own online shops can easily delete negative or add positive reviews behind the scene (Peng et al., 2016). Our research aims at answering the following research question: Should manufacturers offer online reviews in their own online shops and if so how should they do this?

Method and Data

We test our derived hypotheses in two experimental studies using 2×2 factorial between-subjects designs with two con-

trol groups. In study 1, we manipulated online review publication on three levels (online reviews with a positive average star rating vs. online reviews with a moderate average star rating vs. no online reviews) and online shop type on two levels (manufacturer vs. retailer). Using the PROCESS procedure (Hayes, 2013) the study examines the effect of online review publication in a manufacturer's compared to a retailer's online shop on customers' purchase intention and the mediating role of customers' perceived manipulative intent of the online shop. In Study 2, we manipulate both the volume of online reviews (50 online reviews vs. 3 online reviews vs. no online reviews) and the type of online shop (manufacturer vs. retailer). With this study, we replicate our results from Study 1 and test the influence of online review volume as another online review characteristic on customers' purchase intention.

Summary of Findings

First, based on two experimental studies, we find online review publication to negatively influence customers' purchase intentions when online reviews are published in a manufacturer's online shop, while online reviews positively affect customers' purchase intentions when they are published in a retailer's online shop. Second, we find that particularly publishing online reviews with a positive average star rating and a high total volume in a manufacturer's online shop reduces customers' purchase behavior. Third, we theoretically explain and empirically confirm a mechanism that explains the effect of online review publication in manufac-

turers' online shops on customers' purchase intention. If online reviews are published in a manufacturer's online shop, customers will perceive the online shop to have a higher manipulative intent, which in turn will negatively influence their purchase behavior.

Key Contributions

We make two major contributions. First, our results confirm that the effect of online review publication on customers' purchase intention depends on online shop type. Online shops usually try to generate a lot of online reviews with ideally a positive average rating in order to favorably influence customers (Kostyra et al., 2016). However, manufacturers' online shops should carefully use online reviews as they can have negative effects.

Second, online reviews with a positive average star rating and a high total volume published in manufactures' online shop negatively affect purchase intentions through customers' perceived manipulation intention of the online shop. Therefore, manufacturers might directly publish retailers' online reviews or reviews from an independent review platform in their own online shops. This would invoke a perception of independence and reduce customers' feelings of the online shop's manipulative intent, ultimately increasing customers' purchase intention.

References are available on request.

Effects of Haptic Cues on Consumers' Online Hotel Booking Decisions: The Mediating Role of Mental Imagery

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Keywords: *haptic cue, mental simulation, mental imagery, tactile experience, online reviews*

Description: *Using both secondary data and experiments, we conducted four studies to investigate the relationship between tactile information provided through verbal and visual means and consumers' willingness to book online, and uncover the underlying mechanism.*

EXTENDED ABSTRACT

Research Question

Tactile experience plays a crucial role in the purchase and consumption of services (Hultén, Broweus, and van Dijk, 2009). However, for services such as hotels, for which consumers book in advance online or by telephone, it is impossible to provide direct tactile information. Therefore, Spence and Gallace (2011) raise the key question of what a company can (and should) do in the Internet age to deliver at least some of the tactile aspects of product experiences to the increasing number of shoppers who purchase over the Internet.

To address this question, this research explores the relationship between haptic cues and consumers' willingness to book a hotel room online as well as the effect of different ways of delivering haptic information. Although research demonstrates that the need for tactile information significantly affects consumers' buying behavior when purchasing goods such as clothing on the Internet (Citrin, Stem, Spangenberg, and Clark, 2003; Grohmann, Spangenberg, and Sprott, 2007; McCabe and Nowlis, 2003; Peck and Childers, 2003b, 2006), research on tactile experiences in the hospitality industry is scarce. We propose that although consumers cannot obtain direct tactile information when booking online, such information could be conveyed through other senses using mental simulation.

Method and Data

Using both secondary data and experiments, we conducted four studies to investigate the relationship between tactile information provided through verbal and visual means and consumers' willingness to book online. Based on hotel reviews on Ctrip.com, the largest OTA website in China, Study 1 examines whether consumers find tactile information in online hotel reviews helpful. Study 2 uses an experiment to test the effect of verbally communicated haptic cues on consumers' online hotel booking decisions and the mediating role of mental imagery. Study 3 tests the effect of pictorially presented haptic cues on willingness to book. Study 4 uses both secondary data and an experiment to further explore the role of match between type of simulation and type of traveler in the relationship between haptic cues and consumers' willingness to book online.

Summary of Findings

Four studies, using secondary and experimental data, examined the effect of haptic cues. Analyzing data from an OTA, Study 1 shows that the number of haptic cues in online customer reviews significantly influences consumers' perceived usefulness of online reviews. In Study 2, we use an experiment to test the effect of text haptic cues (positive vs. neutral vs. negative) on consumers' willingness to book online and the mediating role of mental imagery in the effect. In Study

3, we replace text haptic cues with pictorial haptic cues and find that pictures with high haptic cues significantly increase consumers' willingness to book compared with pictures with low haptic cues, but only when consumers are given instruction to imagine. Mental imagery again serves as a mediator in this interaction effect. In Study 4, using online data and an experiment, we find that consumers' level of mental imagery and willingness to book a hotel online are higher when haptic cues with outcome (vs. process) simulation matches business (vs. leisure) travelers.

Key Contributions

Our results provide important theoretical implications. First, from a sensory compensation perspective, we advance the idea that haptic experience could be delivered through other senses. Thus, our research enriches sensory marketing research. Second, we identify the underlying mechanisms that link haptic cues to consumers' willingness to book online, which provide the theoretical basis for tactile sensory compensation. Thus, we add to the literature on mental imagery and online tactile experience transmission by proposing and demonstrating that the mediating role of mental imagery. Third, we provide new insights into the effect of hotels' online reviews by focusing on haptic cues as an antecedent of consumer purchasing behavior.

This research also has practical implications. First, using vivid haptic cues such as text descriptions, high-definition pictures, and even virtual reality, marketers can deliver tactile experiences to compensate for the sense of touch. Second, for the types of haptic cues in need of a greater degree of imagination (e.g., pictorial haptic cues), in addition to ensuring the quality of haptic cues, marketers can enhance consumers' inclination to imagine by using instructions to imagine, to assist them in activating mental imagery. Finally, it is essential to satisfy different travelers with haptic cues of different orientation.

References are available on request.

Online Review Helpfulness: Not All Reviews Are Treated Equally

Brandon Z. Holle, Michigan State University

Keywords: *online reviews, review helpfulness, eWOM, e-commerce*

Description: *This study examines how various factors of online reviews contribute to the helpfulness of each review.*

EXTENDED ABSTRACT

Research Question

In 2018, more than 1,500 retail stores shut their doors, while e-commerce grew by more than 15% (Ali et al. 2019). When consumers shop online, they generally seek out information about the products for which they are shopping, since they cannot see, test, or touch the product for themselves. Thus, they must rely on the reviews of the product provided by other consumers to aid in their purchasing decisions. While online reviews have been proven to be very helpful to consumers and have driven sales in the online marketplace, not all reviews are treated equal.

91% of consumers read reviews on a regular basis and 84% of consumers trust online reviews as much as they trust personal recommendations from friends or family (Bloem 2017). Thus, it is paramount that researchers and managers understand the specific aspects of reviews which are most helpful to consumers. This study aims to determine how various aspects of contextual reviews posted online contribute to the helpfulness associated with each review. Similarly, this study also examines the impact that various reviewer credibility measures have on the relationship between review characteristics and review helpfulness.

Method and Data

For this study, we used the dataset provided by Wang et al. 2014 in *Marketing Science* which provided product information, market dynamics and online customer reviews for tablets from Amazon.com during 2012. The original data set contains approximately 2,000 products and more than 40,000 reviews by approximately 40,000 different review-ers. For this paper, we utilize various aspects of the review, which relate to review helpfulness and include various reviewer-level variables which relate to reviewer credibility. We also assess the textual content of each review. To analyze the data, we utilize regression models to determine the effects of various review measures and reviewer credibility measures on review helpfulness.

Summary of Findings

Based on our analyses, we determine that specific emotions embedded within the text of each review, as well as various review characteristics contribute to the helpfulness of the review. We also find that there are existing moderating effects of reviewer credibility on the relationship between review characteristics and review helpfulness.

Key Contributions

Our study makes several contributions. First, it contributes to word of mouth literature by identifying the specific reviewer credibility metrics and review characteristics which impact review helpfulness. These findings will help future research utilize the specific metrics in future studies focused on online reviews. The results in our study also inform managers about the important metrics of review helpfulness. Managers need to be cognizant of which reviews are the most impactful for potential e-commerce consumers. Therefore, our study provides them insight into suggesting which reviews to highlight on their websites as well as prompt consumers to write certain types of reviews about their products.

References are available on request.

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Acceptance of Augmented Reality in Interactive e-Shopping Platforms

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EXTENDED ABSTRACT

Research Question

Augmented reality (AR) technology improves the shopping experience and sales conditions (e.g., easier access to information and products, a gain of time, smart entertaining environments, etc.) by mixing real and simulated data. It is necessary for managers to understand consumers' expectations toward AR, and their perceived benefits and risks to engage them in a new way.

Method and Data

This study is conducted in France, from October 2018 to December 2018. Before answering to a survey, respondents (N = 213) had to test first the IKEA AR app, showing IKEA furniture in a room previously scanned with the user's smartphone (all respondents were confronted to the same room to avoid bias).

Summary of Findings

Our results show that information quality appears to be a determinant factor on perceived usefulness and behavioral intention to use AR. Our research gives managers useful insights for AR strategy development, targeting, and communication.

Key Contributions

As empirical research is missing on the topic, this research contributes to the theory by developing a conceptual model that explains the consumers' acceptance process of AR on e-shopping platforms. Little investigated factors of consumer acceptance are taken into account, namely perceived enjoyment, information quality, aesthetics as well as self-efficacy.

References are available on request.

There's an App for That: Examine the Effect of Mobile Apps on Learning Performance Using Interactivity Theory

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EXTENDED ABSTRACT

The Mobile Learning market is projected to be grow 36% by 2020 (MarketsandMarkets, 2019). This growth may possibly reach U.S. $70.1 billion by 2024 (Global Industry Analysis, 2019). Recent grown in this sector is attributed to nontraditional forms of learning like corporate training and personal growth. Take for example the branded Duolingo app. This popular language learning service in 2018 had more than 300 million users worldwide. Despite the proliferation and utility of these devices and prediction of their importance in education, there has been minimal research in marketing examining the m-learning phenomenon.

There is an ongoing need to empirically examine the effect of this technology on learning and understand if areas where recent investments have focused are only contributing to an industry doomed to fail. Consider for a moment the app user who is not able to learn the language or skill from the app. Do they return? The Technology Acceptance Model suggests not, as output quality and result demonstrability are antecedents of perceived usefulness of a technology, which strongly predicts repeated use of the technology through intentions. Interestingly, this prediction has been observed for e-learning. Protopsaltis and Baum (2019) reported that online education does not improve performance compared to learning in-person, and coincidently e-learning programs called massive open online courses (MOOC's) are declining (Reich and Ruipérez-Valiente, 2019).

Research Question

Nichols (2003) defines e-Learning as using technological tools that are either web-based, web-distributed, or web-capable. However, mobile learning is the delivery of learning content or supporting learning processes using mobile. Though the definition of e-learning seems to include m-learning, Traxler argues against conceptualizing m-learning as "merely' portable e-learning." E and m-learning are, personalized, intelligent, connected, hyperlinked and interactive, but m-learning is theorized to afford more because it is also spontaneous, private, portable, and context aware (Traxler, 2005). Traxler's comparison of m- and e-learning are quite like those offered in research on online and mobile interactivity.

Broadly, interactivity has been defined as the degree to which a communication technology can facilitate one-to-one, one-to-many, and many-to-many communication among participants (Kiosus 2002). Similarly, website or online interactivity (e-interactivity) is defined as the extent to which users can participate in modifying the form or content of a website in real time (Steuer 1992). Findings from past research on interactivity suggests certain elements differentiate technologies' intercavitary from one another. Lee (2005) put forth four dimensions of e-interactivity: (1) user control, (2) responsiveness, (3) personalization, and (4) connectedness, but offer four additional ones for mobile interactivity (m-interactivity), mobility, ubiquity, localization and personal identity. These dimensions appear to be inherent the mobile device itself. Evidence suggests that these additional interactive components might distinguish e- from m-learning and offers predictions about how learning may differ between them.

On Device Interactivity in Marketing

Kim, Wang and Malthouse (2015) found that compared to computer-based websites, branded apps provide interactivity affording ease of use and increasing customers' enjoyment and willingness to continue the relationship with the brands. This is believed to occur because the branded mobile apps were engendering consumers with a sense of agency or control. Other studies have found that more interactivity (e.g., actions taken) by the consumer towards a website increases the perception of usefulness, ease of use, and enjoyment or attitudes and subsequently adoption of the technology (Gu, Oh, and Wang; 2013; Coursaris and Sung 2012). In a simulation, low interactivity was manipulated by giving participants no freedom in determining the sequence of the information they received; and high interactivity was manipulated by giving complete freedom to choose which information to access (Ariely, 2000). Participants rated the quality of a set of cameras higher in the high interactivity group (vs. low interactivity group). However, this advantage disappeared (and in fact was reversed), at least initially, when demands on processing resources were high (e.g., a novel or difficult task). Task or perceived difficulty is implicated.

Contrary findings have also been found. One study manipulated interactivity by having no extra links versus a "more information" link versus two additional information links that were "layered" on a website (Sundar, Brown, and Kalyanaraman's, 1999). Results showed that those who saw a "more information" link have more favorable judgments about a political candidate than those who had no links. Interestingly, those who had the layered links judged the candidate least favorably. The authors suggest that the layered link condition was the most interactive, but also the most effortful or difficult to navigate. Again, interactivity is linked to effortfulness or difficulty of navigation or difficulty of action. The above review has offered multiple insights. Formally:

H1: Elements of interactivity will enhance learning performance with m-learning over e-learning

H2: Features of Mobile (vs. nonmobile) learning will evoke more favorable attitudes of the information (preferences), and lesser difficulty processing the information (*cognitive load*).

Method and Data Study 1

Setup. The field experiment was run in two course that lasted 16-weeks. E-learning was affected using PPT slides, and m-learning was affected using a mobile app. As this was a field study in a natural learning environment, it was important that the mobile app's content was comparable to the PPT

content and the course overall. There are very few mobile apps in the market that offered appropriate m-learning options for the class, but the Google Primer app was deemed most appropriate. The content of the app was checked by the instructor of the courses in the study to make sure it aligns closely with the information in the other materials of the experiment (e.g., PPT Slides). Note all the class materials are freely available to the participants during the whole semester. However, a focal treatment of the manipulation (m-learning vs e-learning) was administered in the class at three different times by asking participants were told to either access the lesson on PPT slides on their computer or access it through the app on their phone and complete an exercise.

Participants were students enrolled in an upper division Marketing Communication class at a southwestern public university. Section one of the course had 34 students and section two had 19. In order to address these differences in class size, as well as others, the design was counterbalanced so that for the first and third lessons class B learned via the mobile device and class A learns via the mobile device for the second lesson.

Performance Measures. To assess memory performance, students completed quizzes corresponding with each of the three treatment days. These quizzes were taken on the participants' own time ending the week each respective topic was covered in class. The quizzes were timed (~2mintes per question) and included multiple choice, matching and true or false questions. Each quiz was out of 10 points. The performance average of all individual quizzes in each group (e-textbook with PPT slides vs. e-textbook with mobile app) was assessed across the three quizzes.

The score of the remaining seven quizzes in the class for topics when the treatment was not administered were averaged to obtain a control variable for general aptitude of each participant. The quiz number was analyzed as an interaction term to further address variations in topic difficulty.

Summary of Findings Study 1

Data was collected from 138 quizzes, taken by 51 participants. For the e-textbook with PPT slides group, 76 quizzes were recorded, and 62 quizzes were recorded for the e-textbook with mobile app group. A small number of participants (eight quizzes in the textbook and 7 quizzes in the mobile device) did not take quizzes, and those were coded as missing data and not included in the analysis.

To assess learning performance and ultimately H1, ANCOVA was utilized. Controlling for each participant's general aptitude on the other quizzes (F (1, 131) = 4.39,

p =.038), a main effect of the manipulation was observed, F (1, 131) = 4.83, p =.03. The effect size is .036. Those who received the PPT slides treatment (M = 8.58, SD = 1.68) scored lower than those who received the mobile app treatment (M = 9.14, SD = 1.42). Additionally, quiz number was significant, F (2, 131) = 12.89, p <.001. The effect size is .164. Participants performed worse on the measurement and evaluation topic. No interaction was observed.

Method and Data Study 1

Study two imposes control using an online experiment. Of note, it addresses the possible influence of content differences not controlled for in filed study 1. A 2 design (low control vs. high control) × 2 device (laptop/desktop vs. smartphone) between subjects' online experiment was conducted on Amazon Mechanical Turk. Participants had a back button to control the pace of material, as well as having the material parsed out on different pages manipulated high control. Low control had no back button with the information all on one page. The study invited participants to read a how-to on email marketing on either a laptop or a smartphone. We randomized which presentation of the lesson participants received, however participants self-selected whether they were on a laptop or smartphone while completing the study. After participants finished the lesson, they were quizzed on the email-marketing lesson.

Sample

After an extensive data validation process (Smith et., al, 2016), the final sample totaled 134 participants. Of them, 36 were in the low control group, 98 in the high control group, while 95 were on a laptop/desktop and 39 on a smartphone. Sixty-two percent were female, averaging 32.4 years of age (SD = 10.18).

Measures

In order to test performance, 10 questions, seven true or false and three multiple choice, were asked. The questions were based on an email lesson. If the participant answered correctly, they received a point. If they did not, they receive a 0. The points were totaled for a max score of 10 points.

Three mediators were assessed. In order to assess attitude towards the material, participants were asked to rate their agreement with four phrases: the material was interesting, valuable, enjoyable, and pleasant (α = .774). A 5-point likert scale was used. In order to measure difficulty, participants were asked to agree with the statement, I had a hard time understanding the information. A 5-point likert scale was used. In order to measure perceived interactivity four items were used. Participants were asked to agree with the statement, *I perceive the device to be sensitive to my needs*, *This device has the ability to respond to my specific questions efficiently*, *I can communicate with this device directly to access content if I want to*, *Enables 2-way communication* (α = .780). This was adapted from Liu and Shrum (2002). A 5-point likert scale was used.

Multiple covariates were measured, but two were central to the studies investigation. First, participants answered yes or no to whether they had conducted email marketing in the past. Next, consumer's age was assessed as a covariate. No significant difference was observed between device selection and age, but research on digital natives suggests this may influence how different ages process information and what they know about email marketing.

Summary of Findings Study 2

The Levene's Test of Equality of Error Variances was not violated, which suggests the unequal groups did not affect the results. Examining the univariate results, a main effect of the design was not observed (F (1, 126) = .039, p = .845), nor was a main effect of the device (F (1, 126) = .018, p = .893) on content preferences/attitudes. No interaction was observed (F (1, 126) = 1.15, p = .285). A main effect of the design was observed on difficulty, F (1, 126) = 10.77, p < .01) with an effect size of .079. A main effect of the device was also observed on perceived interactivity, F (1, 126) = 15.55, p <.001) with an effect size of .110. No interaction was observed on difficulty (F (1, 126) = .806, p = .371). Those in the low control group (M = 2.15, SD = 1.86) significantly perceived the information harder to understand than those in the high control group (M = 3.24, SD = 2.84). Additionally, age (F (1, 126) = 5.49, p <.01) and having email marketed before (F (1, 126) = 14.71, p < .001) were significant covariates. Lastly, device (F (1, 126) = .241, p = .625) nor design (F (1, 126) = 1.46, p = .230) influenced perceived interactivity, and an interaction was not observed.

In order to further test H2 and the role of difficulty on design and devices effect on performance, two Preacher and Hayes mediation bootstrapping 5000 were conducted. Experience with email marketing, age, device screen size and frequency of device use were entered as covariates. Partly consistent with H2, difficulty was shown to mediate the relationship between design and performance score, but attitudes and perceived interactivity were not (Figure 1). Unstandardized indirect effects were computed for each of 5,000 bootstrapped samples, and the 95% confidence interval (Design total indirect effect (−.23)(−.45) = .32, and a confidence interval [CI] = [.08, .70]) (Device total indirect effect (.78)(−.45) = −.35, and a confidence interval [CI] = [−.62, −.16]) were computed by determining the indirect effects at the 2.5th and 97.5th percentiles.

Figure 1. Results of Study 3 Test of Mediation
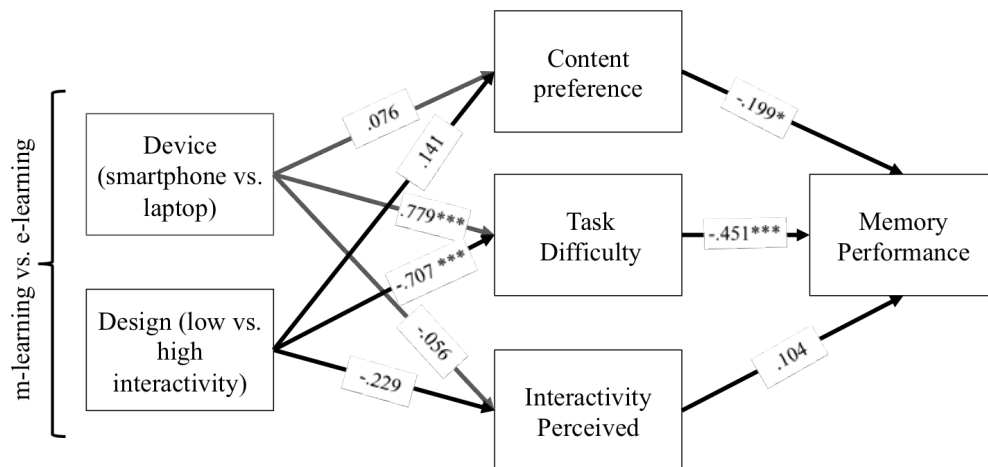
Key Contributions

A contribution of this research is that it empirically tests the assumed superiority of m-learning that is driving projected growth and investment in this sector by examining whether one will learn differently with m-learning vs. e-learning. It also investigates what mechanisms might underly potential effects. M-learning is a growing industry, driven by the notion that it produces enhanced learning performance compared to e-learning. Taken together, the results of this research support marketing investments into different areas of m-learning. Using a field experiment method, it was observed that participants performed better when they used the app (m-learning) compared to when they used PPT slides (e-learning). This was replicated in Study 2. Results of this research suggest m-learning is superior to e-learning because of elements of its interactivity. What is noteworthy is that task difficulty itself is significantly influenced by the device used to access the material and the presentation design. These insights can help guide development of materials for an m-learning environment.

Sales teams and firms training efforts might benefit from administering training resources through mobile applications. Google research reports that 80 percent of people use smartphones. And according to Tecmark, we look at our smartphones 221 times a day. Mobile learning can provide information and answers to questions that workers want when they want it. Based on our results, companies should design training content form mobile apps, and ensure users have control of the pacing and presentation of the content. Moreover, firms with a marketing communication objective to enhance the recall or memory for their products should communicate information through mobile apps. Gone are the days where websites are the best place to educate ones' customers.

References available on request.

Strategic Branding and Brand Management

Nice Brands Do Not Finish First: How Brand Warmth Impacts Perceptions of Marketing Dominance

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Keywords: *company size, brands, power, warmth, brand management*

Description: *In six studies, we demonstrate that a brand's warmth can negatively impact perceptions of market dominance due to an incompatibility between warmth and dominance.*

EXTENDED ABSTRACT

Research Question

Past marketing research has discovered that consumers are relatively unaware of the objective market dominance of brands—that being their relative market share compared to other brands in the product category. However, consumers have perceptions of a brand's market dominance. We aim to understand how a brand's image can impact consumers' perceptions of the brand's market dominance.

Method and Data

This research includes reporting of 6 experimental studies using both lab and mTurk participants. Furthermore, we use both real and fictitious brands in a variety of product categories (fabric softener, cough syrup, pens, adhesive bandages, and coffee) as stimuli.

Summary of Findings

We demonstrate that the warmth of a brand's image can lead to decreased perceptions of market dominance. We find that this effect is due to an incompatibility in perceptions of market dominance and warmth. Furthermore, consumers perceive high warmth brands to be less competitive in the market and thus less dominant. Additionally, we find that product category knowledge attenuates this effect in that consumers with a high level of knowledge draw from other market dominance cues in memory, such as the number of brand facings in a store, and are less reliant on brand imagery to make judgments about market dominance.

Finally, we demonstrate the downstream implications of this effect for consumer choices.

Key Contributions

This research has important implications for brand managers, as it is the first attempting to understand the brand-related cues used by consumers to form judgments about a brand's market position. Our research demonstrates that distinguishing a brand based on warmth may have unintended consequences for perceptions of market dominance, and particularly so when consumers have limited product category knowledge. We further show the consequences for consumer choices in self-relevant contexts.

Our findings also make substantive contributions to various streams of consumer behavior research. First, we contribute to the stream of research on the importance of power. Although the notion of "powerful brands" is popular in business publications, the branding literature has largely ignored what drives consumers' perceptions of brand power based on market dominance. Additionally, we add to the existing streams of research on market leadership and top dog/underdog brands by demonstrating that consumers infer dominance from perceptions of brand warmth. Finally, we add to the branding literature on (in)compatible brand imagery by finding that perceptions of warmth are incompatible with perceptions of market dominance.

References are available on request.

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Indeed, Consumers' Impressions of Firm's Warmth and Competence Matter! But How Do They Come About?

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Keywords: *corporate reputation, warmth and competence, impression formation model, consumer trust, stereotype content model*

Description: *In this paper, we theoretically develop and empirically support a novel model of corporate brand impression formation*

EXTENDED ABSTRACT

Research Question

How do consumers' impressions of warmth and competence of corporate brands mediate the effects of various dimensions of corporate reputation (customer orientation, good employer, social and environmental responsibility, product and service quality, and reliable/financially strong company) on consumer's trust? What are the managerially relevant antecedents of consumer's impressions about warmth and competence of corporate brands? We theoretically rely on schema theory to integrate universal dimensions of social cognition, warmth and competence into impression formation model of corporate reputation.

Method and Data

Two empirical studies were conducted: Study 1 was a between subjects experiment with fictitious telecommunications company, where we manipulated corporate reputation dimensions (n = 266 participants from the U.K.). In order to increase the external validity of our findings in Study 2, we conducted a consumer survey with actual corporate brands with different reputation rankings (n = 433 U.S. respondents from a panel). The measures included were corporate reputation, warmth and competence and consumer trust, all confirmed to criteria of convergent and discriminant validity as well as tests for common method bias. Direct and indirect effects were estimated in Study 1 and structural equation model was estimated in Study 2.

Summary of Findings

We empirically support the hypotheses that link specific corporate reputation dimensions to impressions of either competence or warmth. The Study 1 experimentally established both causal and mediating relationships and second study supported the model on a set of actual corporate brands from various industries. For managers that seek to enhance warmth impressions, our findings suggest to invest in informing and educating existing and potential customers about firm's philanthropy efforts, pay extra attention to quality of their ethics statements and enhance warmth impressions through building employee orientation climate, which should all lead to increased reputation. On the other hand, in order to improve competence impressions, firms should pay attention to developing reputation by offering guarantees, providing high levels of satisfaction with products and services to existing customers and by maintaining a reliable and financially strong company.

Key Contributions

Our paper theoretically contributes to literature on consumer perception of firms/brands in terms of antecedents of warmth and competence impressions, as well as extends reputation theory. We theoretically relied on schema theory to integrate universal dimensions of social cognition, warmth and competence into impression formation model of corporate reputation. Informed by customer based research on cor-

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porate reputation we expanded the original model by including customer orientation as an additional dimension of corporate reputation. Our findings provide practitioners with recommendations on how to improve their firms' impressions of warmth and/or competence in order to increase customer trust.

References are available on request.

Love Is Blind: How Brand Elements Impact Sensory Perceptions of High Liking Consumers

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Keywords: *brand management, sensory perception, brand elements, expertise*

Description: *Across five experiments, this research investigates how the presence of novel brand elements impact sensory perceptions for high liking consumers, the most profitable consumers.*

EXTENDED ABSTRACT

Research Question
Our research aims to understand how the presence (vs absence) of brand elements can impact the sensory perceptions of high liking consumers. In this research we explore the impact of conducting sensory testing in a blind setting with consumers who have a high liking for the product, which is the way most sensory testing is conducted, on perceptions of formula changes. While past research has demonstrated that certain brand elements such as package imagery and descriptions can impact the perception of a product, we aim to understand how the presence of any novel brand information can impact a consumer's ability to accurately report their sensory perceptions. Furthermore, we hypothesize that brand elements can differentially impact high liking (vs. low liking) consumers because of the automatic nature of the consumption experience for these consumers.

Method and Data
Our hypotheses were investigated in 5 studies using an experimental design. We replicate our finding for both tastes and scents using university students and the university community at large. We provided branding information in the form of either an unfamiliar brand description, unfamiliar brand packaging, or information regarding the reformulation of the product. Our same effect occurred when liking for the sensory experience was measured and recruited and replicates for a variety of product categories (peppermint shampoo, cheddar cheese, strawberry yogurt, chocolate, coffee). Additionally, in our final study we introduce a mindfulness

manipulation to not only offer support for our proposed mechanism but to offer an actionable solution to market researchers.

Summary of Findings
We find that the consumption of a highly liked taste or scent occurs automatically with little attention to the product being consumed. However, an unfamiliar brand or branding that otherwise signals a "new" product, will cue high liking consumers to the novelty of the experience and make them more vigilant and attentive to the consumption experience and the product being consumed. This increased attention and awareness allows these consumers to more accurately report their sensory perceptions. Low liking consumers will not have the same expertise and familiarity and so will be differentially impacted by unbranded (vs. branded) stimuli.

Key Contributions
This research offers several theoretical implications. Our research demonstrates that the mere presence of unfamiliar brand information can impact consumers' ability to accurately report their sensory perceptions. While past research has demonstrated how a specific sensory manipulation can impact other sensory perceptions, we find that the presence of any type of unfamiliar brand information can impact sensory perceptions. Furthermore, while past research has studied product and brand love, we are the first consumer behavior research that we are aware of to explicitly look at sensory liking in consumers. Our findings suggest that high liking

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for a specific sensory experience in some ways mimics expertise, familiarity, and brand love. Our research also suggests that sensory perceptions of high liking individuals may differ from that of low liking individuals.

Our research also has important implications for marketing researchers. Blind testing, while useful in preventing previous brand information from influencing perceptions, may lead some of their most loyal consumers (those high in sensory liking) to be less accurate in their reporting of their perceptions. More importantly, these consumers' perceptions may differ in blind testing from the sensory perceptions they have of the "new" product once it is launched with novel brand information.

References are available on request.

Opening the Curtain: Company-Guided Tours as a Customer Education Tool

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Keywords: *customer education, company-guided tours, customer experience, offline marketing*

Description: *This study investigates how company-guided tours as an effective customer education tool could positively influence customers' attitude and behavior.*

EXTENDED ABSTRACT

Research Question

Customer education intends to share knowledge with customers and positively influence them. Effective customer education with a proper tool can meet customers' learning demands and build a sustainable customer relationship. Company-guided tours are tours and experience-based activities offered and guided by companies to provide customers with an overview of and direct insights into a company. They could be considered as an efficient and effective customer education tool in the current marketing context because of their advantages in imparting customers a big amount of brand/product-related knowledge in a short time as well as in providing customers with lively real-life interactions and experiences. The purpose of this study is to explore if and how company-guided tours as a customer education tool in a business-to-customer context could positively influence customer attitude and behavior.

Method and Data

We collected data from three randomly selected unique samples to assess if participation in a company-guided tour could enhance customers' attitude, purchase intention, and recommendation intention towards a brand. These three samples include an online questionnaire addressing the general public (G1), a printed questionnaire onsite right before a company-guided tour (G2), and a printed questionnaire onsite right after the tour (G3). The company-guided tour in our study was provided by a well-known European beer brand in its brewery. Time control and filter questions were utilized to avoid overlaps among the three samples.

The online sample contains 113 (38.9% women, M_{age} = 41.60) respondents (G1), followed by 52 (48.2% women, M_{age} = 44.55) precompany tour participants (G2) and 79 (36.7% women, M_{age} = 49.76) postcompany tour participants (G3). ANOVA was used to evaluate changes in customer attitude as well as in customer behavioral intentions across the three groups.

Summary of Findings

In accord with our predictions, participants who just took a company-guided tour (G3) showed a better attitude towards the brand compared to G2 and G1. Similarly, in G3, customers' purchase intention as well as recommendation intention towards the brand were also significantly higher.

These results suggest that company-guided tours have the potential to influence customers and strengthen the bond between customers and companies in a short period of time. Since a company-guided tour is usually interactive and experience-based and these features are highly desired by customers nowadays, it could serve as a promising alternative to traditional customer education tools such as printed materials or company websites.

Key Contributions

We contribute to the literature in three aspects. First, we consider company-guided tours as an important but underemphasized customer education tool. Existing customer education research has widely discussed the benefits of traditional customer education tools but failed to notice new possibili-

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ties of effectively imparting knowledge to customers. With theoretical support from pedagogic literature which emphasizes the importance of experience-based learning, we suggest companies-guided tours as a promising alternative. Second, we investigate the effects of company-guided tours in a business-to-customer setting and focus on reactions of individual customers after a tour, while research about company-guided tours frequently appears solely in a business-to-business setting. Third, we argue that besides the overall attention to online marketing, offline marketing tools such as company-guided tours deserve attention from marketing researchers as well as practitioners, since they support cus-

tomers' learning needs more efficiently and provide customers with interesting real-life experiences.

For companies, we suggest that more efforts with regard to knowledge sharing with customers should be made considering benefits of customer education. Instead of letting customers passively receive information via advertisements or traditional educational forms, interactive and experience-based educational forms such as company-guided tours should gain more attention in the future.

References are available on request.

Rethinking Brand Commitment in Internal Branding Models: A Cross-National Validation of a Three-Component Model

Christina Elisabeth Ravens-Ocampo, University of Aalen

Keywords: *Internal branding, brand commitment, brand citizenship behavior, cross-national.*

EXTENDED ABSTRACT

Research Question

There seems to be consensus on the role of brand commitment in internal branding models but overall confusion exists to its affective and cognitive conceptualization. The aim of this research is to add to its clarification over any conceptual confusion.

Furthermore, this research attempts to validate whether or not the postulated brand commitment-brand citizenship behavior framework is a universal concept by validating the model among German, Chinese and North American employees of a large automobile manufacturer.

Method and Data

This research evaluates the dimensionality of brand commitment and brand citizenship behavior and explores cross-country disparity. Since there is a lack of studies addressing these research questions, the nature of this research is exploratory in nature. As the dimensionality of brand commitment and the conceptualization of brand citizenship behavior vary so much as to be unreliable, the author conducted exploratory interviews.

In a second step, variance based partial least square and structural equation modeling (PLS-SEM) was chosen due to its small sample size and due to the nature of BCB and BC being second order type II models.

Summary of Findings

The research shows the brand commitment and brand citizenship behavior conceptualization to be universal and therefore to be valid and reliable across Germany, China and North America. The paper aimed to clarify conceptual confusion and could establish brand commitment and brand citizenship behavior to consist of three distinct components. Furthermore, this research validates the postulated brand commitment-brand citizenship behavior framework to be a universal model and extend the understanding of brand commitment.

Key Contributions

This research expands the understanding of brand commitment to be a more holistic model including cognitive and conative components. A central finding of this study establishes that internal branding strategies need to allow for adaptation to relevant local contexts. While internal branding is a universal concept, organizations need to integrate a local perspective. Future research and a currently ongoing study will analyze the relevance of the various brand commitment instruments to brand commitment. As much as organizations adjust their marketing efforts to local customer requirements, organizations need to develop a better understanding of all the options available to increase employee's brand-aligned behavior.

References are available on request.

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Internal City Branding

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Keywords: *place branding, city branding, internal branding, residents*

Description: *This study integrates internal branding with place and city branding research to develop an internal city branding (ICB) model that includes resident-related ICB outcomes and the quality of online city brand communication as a brand management–related antecedent.*

EXTENDED ABSTRACT

Research Questions

This study aims to develop an internal city branding (ICB) model for implementing the city brand in residents' minds, emotions and behaviors. Two research questions are addressed:

RQ1: What are the relationships between resident-related ICB outcomes?

RQ2: Does city brand communication affect the ICB outcomes?

Method and Data

This study integrates internal branding with place and city branding research to develop an ICB model that includes residents' intention to stay, city brand citizenship behavior, city brand commitment, city brand satisfaction and city brand understanding as ICB outcomes as well as the quality of online city brand communication as a brand management–related antecedent. Leveraging the online panel of a German market research agency, this study surveyed 501 residents of the city of Bremen in Germany. After data cleansing, 446 respondents remained for structural equation modeling.

Summary of Findings

The results indicate that residents' city brand commitment and satisfaction both had positive effects on their intention to stay. Moreover, residents' city brand citizenship behavior was positively affected by their commitment, understanding and satisfaction. Residents' city brand satisfaction and understanding had positive effects on their commitment. A positive relationship arose between residents' city brand understanding and their satisfaction. The quality of online city brand communication had positive effects on residents' city brand understanding and satisfaction. In contrast, it did not directly affect residents' city brand commitment. This nonsignificant direct effect is a result of a full mediation.

Key Contributions

This study develops and empirically tests an ICB model for implementing the city brand in residents' minds, emotions and behaviors by integrating the internal branding with place and city branding research streams. Moreover, this article is the first to consider residents' city brand understanding from internal branding research and residents' city brand satisfaction from city branding research. Finally, this research is also the first to consider the quality of online city brand communication as a brand management–related antecedent to ICB outcomes. City brand managers should aim to affect residents' city brand understanding and satisfaction as well as their commitment to influence their citizenship behavior and intention to stay. Moreover, city brand managers should ensure that the online city brand communication is adequate, complete, credible, useful and clear.

References are available on request.

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Exploring the Field of Digital Customer Brand Engagement: How Do Consumers' Perceptions of the Digital Brand Interactions Influence Their Behavior Towards the Brand?

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Keywords: *digital customer brand engagement, customer perception, online consumer behaviour, social media*

Description: *Our research explores the field of digital customer brand engagement by examining consumers' perceptions of the digital brand interactions as well as how these perceptions influence their behaviour towards the brand.*

EXTENDED ABSTRACT

Research Question

Recently in the field of marketing, an increased interest in digital customer brand engagement can be observed by theorists and practitioners. The digital environment enables customers and fans of a brand to interact more easily with each other or with the brand itself. However, little research has been conducted in order to understand the effectiveness of a brand's digital activities and how they influence consumer behaviour towards the brand. Therefore, our study examines how the consumers perceive the digital brand interactions as well as how these perceptions influence their behaviour towards the brand.

Method and Data

We performed a daily diary survey as well as in-depth interviews. The daily diary survey comprises 116 participants, who reported their digital brand interactions for five subsequent days. The daily diary surveys were analysed by means of regression analyses. In addition, 23 in-depth interviews were performed in order to generate further insights into the topic. The study was conducted in Germany and uses a student sample.

Summary of Findings

Our study shows that digital brand interactions, which are perceived as little emotional and weakly intense, are the most effective to drive positively-valenced consumer behaviour towards the brand. Further, the results of the daily diary surveys and the in-depth interviews show that these digital brand interactions are also the most frequently performed, which indicates that the frequency of the digital brand interactions may be more important than the consumers' perceived emotionality or intensity of them.

Key Contributions

This study provides new insights into the underexplored field of digital customer brand engagement, particularly by showing which digital interactions are the most effective for the brand. It contributes to the literature of customer brand engagement and adds a quantitative component to the primarily conceptual and qualitative research in this field. Further, our study helps brand managers to comprehend how consumers perceive the digital brand interactions. It enables them to understand the effectiveness of their digital brand activities and to steer them accordingly in order to generate the desired effects for their brand.

References are available on request.

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Aspirational Storytelling Is the New Fashion: How Lifestyle Influencers Use Athleticism to Build a Personal Brand Narrative

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Keywords: *influencer marketing, storytelling, personal branding, social media*

Description: *This research examines the interaction between consumer identity, symbolic consumption of brands, and the commercialization of self through the lens of athleticism.*

EXTENDED ABSTRACT

Research Questions

In this study, we examine lifestyle influencers' storytelling techniques in terms of building and selling a marketable self on Instagram with a focus on athleticism. We also look into how narrative structures and patterns differ between male and female influencers in constructing an aspirational image.

Method and Data

We adopted an interpretive research approach to uncover the key concepts of influencers' storytelling. We scraped data from 40 lifestyle influencers on Instagram and collected the 30 most recent Instagram posts from each influencer. The final dataset consisted of 1200 pictures along with accompanying information (e.g., captions and hashtags). Textual data were analyzed using Leximancer 4.5. We further match textual narratives with their accompanying visual elements (e.g., pictures and videos) to provide a holistic overview of influencers' narrative strategies.

Key Contributions

Theoretically, results provide a new perspective on influencer marketing by focusing on the textual components of Instagram posts. This study also highlights the importance of captions as a semiotic resource when studying branding strategies. As such, this approach advances our understanding of the commercialization of daily activities via textual content and presents an important and original direction for future influencer marketing research.

Managerially, marketers can frame brand stories or collaborate with influencers to design products using talking points while bearing in mind consumers' quests for intimate and authentic connections with influencers as well as endorsed brands. Marketers should also consider adopting different communication strategies when collaborating with male and female influencers based on either gender's narrative patterns.

Summary of Findings

Results indicate that lifestyle influencers' Instagram narratives are underpinned by three dimensions: experiential, temporal, and affective. The interaction of the three dimensions coalesces into a congruent account of one's narrative schema that underlies the promotion of the self or sponsored products. Thus, sharing daily activities then becomes a form of commercialization of daily life, where the "backstage" of life (e.g., fitness training) comes to the forefront of symbolic self-curation (Marwick, 2013). Furthermore, female influencers were more likely to offer detailed, lengthy narratives in the form of experience sharing that linked main themes, whereas male influencers focused on more discrete and high-construal topics per post.

References are available on request.

Creating and Managing Brand Performances

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Description: *We further develop the integrative concept of brand performances through a socio-historically situated exploration of Taco Bell as way to understand how innovative brands seek to demonstrate and develop their identities, create value for others, and foster enduring social relationships.*

EXTENDED ABSTRACT

Research Question

How do brands create and manage brand performances as a form of strategic storytelling?

Method and Data

We pursue a socio-historical qualitative analysis of brand performances undertaken by the quick-service restaurant chain Taco Bell. Taco Bell increasingly engages in marketing executions that express Taco Bell's ethos, but that appear largely disconnected from their business operations. Our approach to data collection and analysis is broadly informed by interpretive analytical practices. We first reviewed industry and company reports and socio-historical accounts of the brand's history and its Mexican-American cultural connections. We then analyzed social media content surrounding Taco Bell's brand performances, guided by netnographic methods. We gathered social media data from Twitter on current performance information (e.g., The Bell, 2019) and information on previous performances, using custom Python scripts. In total, we have a database of 34,749 tweets representing online discourses amongst various market actors, including consumers, media, Taco Bell, and more general public from 2011 to 2019. We analyzed our data for ways in which the brand conducted brand performances, and how those performances were interpreted by various audiences. We triangulate by gathering data from additional social media content (e.g., YouTube, Reddit, Instagram) to provide insight into the consumer's experience of brand performances, while media articles and corporate press releases provide us with brand-centric perspectives.

Summary of Findings

We find that Taco Bell leverages brand performances strategically as a way to purposefully communicate to various audiences the brand's core values, associations, and 'fit' with a specific identity. This identity changes over the time period under study to incorporate notions of innovation and hospitality that are distinctly different from those present earlier in the brand's history. We theorize the brand's identity not as a fixed set of meanings and associations that must be preserved and reinforced in perpetuity, but rather as an emergent outcome of the brand questing for an identity in much the way that prior literature has articulated such quests for consumers. Related to this questing behavior, we find the brand creates performances that contain what audiences previously thought to be impossible as a mechanism for demonstrating the sincerity and authenticity of the performance itself, in order to ensure the ongoing identity shift resonates with, and is accepted by, core brand audiences.

Key Contributions

Our project complements existing views of brand management through integrating existing branding paradigms through a performance theory approach. Strategic brand performances are a way of conceptualizing how brands create and maintain positive connections with relevant market audiences. Further, our findings illustrate how brands can leverage performances to strategically shift brand identities over time to suit changes in a brand's core values or changes in social norms governing acceptable brand practices.

References are available on request.

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The Influence of Quality Diversity on Brand Evaluations

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Keywords: *brand similarity, quality diversity, adverse extension effect, narrow brand, broad brand*

Description: *this study examines the impacts of brand structure (i.e., quality diversity) and extension typicality upon adverse extension effects.*

EXTENDED ABSTRACT

Research Questions

While considerable research has been conducted on adverse extension effects, there has been surprisingly little discussion concerning the influences of brand structure (i.e., quality diversity), coupled with extension typicality, on adverse extension effects. Therefore, this study attempts to advance the research scope of the extant research by examining the impacts of quality diversity and extension typicality upon adverse extension effects.

Method and Data

Based on the group perception theory, it is hypothesized that brands with low-diversity portfolio products are preferred over brands with high-diversity portfolio products, regardless of whether they are narrow or broad brands. Narrow brands are preferred over broad brands only when the quality diversity of portfolio products is high. Moreover, negative typical extension information more saliently weakens the quality of narrow brands than broad brands only when the brand diversity is high. Negative atypical extension information more saliently weakens the quality of narrow brands than that of broad brands only when the brand diversity is low. Overall, 332 respondents participated in the 2 (brand similarity: high vs. low) × 2 (brand diversity: high vs. low) × 2 (extension typicality: high vs. low) between-subjects experimental design. The data was collected online via M-Turk with Qualtrics questionnaires.

Summary of Findings

The research findings revealed that low-diversity brands are more favored than high-diversity brands, regardless of brand similarity. When brand diversity is high, narrow brands are preferred over broad brands. Conversely, when brand diversity is low, narrow and broad brands are equally favored.

Brands with dissimilar portfolio products are more favored if their products are only slightly different in terms of product quality. In terms of adverse extension effects, when unfavorable extensions are typical, high- diversity narrow brands are more vulnerable to negative typical extension information than high- diversity broad brands. In contrast, when unfavorable extensions are atypical, low-diversity narrow brands are more vulnerable than low-diversity broad brands to negative atypical extension information. The findings indicate that narrow brands are more vulnerable than broad brands to negative extension information when: (a) unfavorable extensions are atypical and brand diversity is low and (b) when unfavorable extensions are typical and brand diversity is high.

Key Contributions

This study advances brand research by examining the impacts of brand structure (i.e., quality diversity) on brand perceptions and adverse extension effects. The research scope of prior research on brand perceptions and adverse extension effects has been limited to the brand similarity of brand structure. In terms of brand perceptions, the findings suggest that the conclusion that narrow brands are preferred over broad brands is applicable only when the quality diversity is high. Brands with dissimilar portfolio products are more favored if their products are only slightly different in terms of product quality. These differences in preferences may lead to different courses of information processing and, in turn, their subsequent consequences upon the adverse extension effects. In terms of adverse extension effects, the negative impacts of unfavorable extensions on parent brands are actually conditional when brand diversity is considered.

References are available on request.

Consumers' Responses to Brand Extensions: An Emotional Perspective

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Marzena Nieroda, University of Manchester

Keywords: *brand extension, emotional responses, cognitive appraisal theory, consumer psychology*

Description: *This is pioneer research investigating consumers' responses to brand extensions from the emotional perspective and how such emotional responses also influence consumers' behaviors.*

EXTENDED ABSTRACT

Research Question

Brand extension (BE) strategy involves an established brand introducing products in a similar (high fit) or dissimilar (low fit) product category (e.g., Ralph Lauren's shoes and Ralph Lauren's furniture represent high and low BE respectively). While this strategy can capitalize on the parent brand equity to grow market share, it does not always succeed. For instance, Colgate failed with a ready meal product. We propose that consumers' emotional responses to BEs can be a reason behind the poor adoption of such products. We deploy the cognitive appraisal theory to illustrate how cognitive evaluation (appraisal dimensions) of (high versus low fit) BEs elicits consumers' emotional responses, and consequently behavioral responses. Based on this, the present research proposes three research questions: (1) Can fit of BEs evoke consumers' emotional responses? (2) Can BE-induced consumers' emotional responses also affect consumers' subsequent behavioral outcomes? (3) Can company controllable strategies, such as developing emotional brand attachment and adopting sub-branding strategy for BEs, enhance positive and/or mitigate negative emotional responses to BEs?

Method and Data

The research adopts five scenario-based experiments (total n = 1194) to examine how, in the BE context, (1) appraisal dimensions affect consumers' emotional responses, (2) consumers' emotional responses affect behavioral responses; (3) the independent and interactive effects of fit, emotional brand attachment and brand name structure affect consumers' emotional responses and behavioral responses through appraisal dimensions.

Summary of Findings

In Study 1 (n = 95), we demonstrate that BEs' fit can affect consumers' emotional responses and such emotional responses can also predict consumers' behavioral intentions. In Study 2 (n = 353), we apply cognitive appraisal theory and confirm that appraisal dimensions in the cognitive appraisal theory framework can predict consumers' emotional responses in the BE consumption situations. In Study 3 (n = 208), we indicate that fit on consumers' emotional responses can be explained by appraisal dimensions. Moreover, in both Study 3 and Study 4 (n = 185), we point out that consumers' emotional brand attachment can strengthen the positive effect of fit on positive emotional responses through appraisal dimensions. In Study 5 (n = 353), we show that sub-branding strategy can effectively and directly reduce consumers' negative emotional responses to the low fit BE.

Key Contributions

While previous research on BE focuses on the direct effect on attitudinal and behavioral outcomes, this is pioneer research which introduces a new angle by investigating the impact of BE-induced emotions on the subsequent consumers' attitudinal and behavioral outcomes. It also sheds light on strategic factors to elevate positive and reduce the unwanted negative emotional responses when introducing both high and low fit BE, such as building a stronger emotional bond with consumers and adopting sub-branding strategy.

References are available on request.

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Sustainability, Social Responsibility, and Ethics

Gotta Nudge 'Em All: An Integrated Stage Model to Nudge Climate-Friendly Meal Choices

Amelie Griesoph, Kiel University

Keywords: *nudging, climate mitigation, meat consumption, carbon footprint label, tailored interventions*

Description: *This study examines consumer´s sensitivity to nudging interventions and explains for whom and how nudging works.*

EXTENDED ABSTRACT

Research Question

While pervious research neglected the fact that individuals may differ in their sensitivity to nudging interventions, we are, to our best knowledge, the first ones addressing these gaps and account for sensitivity differences. Tailored group-specific nudging interventions are crucial to use the full mitigation potential of shifting diets towards a more climate-friendly behavior.

Therefore, we integrate a stage model, the Transtheoretical Model and the Theory of Planned Behavior to explain for whom and how nudging works.

Method and Data

In order to answer the research question, we use a combination of a labelling nudge field experiment and questionnaire that has never been done before, especially in context of nudging climate-friendly meal choices. A total of 323 students and university employees agreed to participate in the study. To test the hypotheses, we used logistic regression. The dependent variable is a climate-friendly meal choice, operationalized by the green carbon footprint label.

Summary of Findings

Nudging interventions aimed to initiate the transition process from meat eating to being flexitarian, should focus on hedonic experimental-oriented strategies. Nudging interventions targeting flexitarians to transit them to vegetarians should follow intention activating or reminder strategies.

Although flexitarians are intended to change their behavior, they often fail to follow up to this intention. Therefore, nudging is promising tool to overcome this intention-behavior gap.

Key Contributions

Our findings provide clear evidence for the potential of tailored group-specific nudging interventions. Conclusions drawn from this study increased the understanding of how and for whom nudging works and can improve the effectiveness of nudging interventions to mitigate climate change. Nudging interventions aimed to initiate the transition process from meat eating to being flexitarian, should focus on hedonic experimental-oriented strategies. Labelling nudges that attract attention through their color or shape are preferable, as well as nudges that appeal to hedonic characteristics or contain playful elements or gamification. Nudging interventions targeting flexitarians to transit them to vegetarians should follow intention activating or reminder strategies. Interventions should be designed in a way that they reactivate the intention and remove obstacles.

References are available on request.

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Navigating the Consumers' Role of Living Sustainably in an Unsustainable Marketplace: Examining Practice Theory and Social Identity Theory at Ithaca's Ecovillage

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Keywords: *sustainability, sustainable behavior, practice theory, social identity theory*

Description: *This research paper investigates how consumers maintain their sustainable practices while working and interacting in an unsustainable marketplace.*

EXTENDED ABSTRACT

As natural disasters surge, fossil fuels decrease, landfills reach capacity, and pollution levels increase in this global-ized world, research investigating sustainable consumption behaviors is increasing in marketing and consumer research (Strengers and Maller 2015). Additionally, while some busi-nesses, cities, and even countries are becoming more sus-tainable, mostly, we still live in a very unsustainable market-place and society (Lunde 2018). Researchers argue that marketers have an essential role in changing consumers' unsustainable behaviors; consumers are changing their behaviors by adopting sustainable practices (Perera, Auger, and Klein 2016). Just as research shows that loyal customers are important to the value of businesses (Dick and Basu 1994), consumers who maintain their sustainable practices and routines are influential to businesses, society, and the environment (Hargreaves 2011; Matthies and Thomas 2012). Consumers in many contexts are changing their rou-tines and behaviors to be more sustainable; however, while their places of living may be sustainable, their work and play environments are very unsustainable. For example, con-sumers living in tiny homes and microapartments are con-sidered sustainable (Mitchell 2014); consumers living sus-tainable-certified buildings are more sustainable (USGBC.org 2019). However, most still work and interact in an unsustainable marketplace and society.

Research Question

Sustainable consumption is defined as "the use of goods and services that respond to basic needs and bring a better qual-ity of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, as not to jeopardise the needs of future gener-ations" (Oslo Roundtable 1994, para. 1). While many researchers explore how to influence the behavior of con-sumers toward sustainable practices, we extend this area by investigating how consumers *maintain* their sustainable practices while working and interacting in an unsustainable marketplace. Our research question is:

• *How do sustainable consumers maintain their sustainable practices while navigating an unsustainable marketplace and society?*

In this preliminary study, we use practice theory as a theo-retical framework and Ithaca, New York's "Ithaca EcoVil-lage" as a context for our study. Practice theorists study the practices of humans, where humans act as the "carriers" of those practices (Reckwitz 2002). We find that practice the-ory as theorized, does not develop and explain this rela-tionship between the practices of consumers and their social world. We expand on practice theory findings by

using social identity theory (SIT) (Tajfel and Turner 1979, 1986) to enrich our understanding of sustainable practices and routines.

Method and Data

For our context, we set out to find consumers who are sustainable, living a sustainable lifestyle, performing sustainable behaviors and practices. We chose the Ithaca EcoVillage, located in upstate New York. The EcoVillage is in Ithaca, a city of about 50,000 people (VisitIthaca.com, 2019). The EcoVillage was built in the early 1990s, and now houses over 300 sustainable residents (Vicdan and Hong 2018).

We used ethnographic qualitative methods (Fetterman 2010; Mariampolski 2006) of semi-structured depth interviews and observations to investigate the daily lives, practices, and experiences of 12 participants (over the age of 18) living in the Ithaca EcoVillage. Of the 12 participants, eight were female, and four were male. The average age of participants was 65.52 years old (range of 39 to 78 years), and had lived in the EcoVillage for an average of 9.38 years (range of 3 to 28 years). Pseudonyms were used to protect their identities. Semi-structured interviews lasted an average length of 54.25 minutes. Preliminary sampling reached saturation at 12 depth interviews (Merriam 2009; Patton 2002). All interviews were digitally audio-recorded and later transcribed into 190 single-spaced typed pages.

Summary of Findings

1. Imitate what sustainable practices others do in the community (external)

This theme derives directly from practice theory (Shove 2004, 2009) that participants are the "carriers" of these practices. These consumers form routines based on imitating what they see, as the sustainable practices become routinized patterns.

2. Internalize those sustainable practices (internal)

Second, participants started to "*internalize those sustainable practices,*" they were imitating. Many participants spoke about how they were not just practicing a sustainable behavior because they were imitating others but because it was internalized in their everyday life (Giddens 1984).

3. Socially identify with the sustainable community (external)

Third, participants started to "*externally socially identify with their sustainable community,*" that is, their 'reference group' (i.e., sustainable members in the EcoVillage community). After they imitated others' sustainable practices and internalized these practices as routines, they started to socially identify as a member of the "sustainable community."

4. Personally identify as a sustainable consumer (internal)

The fourth thematic category showed how sustainable consumers could work and navigate an unsustainable marketplace because they identify as a sustainable consumer. Their sustainable practices have become routine, are reinforced through the sustainable community where they live, changing their personal identity from unsustainable to sustainable.

Key Contributions

We found that consumers are not just 'agents' of practice, as practice theory suggests (Reckwitz 2002), but their practices are maintained through their building their identity as a sustainable consumer. In terms of implications for theory, our study confirms that practice theory is a salient sociological theory to use to explain human behavior (Reckwitz 2002). Second, our findings extend SIT (Tajfel and Turner 1979, 1986). We show this approach aligns with practice theory, where consumers become carriers of their practices in their *s*ocial world; specifically, we extend SIT to practice theory, illustrating that as carriers of practices, consumers reinforce their social identity.

In terms of practical implications, we found that consumers who socially identify as sustainable are more inclined to maintain their practices. When they socialize and interact with others in their social group (i.e., "sustainable consumers"), consumers become carriers of their sustainable practices, integrating them into their daily lives as routines. Second, as research shows that loyal customers are essential to the value of businesses (Dick and Basu 1994), consumers who maintain their sustainable practices and routines are important to businesses, society, and the environment (Hargreaves 2011).

References are available on request.

Consumer Habits: Green Behavior's Downfall?

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Keywords: *green, habits, involvement, value-action gap, purchase intention*

Description: *This paper shows, using an experimental study in Germany and the USA, that product usage habits and involvement influence the relation between consumers' level of environmental concern and their intentions to purchase green products via a three-way interaction.*

EXTENDED ABSTRACT

Research Question

Many consumers claim to be concerned about their impact on the environment and yet, they often do not act accordingly when it comes to the purchase of green products. This value-action gap is a well-known paradox in the marketing literature and as various studies have already shown, habits play an important role in strengthening this gap. At the same time, however, consumers' level of involvement has been shown to have an opposing effect, in that higher involvement weakens the gap. So far, the role of product involvement in combination with product usage habits in the value-action relation has been neglected. The present study investigates the impact of these two constructs on the interdependencies between environmental concern, attitude toward green products and intentions to purchase green products.

Method and Data

An online study with a 2 (green vs. nongreen) × 2 (car vs. dishwashing detergent) between-subjects experimental design was conducted in Germany and the USA. In the survey, participants were shown either a green or nongreen product description with a nonbranded image of a car or dishwashing detergent. Subsequently, respondents' purchase intention, level of environmental concern, attitude toward green products, habit strength, level of product involvement, and a number of control variables were measured. Data were analyzed using regression analyses based on a moderated moderated mediation model.

Summary of Findings

Findings show that both habit strength and product involvement influence the relation between consumers' level of environmental concern and their intentions to purchase green products via a three-way interaction. Importantly, strong habits do not always weaken the relation between individuals' values and their actions, as proposed by prior research. This is only the case when involvement is low. At high involvement, stronger habits in fact strengthen the value-action relation. Consumers are therefore more likely to consider proenvironmental values in their purchase decisions when products are more personally relevant to them and more embedded in habitual behavior. Moreover, results show that the effects determined in this study were present in both countries examined but they were much stronger in Germany than in the USA. Hence, important cross-national differences were found to exist.

Key Contributions

The study contributes to the green marketing literature by identifying how product usage habits and product involvement may inhibit or support the purchase of green products. Showing that the interaction of habits and involvement plays a significant role in the relation between consumers' proenvironmental values and their actions allows for a much more realistic approximation of consumers' actual behavior and thus the development of context-appropriate marketing strategies. Furthermore, the cross-national research findings highlight important differences between countries that should be taken into account in future inquiries. They also provide insights for practitioners in developing international green marketing strategies with regard to aspects such as the appropriateness of standardization across markets.

References are available on request.

Beyond Diversity: Employment of Persons with Disabilities as a Sustainable Strategy

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Keywords: *employment strategy, persons with disabilities, sustainable business practices, customer engagement*

Description: *The authors study strategic/marketing implications of employing persons with disabilities in service sector organizations and examine if (and how) such employment could become a sustainable business practice.*

EXTENDED ABSTRACT

Research Question

Despite increased employment opportunities for persons with disabilities (PWDs), their integration into the workforce is still a challenge. Most firms currently employ PWDs either as part of their social responsibility initiatives or as token hires to signal diversity. With such motivations, the employment of PWDs is unlikely to become a sustainable business practice. With this research, the authors aim to develop a comprehensive understanding of employing PWDs in service sector organizations from a marketing and strategic perspective. The primary question addressed is how employing PWDs in service sector organizations impacts customers, other employees, and the organization as a whole.

Method and Data

The lack of systematic research in this domain made the authors adopt a discovery-oriented grounded theory approach. The research team visited training/intervention centers and offices of two nongovernmental organizations working for skill development and employment of PWDs, and also visited the premises of seven corporate organizations that employ PWDs. Thus, the team conducted ninety-one semi-structured interviews and one group discussion. In addition, the researchers witnessed three job fairs for PWDs, and also attended two industry conferences on the employment of PWDs and two skill competitions of PWDs. The observations at these events may be considered akin to a corporate ethnography, complementing the semi-structured interviews.

Summary of Findings

The authors find that employing PWDs has many strategic advantages for the business. Not only are the PWDs more focused and sincere at work than the "normal" employees, but they also have much lower attrition rates. Employing them, particularly in customer-facing roles, enhances customer engagement and improves the overall corporate image. However, there are certain constraints that prevent the PWDs' complete integration into the organization. These constraining factors can be attributed both to the PWDs (their background/circumstances) and to the employing organizations, and include (perceived) skill gap, impairment severity, task complexity, and lack of empathy.

Key Contributions

This research complements the services marketing literature that has only looked at PWDs as customers. By systematically studying the employment of PWDs in the service sector from a long-term sustainability perspective, this research also adds to the organizational behavior literature that has not studied the issue beyond the vantage points of diversity and social responsibility.

References are available on request.

Corporate Sustainability (CS) and Firm Performance: A Systematic Review and Topic Modeling Approach

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Keywords: *corporate sustainability, content analysis, topic modeling, systematic review*

Description: *We use a systematic review and topic modeling approach in tandem to reconcile the inconsistencies in the relationship between corporate sustainability (CS) and firm performance across the CS literature.*

EXTENDED ABSTRACT

Despite decades of research, the relationship between *corporate sustainability* (CS) and *firm performance* remains highly fragmented. To reconcile these mixed findings, scholars have used methods such as meta-analyses or systematic reviews. However, such methods combine previous studies that use different measures for CS and firm performance leading to an issue of comparing different effect sizes at varying levels that act as the main source of low convergence between studies and measures. Additionally, much attention has been devoted to investigating the direct relationship between CS and firm performance, yet contingency factors may be what causes studies to have varied results. This study seeks to reconcile the inconsistencies in prior literature by analyzing contextual factors—moderators and mediators—using a systematic literature review approach to better understand the heterogeneity of the CS–firm performance linkage across studies. The authors complement the systematic literature review by conducting content analysis on prior CS literature using a topic modeling approach to reinforce the conclusions from the review and also to provide future research directions.

Research Questions

- What are the contingency factors (i.e., mediators and moderators) that determine the relationship between corporate sustainability (CS) and firm performance?

- Can content analysis (i.e., topic modeling) be used to complement traditional literature review methods?

Method and Data

Systematic literature review and content analysis (topic modeling) using peer-reviewed journal articles that observe the relationship between corporate sustainability (CS) and firm performance.

Summary of Findings

- Mediators and moderators are necessary to correctly identify the relationship between corporate sustainability (CS) and firm performance.

- Topics modeling provides results in the areas of (1) sustainable innovations and products, (2) CS capabilities, (3) firm CS engagement, and (4) stakeholder management. These coincide with mediators and moderators identified from the systematic review.

Key Contributions

First, we expand on the domains and dimensions of CS in the literature to outline its scope and definition. Next, we gain a better understanding of the heterogeneity of the CS–firm performance linkage by observing the mediating and moderating effects of various contextual factors. Finally, we reconcile the inconsistencies in prior literature by analyzing moderators and mediators using a systematic review that is complemented by a topic modeling approach.

References are available on request.

Defining and Operationalizing the Consumer Experience of Surprise: Implications for Health Behavior Change and Social Marketing

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Keywords: *consumer emotion, surprise, scale development, health, behavioral intentions*

Description: *We explore the conceptualization and operationalization of the consumer experience of surprise, proposing new multi-item measurement scales and examining the effects of surprise on health behavioral intentions.*

EXTENDED ABSTRACT

Research Question

Despite surprise being experienced universally (Ekman and Friesen, 1978), researchers have not yet agreed on a clear definition, with conceptualizations including basic emotion (Ekman, 1992), pre-emotion (Lazarus, 1991), cognitive response (Meyer *et al.*, 1997) and cognitive state (Ortony and Turner, 1990). Given definitional inconsistencies, the operationalization of surprise in marketing research also varies from single-item measures (Valenzuela *et al.*, 2010) to a positively valenced three-item scale (Izard, 1977; Richins, 1997). We argue that existing measures do not capture the complexity of surprise as they ignore the crucial role of cognition and have limited scope in understanding its experience, especially within a health-related social marketing context. Developing a more comprehensive measure would greatly benefit both social marketers and practitioners. As such, we argue that surprising information can be a powerful tool for social marketers and so we develop a multi-item scale to measure the consumer experience of surprise and examine its implications for health behavior change. Thus, we address two research questions. Firstly, how can the consumer experience of surprise be operationalized? Secondly, what are the effects of surprise in a health-related social marketing context?

Method and Data

This research comprises two studies. The first is a multi-item scale development, adapting Meyer's et al., (1997) *Psychoevolutionary Model of Surprise* into three processes: *expectation disconfirmation*, *the verbal report of surprise*, and *sense-making*. A four-stage scale development process was used, collecting survey data via Amazon MTurk. Stage 1 (Item Generation) consists of a literature search (Churchill, 1979), complemented by a thesaurus search. Stage 2 (Item Reduction) draws on an adapted version of Q-Methodology (McKeown and Thomas, 1988) involving two stages which reflect the sorting (n = 81) and grouping (n = 85) of the original approach. Stage 3 establishes construct validity (Churchill, 1979) within a health-related social marketing context (n = 137). Study 2 tests the nomological validity (Stage 4) of the scales and their effects on intentions to purchase organic products via a survey (n = 274), exposing participants to one of four stimuli which presented an image of coffee (/tea) and a statement that individuals who consumed four cups of organic coffee (/tea) per day had a 64% (/ 128%) lower risk of early death than those who never consumed organic coffee (/tea). Knowledge of health benefits of food and drink items were tested before and after exposure.

Summary of Findings

Study 1 resulted in scales for *expectation disconfirmation* (3 items), the *verbal report of surprise* (4 items), and *sense-making* (3 items). These were tested using structural equation modelling to build a serial mediation model depicting the sequential experience of surprise and its impact on positive emotional response and behavioral intentions (Model fit: $\chi^2 = 164.325$, df = 112, $p < .01$; CFI = .965, TLI = .958, RMSEA = .058, SRMR = .048). Disconfirmation negatively impacts emotional response and sense-making; the addition of surprise renders these relationships positive. Additionally, varying degrees of surprise affect health behavior. For those exposed to the coffee stimuli, prior knowledge of health benefits was less certain. Surprise intensity did not affect sense-making, whereas high-intensity surprise provoked knowledge change. Therefore low-intensity surprise provoked sense-making but tolerable information was *assimilated* and easily integrated into existing knowledge (Munnich and Ranney, 2019). For high-intensity surprise the process of *accommodation* occurs to integrate discrepant information with existing knowledge by changing belief structures (Munnich and Ranney, 2019). Despite a significant difference in sense-making between surprise groups for those exposed to the tea-based stimuli, no significant knowledge change occurred, likely due to well-established prior knowledge, therefore information was *assimilated* and knowledge was not updated.

Key Contributions

Given the potentially negative effect of disconfirmation, we suggest that there is an optimal intensity of surprise to impact health-related decision making and behavior. To achieve this, prior knowledge regarding health benefits must be taken into consideration as health literacy is a key factor in how information is processed (Bodie and Dutta, 2008). This has important implications for social marketing principles of segmentation and targeting, to ensure individual consumers are surprised in the most effective manner to change their behavior. This paper extends the current social marketing literature on surprise by (a) presenting a new cognition-based approach to measuring the consumer experience of surprise, with three scales comprising: *expectation disconfirmation*, *the verbal report of surprise* and *sense-making* (this is the first study to include all three constructs within the same study of surprise), and (b) initiating a discussion surrounding the effects of varying degrees of surprise on knowledge updating and subsequent decision making in a health-related social marketing context. We argue that marketers should focus on the extent to which consumers can make sense of discrepant information, thereby concentrating on the cognitive experience of surprise to more effectively impact the emotional response and subsequent health-related consumer decision-making and behavior.

References are available on request.

The Relationship Between a Firm's Prerecall CSR Efforts and Postrecall Market Performance

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Keywords: *corporate social responsibility, product recalls, sustainability, philanthropy, market performance*

Description: *We empirically assess how a firm's CSR record in philanthropy and sustainability domains may alter the negative outcomes of a product recall announcement.*

EXTENDED ABSTRACT

Research Questions

Despite the extensive work in the CSR literature, less attention is made to the role of a firm's CSR record in negative events. In the current study, we investigate how a firm's CSR efforts may alter the impact of a negative firm event on subsequent product market performance. In particular, we focus on product recalls, which have seen keen interest in the marketing literature because of their huge impact on firm performance (e.g. Cleeren, van Heerde, and Dekimpe 2013; Thirumalai and Sinha 2011).

Prior research has shown that a product recall hurts a firm's image, sales, advertising effectiveness, and price elasticity (Dawar and Pillutla 2000; Cleeren, van Heerde, and Dekimpe 2013), all of which may damage the firm's market performance. Hence, we aim to explore how a firm's CSR efforts may moderate the extent of this damage. We design our empirical study to provide answers to the following questions: (1) Does high CSR efforts by a firm before a product recall help it in protecting its market share after a product recall announcement? (2) How the CSR impact may differ across different CSR domains? (3) Which recall characteristics may moderate the relationship between prerecall CSR efforts and postrecall market penalties?

Method and Data

We collected CSR rating data from CSRhub. which rates firms on 4 major categories-employee, environment, community, and governance- and 12 subcategories in total using data from more than 626 sources. In contrast to KLD database, which is widely used in the CSR literature, CSRhub issues monthly ratings, and this makes it ideal to examine changes in monthly market share due to recalls. We focus on the automobile industry since it is the largest manufacturing sector of the U.S. economy (AAPC 2018), and vehicle recalls are highly frequent. We collected product recall data from the NHTSA database. Specifically, we obtained data on the eight largest automakers (Toyota, Honda, Nissan, General Motors, Ford, Volkswagen, Fiat-Chrysler, BMW, Daimler, and Subaru) in the U.S. from 2011 to 2014. Our final sample consists of 265 observations of firm-month. In addition, we used Factiva for recalls' media citations, Automotive News for monthly market share, Consumer Reports for brands' reliability reputation, and Compustat for firm performance factors.

We use the change rate of a brand's market share as the dependent variable and model it using a power function. Through a logarithm transformation, we can regress the market share over independent and control variables in a linear equation.

Summary of Findings

While it is mostly believed that CSR effort can create a form of goodwill that may reduce consumers' negative reactions to product failure, we show that this only works in the case of philanthropy efforts. We argue that sustainability efforts affect recall outcomes through a different mechanism, i.e. changing prerecall expectations about product performance. Specifically, we find that increasing sustainability efforts before a recall announcement may increase expectations and hence, worsen market penalties accruing from the recall.

However, after reaching some point, customers perceive more sustainability efforts at the expense of developing corporate abilities and hence, reduce their expectations of product performance. This leads customers to less penalize the firm for product failure. In sum, we show that in contrast to philanthropy efforts, which have a positive linear relationship with recall outcomes, sustainability efforts follow a U-shape relationship. We further show that both effects are stronger for brands with lower reliability reputation and newly introduced products.

Key Contributions

We contribute to two major research streams in the marketing literature. First, how CSR activities may affect a firm's performance in case of a negative event such as a product recall is less discussed in the literature. Most studies find either a positive insurance effect or no effect of CSR without considering different CSR domains. We show that the insurance effect is only one function of CSR that may work only in certain domains. Our findings indicate that while a firm's efforts in the philanthropy domain may insure the firm against recall damage through the creation of moral capital, efforts in the sustainability domain affect recall outcomes by altering customers' prerecall expectations of product performance, which may be disadvantageous before a certain level of CSR effort is reached.

Second, despite the high frequency of product recalls and their severe impact on firms' market performance few papers have explored strategies that can help firms mitigate such damage. We propose that a careful adjustment in prerecall CSR efforts in domains such as philanthropy and sustainability could help the firm reduce the negative impact of product recalls on market performance.

References are available on request.

"Caring While Sharing": How CSR Mitigates Customer Anger Following Unsatisfactory Experiences with Sharing Services

Jaywant Singh, University of Southampton
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Description: *We examine the impact of CSR in alleviating customers' negative emotions following an unsatisfactory experience with a sharing-based service.*

EXTENDED ABSTRACT

Research Questions

CSR can mitigate the negative effects of product harm crises, corporate social irresponsibility scandals, and poor service performance. Providers of a technology platform giving access to sharing services are "invisible" yet are responsible for customer experience at the time of service delivery. In the event of poor performance or crises, media attention can negatively influence consumer perceptions. For such companies, CSR could represent an effective strategy to build positive associations in customers' mind that can later mitigate the negative effects of unsatisfactory customer experiences using sharing services. Drawing upon attribution theory, examine the following research questions:

1. What is the impact of sharing service providers engaging in CSR activities post service failure, on customer anger?

2. What is the influence of lowered customer anger on intentions to repurchase the sharing service and on intentions to generate negative word-of-mouth?

3. Does perceived sincerity mediate the effect of CSR on customer anger following failures with sharing services?

4. How does CSR based on the type of donation (conditional vs. unconditional) influence perceived sincerity and customer anger?

5. How does the type of failed sharing service (accidental vs. intentional) experienced moderates the influence of CSR on perceptions of sincerity?

Method and Data

We conducted two experiments to test our model. In Study 1 (97 responses), we conducted a one-factor (CSR: CSR vs. No CSR) between-subject experiment. Our Study 2 was a 3 (CSR: No CSR vs. Conditional CSR vs. Unconditional CSR) $\times$ 2 (Failure type: Accidental vs. Intentional) between-subjects experiment (Prolific Academic panel, 301 UK respondents). In study 1, all participants were asked to complete an online, self-administered questionnaire including a scenario of a failed taxi ride sharing service. In the CSR condition, participants were asked to imagine reading about the service provider's engagement in CSR. The study 2 investigated perceived sincerity as a psychological process (mediation effect) and failure type as a boundary condition to the effect of CSR (moderated-mediation effect) with a 3 (CSR: No CSR vs. Conditional CSR vs. Unconditional CSR) $\times$ 2 (Failure type: Accidental vs. Intentional) between-subjects experiment. An additional condition (i.e. conditional CSR) was added in Study 2. Unlike the unconditional CSR condition, whereby the sharing service provider donates a percentage of profits to charities, the conditional CSR condition presents the same service provider donating to charities conditional to revenue-generating activities.

Summary of Findings

Results show a main effect of CSR on anger, but no main effect of CSR on negative word of mouth or repurchase intentions. Mediation analysis shows a significant, negative indirect effect of anger in the relationship between CSR and NWoM, but not for the relationship between CSR and repurchase intentions. The above indicates that CSR can be beneficial to companies in the sharing economy, through lowering the customer anger elicited by unsatisfactory experiences with sharing services. Moreover, lowered anger results in diminished customer desire to retaliate. The type of failure influences anger, negative word of mouth and repurchase intentions. We do not find a significant interaction of CSR condition and failure type on anger. The interaction between CSR condition and failure type is however significant on negative word of mouth and repurchase intentions. Mediation analysis using PROCESS show a significant indirect effect of perceived sincerity in the relationship between unconditional CSR and anger, but not for conditional CSR. Moderated mediation shows that the effect of conditional CSR is contingent upon failure type. Conditional CSR decreases anger through the mediation of perceived sincerity only when failures are accidental. The CSR effect rests on perceived sincerity of the company motives, contingent upon the intentionality of failure when CSR programs involve unconditional contributions. Perceived insincerity is signaled when the failure is intentional and seemingly due to insidious intentions of the service provider.

Key Contributions

We contribute to CSR as well to the emerging sharing economy literature streams. We establish how an altruistic intervention (CSR) can influence consumer emotions and behavioural outcomes. Second, we extend scholarly debate on how consumers perceive the sincerity of company motives for CSR actions. Underpinned by attribution theory, we demonstrate that CSR initiated in the sharing economy sector activate attributional thoughts concerning the sincerity of the motives of the company engaging in CSR. Third, we extend service failure literature by showing that CSR initiatives involving conditional donations signal sincere motives of the company, more than those based on unconditional donations.

Our findings suggest that CSR does not operate as a 'one size fits all' strategy working across all circumstances. Companies in the sharing economy sector are advised to carefully design and pretest CSR initiatives to ensure that sincere, genuine company motives are conveyed. Managers should blueprint the types of service failure most frequently experienced by the company and assess these in terms of the intentionality conveyed.

References are available on request.

Unraveling Knots: A Conceptual Model and Framework for Addressing Market-Based Wicked Problems

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EXTENDED ABSTRACT

Research Question

Marketing practitioners and scholars are increasingly acknowledging a moral obligation to use marketing action to improve societal wellbeing. Many contemporary problems that involve substantial harm to society or the environment are tangled, knotted bundles of problems and symptoms, termed "wicked," in that they cannot be effectively defined, generalized, or fully solved (Rittel and Webber, 1973). Examples include climate change, poverty, racial inequality, and mass immigration. We focus on a subset of such problems that pose the greatest possibility of intervention through marketing action—those that emerge from, and are perpetuated by, markets. Given the daunting nature of these problems, marketing researchers and practitioners wanting to address them may not know where to begin or may feel that their efforts are futile. Thus, we begin with the following questions: How can marketing practitioners and researchers usefully conceptualize intractable, knotted, "wicked" problems emerging from markets? How can researchers provide useful guidance on how to take marketing action to alleviate them?

Summary of Findings

Building on previous work on wicked problems, we specify five criteria for market-based wicked problems, which we define as a network or interrelated harms to a community, society, or the environment that is defined differently by different stakeholders and that is closely related to a market, with at least one of the harms emerging from that market. We identify four ways marketing must change its focus in order to address such problems: it must (1) increase focus on substantive, in addition to theoretical, contributions; (2) focus on multiple, conflicting definitions of a problem rather than singular definitions; (3) focus on firms as stakeholders in society rather than on society as a stakeholder in the firm; and (4) focus on alleviation of problems, in addition to financial performance, as a key outcome of marketing action. Taking a market systems approach (Giesler and Fischer, 2017; Vargo et al., 2017), we present a conceptual model of market-based wicked problems, using examples from the problem of guns in America. Further, we specify seven factors, captured in the acronym UNRAVEL (uniqueness, networks, routines, agency, viewpoints, evolution, levels), that marketing researchers should consider when investigating market-based wicked problems.

Key Contributions

In this paper, we urge marketing scholars and practitioners to direct more of their efforts to addressing wicked problems produced and sustained by markets. We add to knowledge of how marketing and marketing research can be used to address such social and environmental problems by (1) introducing the concept of market-based wicked problems and specifying their properties; (2) identifying four ways that marketing must change its focus in order to effectively address such problems; (3) developing a conceptual model of these problems which

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illuminates relationships between varying stakeholder definitions, overlapping systems, networks of agents, market routines, and problem networks; and (4) providing a framework, captured in the acronym UNRAVEL, for marketing researchers and practitioners wishing to address these problems. The aim of our conceptual model is to make these daunting problems more conceivable and approachable for researchers and practitioners. The aims of our framework are to guide practitioners in developing interventions to alleviate these problems, and to capabilize researchers to develop substantive, problem-focused domains of research that are accessible and useful to practitioners.

References are available on request.

Controllability vs. Credibility: CSR Communication Channel Selection and Its Impact on Firm Performance

Charles Kang, University of Wisconsin-Milwaukee

Description: *This article addresses the question of 'where and how to effectively communicate a firm's CSR efforts to stakeholders' by investigating the effects of two different types of CSR communication channels (controlled or noncontrolled) on firm performance.*

EXTENDED ABSTRACT

Research Question

Corporate social responsibility (CSR) has become "a must" in today's socially conscious marketplace. Many firms now strive to meet the triple bottom line in economic, social, and environmental aspects of the business because this generates benefits such as customer trust, satisfaction, and consumer loyalty to the firms.

However, firms cannot generate business benefits if stakeholders' awareness of a firms' CSR engagements is low (Du, Bhattacharya, and Sen 2010) or stakeholders are skeptical about firms' CSR engagement. According to the Cone research study (2017), 74% of respondents stated that they do not believe companies make any social or environmental commitments until they hear information about positive efforts. Also, the study also found that 82% of respondents said that consumers need more than "do good" claims to be convinced. These results reflect the needs of effective CSR communications to stakeholders. However, previous research has not been able to fully address the question of "where and how to communicate" firm's CSR effort to stakeholders.

To address this issue, the purpose of this study is to provide insights into effective CSR communication strategy. Specifically, we investigate the effects of two different types of CSR communication channels (controlled or noncontrolled) on firm performance.

Method and Data

To understand the effect of controllable and noncontrollable channels' CSR communication on firm performance, we assemble the data using four sources: MSCI ESG KLD STATS database (formally KLD STATS Database), COMPUSTAT, EBSCO News Source Plus, and company sustainability report. After concatenating the four databases, the preliminary analysis sample consists of 60 observations, representing 20 firms from 2008 and 2010. These firms are S&P 500 companies from a wide range of industries.

Our dependent variable is Tobin's q, which is the measure of firm performance. Our main independent variables are in two folds: (1) Controlled CSR communication and (2) Noncontrolled CSR communication. For the controlled CSR communication, we measure whether the firm publishes an annual CSR / Sustainability report (Report). For the noncontrolled CSR communications, we measure two variables: the number of positive news and the number of negative news regarding the company's sustainability initiatives. Finally, we include control variables such as the total number of the company's actual CSR/CSI practices in a year, the number of employees, advertising-to-sales ratio, and R&D-to-sales ratio. We estimate the linear panel model with instrumental variables to control for the endogeneity and introduce individual and time effects to control for the unobserved heterogeneity.

Summary of Findings

The goal of this study is to provide firms guidance on where and how to communicate their CSR effort. To address this critical question, we empirically test the effect of company-controlled CSR communication channels and noncontrolled but more credible channels on firm performance.

Overall, the effect of positive news coverage on the firm's CSR effort has a positive and significant effect on firm performance. Similarly, negative news coverage on the firm's corporate social irresponsibility (CSI) has a negative and significant effect on firm performance. However, we also find that CSR communication via company-controlled channels such as the company's sustainability report does not have a significant effect on firm performance.

In terms of the synergy between the company-controlled channel and noncontrolled channel, our results show that there is no synergy between the CSR report publication and positive news coverage. However, we find that the negative effect of negative news coverage becomes even worse when a firm reports its CSR efforts via company-controlled media. This result implies that firms should concern about stakeholders' skepticism about CSR communication, and they should try hard not to get negative news coverage from noncontrolled channels.

Key Contributions

Our research sheds light on the understanding of effective CSR communication in several ways. First, although previous research has studied the relationship between CSR communication and consumer reaction, our study investigates the interaction between CSR communication and entire stakeholders' reactions and further examines the effect of CSR communication on firm performance. Second, our research considers the interdependence and synergy among the various CSR communication channels. Third, echoing current attention on analyzing textual data, we incorporate the text analysis to understand the effects of CSR communication from different sources on firm performance.

Our study has implications for the practitioners as well. Specifically, we provide guidelines on how and where firms should communicate their CSR efforts. When a firm delivers CSR communication to stakeholders, one of the most critical challenges is to overcome stakeholders' skepticism about the firm's CSR efforts (Du, Bhattacharya, and Sen 2010). Our research suggests that it is important to let stakeholders know your good behavior via noncontrolled channels to increase firm performance. However, when a firm expects negative news on the firm's CSI, the firm should minimize CSR communication via company-controlled channels to mitigate the negative relationship between a firm's CSI and firm performance.

References are available on request.

Shareholder Value Perspective and Moral Judgment in Emerging Economies: The Role of Ethics of Autonomy and Ethical Egoism

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Sixue Zhang, Beijing University of Chemical Technology
Lan Xu, Wuhan University

EXTENDED ABSTRACT

Research Question

Globalization of the world economy and economic reforms in developing countries have led to unprecedented economic growth and prosperity as well as inequities of wealth, environmental degradation, and widespread unethical practices in emerging markets (Javalgi and Russell 2018). In search of explanations for and solutions to the ethical chaos observed in China and other countries, researchers have examined the role of underdeveloped institutional environment (Ghafoor et al. 2018), managers' CSR orientation (Wang et al. 2018), ethical values (Li et al. 2018), and ethical tradition such as Buddhism and Confucianism (Cao el al. 2016; Liu and Stening, 2016). Nevertheless, a thorough literature review failed to locate any studies that explicitly investigate the impact of ethical egoism or ethics of autonomy, the ethical systems rooted in market ethic. Market ethic has led to dramatic changes in emerging economies and is often viewed as a primary cause of the ethical problems observed (Redfern and Crawford 2004). Thus, it is imperative to investigate the impacts on moral decisions of the normative ethics associated with market ethic. The present study aims to answer an important question: How might normative ethics associated with market ethic affect managers' moral judgments about marketing malpractices in emerging economies?

Method and Data

A scenario-based survey was conducted in central China. Three hundred forty-nine business managers who were working in the food processing industry participated in the study. We chose to focus on food processing industry in that this industry should provide us with the most appropriate setting for examining moral judgments relating to product safety and information disclosure. The sample consisted of 349 managers with 39.3% being females and 60.7% males. The age of the respondents ranged from 27 to 81 with an average of 39.9 years old. Majority of the participants held a bachelor degree (56.1%) and over 70% of the respondents had a working experience of 6 years or more.

Structural equation modeling (SEM) was used in data analyses with moral judgement and shareholder value perspective (SVP) as endogenous variables. Adopting the approach recommended by Anderson and Gerbing (1988), we first performed confirmatory factor analyses (CFA) using AMOS 23.0. Then, we conducted a parsimonious latent-variable interaction analysis (Ping 1995, 1998) to test the relationships that we examined. Afterward, the binary variable (moral choice) was incorporated into analysis and the hypothesized relationships was further tested using Probit regression.

Summary of Findings

The results of this study show a drastic difference in their impacts on moral decisions between ethics of autonomy and ethical egoism, two ethical systems subscribed by business managers. Specifically, ethics of autonomy, an ethical system built on the principles of freedom of choice and justice, is found positively related to managers' moral judgment and decision, but negatively related to their SVP through interacting with ethical egoism. In a sharp contrast, ethical egoism is positively related to managers' SVP and negatively related to moral decisions.

The results further confirm that SVP negatively influences managers' moral judgment and choice (Wang et al. 2018). The finding suggests that managers with SVP may tend to make marketing decisions that maximize profitability rather than fulfill social and ethical responsibilities beyond abiding by laws or government regulations. The results also show that SVP completely mediates the effect of ethical egoism on ethical decisions, demonstrating its indispensable intervening role between ethical egoism and moral decisions.

In addition, ethics of autonomy was found to affect managers' moral judgment by weakening the effect of ethical egoism. Endorsement of ethics of autonomy attenuates the impact of ethical egoism on SVP, and thereby strengthens the overall motivational process of making a moral decision.

Key Contributions

The findings of this study confirm the negative effects on moral judgment of ethical egoism and shareholder value perspectives (SVP), extending previous research by demonstrating the relationships in the largest emerging market.

More importantly, this research fills a gap in the literature by explicitly examining the effect of ethics of autonomy on moral judgment in emerging economies. To our knowledge, the present study is the first in the field that explicitly examines ethics of autonomy in contrast to ethical egoism, regarding their effects on SVP and moral judgment. Although it is well documented in the literature of cross-cultural psychology (Shweder et al. 1997), ethics of autonomy has yet to gain attention in the field of business ethics. Thus, we cannot emphasize enough the importance of studying its role in regulating business behaviors, especially in emerging markets.

Taken together, these findings contribute to our understanding of how managers make decisions when faced with a moral dilemma. Clearly, it is ethics of autonomy that discourages unethical practices and promotes ethical decision-making. The results should provide valuable insights on how to effectively combat the ethical problems observed in emerging markets.

References are available on request.

The Role of Marketing in the Opioid Epidemic

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Keywords: *opioid epidemic, deceptive marketing, corporate misconduct, theory building from cases, OxyContin*

Description: *This paper examines the role of marketing in the opioid epidemic through a qualitative case study of Purdue Pharma, L.P.*

EXTENDED ABSTRACT

Research Question

The United States is facing a severe Opioid Epidemic result-ing from the liberalization of prescribing opioids for chronic pain. The goal of this paper is to study the anatomy of a healthcare crisis and address the question: *What was the role of marketing in the Opioid Epidemic?*

Method and Data

To address the research question, we use a theory building from cases approach which refers to a research strategy that uses one or multiple cases to create theoretical constructs, propositions and theory from case-based evidence. We utilize the case of Purdue Pharma, L.P. and their distribution of pre-scription opioids, primarily focusing on their most successful product, OxyContin. We examine the individual roles of pharmaceutical representatives, the pharmaceutical company, physicians and patients and how they either participated in or were influenced by marketing. This paper relies on multiple data sources including web archives of promotional websites, advertising material, documents from lawsuits filed against the focal firm, online forums, and interview transcripts from patients affected by the opioid epidemic.

Summary of Findings

This paper uncovers the marketing strategies used by Purdue Pharma, L.P. in promoting prescription opioids and con-tributing to the national public health crisis. It examines the negative societal consequences of deceptive marketing and links the findings to institutional theory and literature on misconduct and unethical marketing.

Key Contributions

Several media sources have claimed that the Opioid Crisis was partially caused by the marketing efforts of pharmaceu-tical companies. Despite these accusations, marketing aca-demics have remained silent on role of marketing in the Opi-oid Epidemic. The extant research into unethical corporate behavior and misconduct has examined a variety of situa-tions and cases. However, to the best of our knowledge, this is the first study to conduct a deep dive into a case to under-stand the negative societal consequences of deceptive mar-keting. We examine a company that planted the seeds for a national public health crisis.

References are available on request.

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Detrimental Effects of Managers' Ethical Misconduct: The Concept and Measurement of Stereotypes Toward Managers

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EXTENDED ABSTRACT

Research Question

Individuals tend to form stereotypes toward managers from perceptions of poor management behavior and ethical misconduct (Gallup 2008). Yet, so far, only very few researchers have examined the antecedents and effects of these stereotypes more closely (Zaidman 2000; Homburg et al. 2011). This is surprising seeing the possible consequences of stereotypes toward managers such as the loss of confidence in the economic system as a result of the growing mistrust in the moral competence of the leaders of the economic system. To address this research void, we developed a generally applicable scale to measure stereotypes toward managers (STM scale). Furthermore, we investigated what role stereotypes toward managers play in the relationship between the perception of manager's ethical misconduct and the people's trust in the economic system.

Method and Data

When developing the STM scale, we followed established procedures for scale development.

First, we deduced items for our initial item pool from academic literature, 30 in-depth interviews and text mining of social media sources. Second, to test the item pool for comprehension, logic, and relevance we drew on quantitative data from 103 participants and a panel of 10 academic experts of social psychology. Third, to validate the scale and test our conceptual framework we used a data set with a sample size of 303 participants from different social backgrounds.

Summary of Findings

After the refinement and reduction process of the initial item pool and an explorative factor analysis, 24 items to measure stereotypes toward managers remained for further validation. The tests for reliability, average variance extracted, composite reliability as well as discriminant validity delivered very satisfactory results. Further, the results revealed that the construct stereotypes toward managers consists of three factors: warmth, proficiency and morality. Using the newly developed STM scale we found that negative stereotypes toward managers fully mediate the negative effect of the perception of manager's ethical misconduct on the people's trust in the economic system.

Key Contributions

Our research contributes to the existing marketing and ethics research through the deepening of understanding of stereotypes toward managers by the development of the STM

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scale. Compared to existing scales that tend to focus on specific, idiosyncratic contexts, the STM scale is a generally applicable measurement that can be used by researchers across disciplines. In contrast to previous research, we show that not only warmth and proficiency, but also morality is a fundamental dimension of stereotypes toward managers.

Our study provides meaningful implications by underlining that stereotypes towards managers may fundamentally undermine the belief in the adequacy of the economic system, posing a substantial threat to societal functioning.

References are available on request.

The Ambassador Effect: How Inducing an Ambassador Role Increases Consumers' Prosocial Marketplace Behavior

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Description: *The ambassador effect demonstrates that consumers are more likely to engage in prosocial behaviors when they take on an ambassador role by agreeing to (a) engage in a prosocial behavior themselves and (b) involve another person in the prosocial behavior; for consumers lower (vs. higher) in environmental consciousness, the ambassador role heightens prosocial behavior.*

EXTENDED ABSTRACT

Aligned with insights from consumer research (Goldstein et al. 2008; Winterich et al. 2013), companies leverage social influence to trigger consumer prosociality. For instance, Colgate collaborated with Michael Phelps, naming him a "global ambassador" in which his role was to inform his followers about water conservation and encourage behavior change (Donato 2018, 2019). On a consumer-to-consumer level, Solid Waste Authority (2019) launched its "3R Ambassador Program," whereby ambassadors learn about waste management and then disseminate their learnings to family/friends.

Little scholarly research has investigated how assuming an ambassador role influences the subsequent behavior of the ambassador. We introduce the *ambassador effect,* proposing consumers take on such a role when they *(a) engage in a prosocial behavior themselves (i.e., personally commit to the behavior) and (b) involve another person in the same prosocial behavior (i.e., interpersonally promote the behavior).* Moreover, we theorize the ambassador role activates a *collective identity* within a consumer that enhances their subsequent prosocial behavior. The results show the ambassador role elicits a systematic and sustained (over time) increase in consumers' prosocial behavior.

First, our work contributes to the literature by introducing and conceptualizing a novel means to influence consumer prosocial behavior *via inducing an ambassador role*. Second, examining the interrelationships between different identities, we test the proposition (Brewer and Gardner 1996) that different identity systems can interact as complementary components to develop another overall self-concept (collective identity). Third, we examine the serial mediational process of the ambassador effect via increased group esteem and warm glow. Fourth, we examine the moderating role of environmental consciousness. We find the ambassador role increases prosocial behavior for consumers *low* (vs. high) in environmental consciousness. Next, we present our theoretical framework.

Conceptualizing the Ambassador Effect

We propose the ambassador effect leverages two dimensions of the self: (1) *private* via consumers' personal commitment to a prosocial behavior and (2) *public* via consumers' interpersonal promotion of the prosocial behavior; together, we predict the interaction of these identities elicits a *collective identity* (Brewer and Gardner 1996).

Identity is comprised of three self-concepts that represent the shift from 'I' to 'we' in self-definition: the private, public, and collective self-concept (Breckler and Greenwald 1986; Brewer and Gardner 1996). The *private* self is derived internally, from an individual sense of the self (Breckler and Greenwald 1986; Brewer and Gardner 1996). The *public* self is concerned with evaluations of others, seeking social accreditation (Breckler and Greenwald 1986). The *collective* self is the "we" facet, recognized as being part of a group (Brewer and Gardner 1996). Although the *public* self seeks approval, it does *not* adopt the values, norms, and attitudes of others (Breckler and Greenwald 1986). In contrast, the *collective* self is highly interconnected with others (Arnocky et al. 2007; Ashmore et al. 2004), adopting their values, norms, and attitudes (Reed et al. 2012).

Activating the Collective Self

Different selves are activated when made salient (Aquino et al. 2009; Ashmore et al. 2004). Focusing on the self, independent of others, primes the private self (Brewer and Gardner 1996; Cross et al. 2011). Thus, personally committing to a prosocial behavior should focus consumers' attention inward, activating the private self. The public self becomes salient with visible actions (i.e., social interaction; Breckler and Greenwald 1986; Brewer and Gardner 1996). Thereby, asking another person to engage in a prosocial behavior should activate the public self. Leveraging the interplay of private and public self-concepts, we predict committing to *and* interpersonally promoting a prosocial behavior implicitly transforms the behavior into one in which "we" (the ambassador and the other person) engage, *inducing a collective identity*. Supporting our prediction, a collective identity is shared with a group of others who are believed to have characteristic(s) in common (Ashmore et al. 2004). Moreover, collective identities are psychological in nature, an automatic process that ensues from any basis for grouping (Ashmore et al. 2004); they can be unconscious (Holt 1997; Oyserman 2009).

Because those with collective identities are motivated to achieve group welfare (Breckler and Greenwald 1986; Brewer and Gardner 1996), they should be highly motivated to engage in behaviors deemed important by the group. Thus, those in an ambassador role should be more likely to engage in prosocial behaviors. Formally:

H1: Inducing an ambassador role (vs. not), via encouraging a consumer to personally commit to a prosocial behavior

and interpersonally promote the behavior to someone else, increases the consumer's prosocial behavior.

The Mediating Role of Group Esteem and Warm Glow

Consumers vary in their level of group esteem (i.e., self-worth derived from their collective identities; Luhtanen and Crocker 1992). Group esteem is partially comprised of *membership worth*; the degree to which consumers believe they are good/worthy members of their social groups (Luhtanen and Crocker 1992). We predict being in a prosocial ambassador role should enhance consumers' feeling of membership worth as they are positively contributing to their group and encouraging others to do the same. Group esteem is also comprised of *identity importance*, which represents the level of importance of group membership to one's self-concept. Because intra-group respect is thought to impact members' subsequent group identification (Stürmer et al. 2008), we argue that by making a positive impact on a social group, group membership becomes more important to one's self-concept as the consumer has a more respected role in the group.

Furthermore, consumers receive an emotional benefit from acting righteously, experiencing a "warm glow" (Giebelhausen et al. 2016; Habel et al. 2016). Thus, consumers in an ambassador role should feel a warm glow resulting from acting righteously within their social groups, and for the betterment of society altogether. Another key component of warm glow is positive feelings associated with the righteous act (Ferguson et al. 2012). Therefore, the warm glow caused by the ambassador role should drive favorable attitudes toward the prosocial initiative itself. Because positive attitudes often lead to corresponding behavior (Fishbein and Ajzen 1977; Sheppard et al. 1988), positive attitudes toward the initiative should increase prosocial behavior. Altogether, we hypothesize:

H2: Inducing an ambassador role (vs. not) increases the consumer's group esteem, which then increases the consumer's warm glow, serially mediating the relationship between the ambassador role and prosocial behavior.

The Moderating Role of Environmental Consciousness

Consumers who have high environmental consciousness (i.e., orientation toward environmental concern; Lin and Chang 2012) tend to already engage in (Kaiser et al. 1999; Lin and Chang 2012) and identify with prosocial behaviors (Garvey and Bolton 2017). Thus, we do not predict inducing an ambassador role will enhance their subsequent prosocial

behavior; behavior should be high in either condition. In contrast, those low in environmental consciousness are more at risk of acting socially irresponsible and do not naturally identify with prosocial causes (Garvey and Bolton 2017). As a result, we predict those low in environmental consciousness will be relatively more responsive to the ambassador effect as they have more room for improvement in their prosocial behavior. Formally:

H3: Inducing an ambassador role (vs. not) among a consumer who is *low in environmental consciousness*, increases the consumer's prosocial behavior; this effect is attenuated for consumers *high in environmental consciousness*. Six experiments (in the context of using reusable bags and bottles) test the ambassador effect (see table 1 and figure 1 for overview).

Field Study 1
Study 1 examines how inducing an ambassador role impacts prosocial behavioral intentions (H1).

Design, Participants, and Procedure
This study employed a 2(control/ambassador) between-subjects design. One hundred and sixty-two grocery shoppers (118 females; M_{Age} = 43.51) volunteered. At a booth outside the store, participants completed a survey in exchange for a reusable bag. Participants in the control condition received one bag, while those in the ambassador condition received one bag and a second bag to give to someone else to use. Then, participants were asked "How often do you think you will use reusable bags when shopping in the future?" (0% = never, 100% = always). Current reusable bag usage, time of day, income, and planned spending were also measured (control variables).

Results
ANCOVA on reusable bag usage intentions revealed a main effect for condition/ambassador ($M_{Control}$ = 63.57 vs. $M_{Ambassador}$ = 70.02, $F(1, 156)$ = 2.80, $p < .10$), providing initial evidence for H1. An alternative explanation is that these findings result from the ambassador condition receiving two bags (vs. one). We examine this in a follow-up study.

Follow-Up Study. This study had an ambassador condition (one bag for personal use, a second bag for someone else) a control condition (one bag for personal use), and an additional control condition (two bags for personal use). The ambassador condition resulted in greater prosocial behavioral intentions in comparison to either control condition ($M_{Ambassador}$ = 3.78 vs. $M_{Control-1Bag}$ = 3.20; $F(1, 186)$ = 7.31, $p = .008$; $M_{Ambassador}$ = 3.78 vs. $M_{Control-2Bags}$ = 3.36; $F(1, 186)$ = 4.30, $p = .04$). The two control conditions did not differ, ruling out a mere quantity explanation.

Longitudinal Field Study 2
Against a mere quantity explanation, study 2 investigates the ambassador effect over time (H1), its impact on prosocial behavior (and intentions), and mediation via warm glow.

Design, Participants, and Procedure
This study employed a 2(control/ambassador) × 5(time) mixed-design. Sixty-two community bowlers (15 females; M_{Age} = 45.47) participated for the chance to win gift cards. Week 1, participants were randomly assigned to the control (given two bags for personal use) or ambassador condition (given one bag for personal use and a second bag for someone else). Next, participants reported bag usage intentions, "How often do you think you will use a reusable bag for your shopping in the future?" (0% = never, 100% = always), and anticipated warm glow (pride, self-worth, extremely good, interesting, and appealing; 7-point scale; Ferguson et al. 2012; Giebelhausen et al. 2016). Participants indicated the number of bags currently owned and bag attractiveness (control variables).

In four subsequent weeks, participants reported bag usage as follows: "How often have you used a reusable bag for your shopping?" (0% = never, 100% = always). Warm glow was measured as in week 1. In week 2, participants in the ambassador condition also reported if they indeed gave their additional bag to someone else (87.20% complied).[1]

Results
Prosocial Behavior. ANCOVA on reusable bag usage over consecutive weeks revealed the predicted main effect of control/ambassador ($M_{Control}$ = 28.07 vs. $M_{Ambassador}$ = 54.04; $F(1, 35)$ = 6.35, $p = .02$). Time period was also significant (M_{Week1} = 63.37 vs. M_{Week2} = 28.28 vs. M_{Week3} = 36.15 vs. M_{Week4} = 34.56 vs. M_{Week5} = 42.92; $F(4, 140)$ = 2.57, $p = .04$). The interaction between control/ambassador and time period ($F(4, 140)$ = .95, $p = .44$) and the control variables were NS (p's > .31). Thus, the ambassador role increased consumers' bag usage, and the effect persisted over time, supporting H1. Unsurprisingly, prosocial intentions overstate behavior (Prothero et al. 2011).

Mediation.[2] We collapsed prosocial behavior and warm glow across time periods. Control/ambassador was the independent variable, warm glow the mediator, and prosocial behavior the dependent variable (Hayes 2018; Process Model 4, 5000 resamples). The indirect effect excluded zero

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[1] Over the five weeks, twenty-four participants dropped-out resulting in total attrition of 37.10%. We note this attrition rate is better than average for longitudinal studies (Taris 2000; Wang et al. 2013), and our results are consistent in early and later weeks.

[2] Due to space constraints, ANCOVAs for process variables are not included, but can be requested.

for the mediation path (a × b = 10.0229; 95% CI = .2421 to 25.0413), partially supporting H2.

Study 3

Study 3 examines the two dimensions of the ambassador role to ensure both are necessary for the ambassador effect (H1) to emerge.

Design, Participants, and Procedure

This study employed a 2(personal commitment: no/yes) × 2(interpersonal promotion: no/yes) between-subjects design; recall the ambassador condition encompasses both dimensions. One hundred and forty-four MTurk participants completed the study for monetary compensation (73 females; M_{Age} = 37.10).[3] Participants were randomly assigned to one of four conditions in which they read a shopping scenario where reusable bags were for sale. Participants were shown a photo of the bag used in studies 1-2. In the "no personal commitment, no interpersonal promotion" condition, participants did not purchase any bags. In the "personal commitment–only" condition, they purchased one bag for themselves; in the "interpersonal promotion–only" condition they purchased one bag for a friend; in the "personal commitment + interpersonal promotion' condition they purchased two bags, one for themselves and a second for a friend.

Participants reported their prosocial behavioral intentions (sample item: "bring reusable bags with you when shopping," 1 = very unlikely, 7 = very likely) and feelings of warm glow (pride, self-worth, interesting, appealing, attractive; 7-point scale; Ferguson et al. 2012; Giebelhausen et al. 2016). Finally, they reported current reusable bag usage and bag attractiveness (control variables).

Results

Prosocial Behavioral Intentions. ANCOVA on reusable bag usage intentions (α = .81) revealed a main effect of personal commitment ($F(1, 124)$ = 6.89, p = .01), qualified by its interaction with interpersonal promotion ($F(1, 124)$ = 4.98, p = .03); the main effects of interpersonal promotion, current bag usage, and bag attractiveness were NS ($p's$ < .05). Interpersonal promotion increased prosocial intentions in the presence of personal commitment ($M_{PC-Only}$ = 4.86 vs. M_{PC+IP} = 5.49; $F(1, 124)$ = 3.89, p = .05), but not in its absence ($M_{NoPC-NoIP}$ = 4.78 vs. $M_{IP-Only}$ = 4.42; $F(1, 124)$ = 1.33, p = .25). Personal commitment increased prosocial intentions in the presence of interpersonal promotion ($M_{IP-Only}$ = 4.42 vs. M_{PC+IP} = 5.49; $F(1,124)$ = 12.55, p = .001), but not in its absence ($M_{NoPC-NoIP}$ = 4.78 vs. $M_{PC-Only}$ =

4.86; F < 1). The ambassador effect requires the presence of both dimensions, supporting H1.

Moderated Mediation. Interpersonal promotion was the independent variable, personal commitment the moderator, and warm glow the mediator (Hayes 2013; Process Model 7, 5000 resamples). The indirect effect was supported in the presence of personal commitment (a × b = .2751; 95% CI = .0562 to .6384), but not in its absence (a × b = -.0192; 95% CI = −.3098 to .1836). Swapping the independent variable and moderator, the indirect effect was supported in the presence interpersonal promotion (a × b = .2399; 95% CI = .0177 to .5974), but not in its absence (a × b = -.0334; 95% CI = −.2811 to .1868), partially supporting H2.

Study 4

This study examines the (serial) mediational role of group esteem and warm glow. For generalizability, the ambassador role is induced via interpersonal communications (e.g., text messages).

Design, Participants, and Procedure

This study employed a 2(control/ambassador) between-subjects design. One hundred and forty-eight MTurk participants (84 females; M_{Age} = 40.05) participated for monetary compensation.[4] Participants were randomly assigned to draft one text message to send to themselves (control), representing their commitment to use reusable bags, or two text messages (ambassador), one to send to themselves representing their commitment to use reusable bags and a second to send to a friend, encouraging them to use reusable bags.

Participants reported their prosocial behavioral intentions as in study 3. Then, participants reported their group esteem (sample items: "The social groups I belong to are an important reflection of who I am," "I am a cooperative participant in the social groups I belong to," 1 = strongly disagree, 7 = strongly agree; Luhtanen and Crocker 1992) and warm glow (measured as in study 2).[5] Finally, participants reported current reusable bag usage (control variable).

Results

Prosocial Behavioral Intentions. ANCOVA on reusable bag usage intentions (α = .83) revealed a main effect of control/ambassador ($M_{Control}$ = 5.41 vs. $M_{Ambassador}$ = 5.80; $F(1, 131)$ = 3.86, p = .05); current bag usage was also signif-

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[3] We excluded fourteen participants from analysis who failed an attention check (Oppenheimer et al. 2009). In all studies with an attention check, the pattern of results remains consistent when screened participants are included.

[4] We excluded fourteen participants from analysis who failed an attention check.

[5] Self-consistency, perceived impact, mood, group effort, responsibility for others, and citizenship were also measured and ruled out as alternative mediators. Measurement order was randomized for the predicted and alternative mechanisms.

icant ($p < .05$). The ambassador role increased participants' reusable bag usage intentions, supporting H1.

Mediation. Condition/ambassador was the independent variable, group esteem the first mediator, warm glow the second mediator, and bag usage intentions the dependent variable (Hayes 2018; Process Model 6, 5000 resamples). Group esteem and warm glow mediated, in series, the effect of the ambassador role on bag usage intentions (a × b = .0667; 95% CI = .0071 to .1670), supporting H2.

Study 5
Study 5 examines the moderating role of environmental consciousness (H3) and provides further evidence of process via group esteem and warm glow.

Design, Participants, and Procedure
This study employed a 2(control/ambassador) × (measured: environmental consciousness) between-subjects design. Two hundred undergraduates participated for course credit (108 females; M_{Age} = 19.29)[6]. To begin, participants reported environmental consciousness (sample item: "Humans have the right to modify the natural environment to suit their needs (R)," 1 = strongly disagree, 7 = strongly agree; Lin and Chang 2012). Participants then completed a word puzzle to clear their short-term memory.

Next, participants were randomly assigned to the control or ambassador condition, using the same text messaging task as in study 4. Participants reported prosocial behavioral intentions as in study 3. They also reported their group esteem (sample items: "The social groups I belong to are unimportant to my sense of what kind of person I am (R)," "I am a cooperative participant in the social groups I belong to," 7-point scales; Luhtanen and Crocker 1992; Tropp and Wright 2001) and warm glow (measured as in study 2). Finally, participants reported current reusable bag usage (control variable).

Results
Prosocial Behavioral Intentions. ANCOVA on reusable bag usage intentions (r = .66) revealed a main effect of control/ambassador ($M_{Control}$ = 4.48 vs. $M_{Ambassador}$ = 4.59; $F(1, 184)$ = 4.39, p = .04), supporting H1. The main effect of environmental consciousness was NS ($F(1, 184)$ = 1.06, p = .31); current bag usage was a significant control variable ($p < .05$). These effects are qualified by a significant two-way interaction ($F(1, 184)$ = 4.07, $p < .05$). Floodlight analysis revealed among participants with *lower levels of environmental consciousness*, prosocial behavioral intentions

increased due to the ambassador role (Johnson-Neyman point = 3.72; ß = .59, SE = .30, p = .05); participants with *higher levels of environmental consciousness* were relatively unaffected, supporting H3.

Mediation. Control/ambassador was the independent variable, environmental consciousness the moderator, group esteem the first mediator, warm glow the second mediator, and bag usage intentions the dependent variable (Hayes 2018; Process Model 83, 5000 resamples). Group esteem and warm glow mediated, in series, the effects of the ambassador role on bag usage intentions for consumers *lower in environmental consciousness* (a × b = .0368; 95% CI = .0004 to .1085), but not for consumers *higher in environmental consciousness* (a × b = .0004; 95% CI = -.0354 to .0304), supporting H2.

Longitudinal Study 6
Study 6 provides further supports H3 and investigates a new prosocial context (reusable bottles).

Design, Participants, and Procedure
This study employed a 2(control/ambassador) × (measured: environmental consciousness) between-subjects design. Seventy-two undergraduates participated (48 females; M_{Age} = 21.03)[7]. Participants began by reporting their environmental consciousness, as in study 5. Then, they were given one reusable bottle for personal use (control) or two reusable bottles, one for personal use and a second to give to someone else (ambassador). Participants reported their current reusable bottle usage and bottle attractiveness (control variables).

In the following 2-week timeframe, participants completed a follow-up survey. Participants were asked: "How often have you used a reusable bottle for your drinks?" (0% = never, 100% = always). Participants in the ambassador condition indicated if they gave their additional bottle to someone else (86.70% complied). We took note of eleven participants who experienced a delay completing the study (due to missing class); this did not vary by condition (control variable).

Results
ANCOVA on reusable bottle usage revealed a main effect of control/ambassador ($M_{Control}$ = 44.07 vs. $M_{Ambassador}$ = 60.20; $F(1, 64)$ = 7.51, p = .008), supporting H1, and environmental consciousness ($F(1, 64)$ = 3.09, p = .08). Current bottle usage was a significant control variable ($p < .05$); bottle attractiveness and study completion delay were NS (*p's* >

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[6] We excluded eleven participants from analysis who failed an attention check.

[7] Participants were from two sections of a course with the same instructor. Both classes met on Tuesdays/Thursdays; one class began at 9:30 a.m. (control condition), the other at 11:00 a.m. (ambassador condition). Participants received course credit and the chance to win a gift card. We excluded one participant from analysis who failed an attention check.

.10). These effects are qualified by a significant two-way interaction ($F(1, 64) = 4.53$, $p = .04$). Floodlight analysis revealed among participants with *lower levels of environmental consciousness*, prosocial behavioral intentions increased due to the ambassador role (Johnson-Neyman point = 5.00; ß = 12.74, SE = 6.38, $p = .05$); participants with *higher levels of environmental consciousness* were relatively unaffected, supporting H3.

General Discussion

Theoretically, our research establishes the ambassador effect, a unique collective identity that enhances consumer prosocial behavior. We contribute to identity theory, demonstrating that self-concepts can interact as complementary components of another, overall self-concept. Additionally, we reveal the underlying mechanisms (group esteem and warm glow) of the ambassador effect and highlight an important boundary condition (consumers' environmental consciousness). Managerially, firms benefit from the ambassador effect through increased consumer prosociality, as it is believed to result in environmental, reputational, and cost-saving benefits (Alton 2017).

References are available on request.

Does Size Matter? The Relation Between the (Im)moral Intensity of an Initial Act and a Target Act

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Keywords: *moral licensing, indirect rebound effects, moral intensity, psychological rebound effects*

Description: *This research examines how differences in the quantitative extent of initial moral acts affect the magnitude of subsequent moral acts.*

EXTENDED ABSTRACT

Research Question

The hope to achieve sustainability goals through energy-efficiency improvements has repeatedly been disenchanted, because an increase in resource and energy efficiency often leads to rebound effects. Previous work has mainly focused on the quantification of indirect rebound effects (i.e., when consumers react to an energy efficiency improvement by increasing the consumption in another consumption area) based on income and substitution effects. Questioning the efficiency of climate policy intervention, past literature stressed the importance of considering individual driving forces that take into account psychological processes and, therefore, go beyond traditional economic explanations. Recently, the concept of moral licensing has been suggested to explain psychological rebound effects, that is, individuals derive a moral license from previous good deeds to justify later moral transgressions. In the rebound context, good deeds and moral transgressions may be linked to carbon emissions of individuals. To get a deeper understanding of how moral licensing serves as an explanation of indirect rebound effects, more knowledge is needed about how the intensity of a moral act affects the morality of subsequent actions and how the (im)moral behavior translates into real impact on climate and the environment.

Method and Data

We ran an online-experiment with 262 respondents (54.2% male, M_{age} = 22.6, SD = 2.9).

A 2 (license vs. no license) × 4 (20 USD vs. 40 USD vs. 60 USD vs. 80 USD) between subjects' design was used to examine how differences in the quantitative extent of moral acts affect subsequent behavior in an anonymous dictator game. We used a two-way ANOVA and polynomial trend analysis to analyze the dataset.

Summary of Findings

As a first investigation, results of our experiment provide evidence that a higher license does not lead to subsequent immoral behavior in the same magnitude. In particular, moral signals rather lead to moral consistency compared to initial acts that are not morally-laden. Moreover, results support a nonlinear relationship between the (im)moral intensity of an initial act and a target act.

Key Contributions

Our study contributes to research on psychological drivers of indirect rebound effects. In comparison to previous studies on moral licensing, which mainly focus on sequential actions, we compared the magnitude of moral and immoral actions and provide evidence against a linear relationship of moral and immoral actions.

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Smells Like Green Spirit: The Double-Edged Sword Called Sharing Economy

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Keywords: *sharing, sustainable consumption, overuse, dark side*

Description: *The purpose of this study is to investigate why consumers participate in sharing, how they react to self-related or society-related advertising appeals, and why some tend to use sharing offerings in an excessive manner and therefore harm instead of protect the environment.*

EXTENDED ABSTRACT

Research Question

Recent news articles unveiled the "dark side of sharing" and reported that the proenvironmental goals of sharing are undermined by consumers' self-related behavior. For example, consumers turn to carsharing instead of using public transport. Scholars also discussed the sharing economy's sustainable connotation and questioned whether the sharing economy is (still) about sharing as many consumers neglect the sustainable aspects of sharing but rather focus on self-related interests. We investigate which factors influence consumers' sharing intention and which conditions determine the tendency to overuse sharing.

Method and Data

We empirically validate our conceptual model in four experimental studies. Our prestudy (n = 69, 2x1, ANOVA) provides evidence whether or not reputation gains increase consumers' sharing intention. Study 1 (n = 222, 2 × 2 × 2, ANOVA, PROCESS) investigates the conditions that lead to overusing sharing services. In Study 2 (n = 132, = 2 × 1, ANOVA, PROCESS) we measured motives instead of priming them to acknowledge the practical relevance of manipulating appeals. Study 3 (n = 267, = 2 ×2, ANOVA, PROCESS) conveys findings to another context of sharing overuse.

Summary of Findings

We demonstrate that reputation gains increase sharing intention. Ironically, enhanced reputation can lead to an overuse of sharing services via increased sharing intention. This effect is only diminished when consumers are societal motivated to use sharing and confronted with society-related appeals.

Key Contributions

Scholars have neither examined the conditions that determine when sharing participation translates into overuse nor empirically demonstrated the influence of reputation gains. We address these gaps by introducing a consumer model with three elements. (1) Consumer' motives to share are rooted in both environmental concerns and individual interests. (2) Companies aim to facilitate sharing participation by highlighting either self-related and/or society-related benefits of sharing in their advertising appeals. (3) Perceptions of sharing in society can be positive (i.e. economic and environmental benefits) or negative (i.e. parking situation aggravates). Companies, which are mainly interested in increasing usage of their services, can enhance the positive image of sharing to increase sharing participation. In contrast, NGO's should focus on society-related appeals as consumers then consider environmentally drawbacks.

References are available on request.

2020 AMA-GAMMA Joint Symposium

Theme: Marketing Insights from Asia

Co-Hosts: American Marketing Association
Global Alliance of Marketing and Management Associations

Organizer: Korean Scholars of Marketing Science

Partner: Korean Economy & Management Development Institute

Co-Chairs: Roland T. Rust (University of Maryland)
Juran Kim (Jeonju University)

Date: Feb. 14th , 2020

Venue: InterContinental San Diego, San Diego, California, USA

ACADEMIC SESSION

(Feb. 14th, 2020)

Marketing Insights from Asia: New Marketing

Session Co-Chairs: Roland Rust (Maryland University)
Junran Kim (Jeonju University)
Discussants: Tony Garrett (Korea University)
Seigyoung Auh (Arizona State University)

Consumer engagement with social media advertising: event-related neural signals	Jing Zhang	SungKyunKwan University
	Eun-Ju Lee	SungKyunKwan University
Mirroring vs. shaping: theoretical framework of interactivity in the AI of the beholder	Juran Kim	Jeonju University
The characteristics of SVOD platform and its effects on the subscriber continuance intention	Huanzhang Wang	Changwon National University
	Chaewon Son	Changwon National University
	Honglei Liu	Dalian University of Foreign Languages
	Kyung Hoon Kim	Changwon National University
Factors influencing online micro-influencers' live streaming sales: trust transfer and para-social interaction perspectives	Guoxin Li	Harbin Institute of Technology
	Bo Lu	Harbin Institute of Technology
	Yufeng He	Harbin Institute of Technology
The effect of YouTube marketing on luxury brands	Jihye Yu	Yonsei University
	Eunju Ko	Yonsei University

PANEL SESSION

(Feb.14ᵗʰ, 2020)

How to Create Global Marketing Research Network:

Asia and the World

Session Chair: Roland Rust (Maryland University)

Discussants: Kelly Hewett (University of Tennessee)
Ming-Hui Huang (National Taiwan University)
Greg Marshall (Aston Business School)
Subin Im (Yonsei University)
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Internationalizing as a marketing educator	Mark Peterson	University of Wyoming College of Business
Building trust in stakeholder relations	Manfred Schwaiger	Ludwig-Maximilians-Universität München

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CONSUMER ENGAGEMENT WITH SOCIAL MEDIA ADVERTISING:

EVENT-RELATED NEURAL SIGNALS

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Eun-Ju Lee, SungKyunKwan University, Republic of Korea[2]

ABSTRACT

Neuromarketing is a new research interdisciplinary linking traditional behavioral psychology and neuroscience. Through neural signal measurable tools (e.g., EEG, fMRI, fNIRS) to record biological data of consumers toward specific stimuli. By analyzing consumers' neural response information for specific advertising preferences, enterprises and marketers can more effectively understand consumer preferences and formulate detailed marketing plans. The widespread popularity of social media in recent decades has increased the demand for consumer behavior-related research on social media. An essential KPI in social media marketing is how much the marketing campaign elicits customers' engagement behavior. Many factors in an ad's content can attract customers' attention and increase customer appeal leading to engaging consumer behaviors. Among those factors, one important characteristic which determines the value of digital content is the "newness" of the products that are being introduced in social media posts.

We conducted a series of fMRI experiments using social media content as a stimulus to find concrete neural evidence from the difference of time cues (information as related to new products or as opposed to old products) in social media advertising. Our research uses the time-related content of social media advertising to investigate consumers' neural signals that are based on consumer engagement. The behavioral responses based on traditional psychology measurements collected in the fMRI experiment reflected that compared to contents with old product information, the consumer reveals more tendency to engage the content with new product cues. Meanwhile, in our experiments, participants' observing the SNS contents with future time activated Brodmann area 10 in the brain, which correlates with information seeking and decision-making processing. In our research, the subjects' neural evidence confirmed the provision of time cues in SNS content could affect consumers' engagement intention and verified new product-related content leads to more information-seeking behavior. Our research indicated that distinct differences between old and new products existed in the consumer's brain and proved the necessity of new or innovative product designs or styles.

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MIRRORING VS. SHAPING: THEORETICAL FRAMEWORK OF INTERACTIVITY IN THE AI OF THE BEHOLDER

Juran Kim, Jeonju University [1]

ABSTRACT

Artificial intelligence (AI) speakers serve as personal assistants that have the potential to influence and interact with consumers' choices and their decision-making processes. AI speakers drive interactivity with consumers by transforming enormous amounts of information that serve consumers' needs and add to their insights. AI speakers, including Amazon Echo and Google Home, provide more than just information when consumers search and choose. The purpose of this study is to explore a theoretical framework of AI speaker-driven interactivity.

The study provides traditional interactivity by developing an integrated overview of the current research. In synthesizing the marketing literature, the study employs concepts from interactivity theory, including interactivity as a function, interactivity as a process, and interactivity as a perception.

The study's goal is to identify and fill the gaps between traditional interactivity and AI speaker-driven interactivity in the literature, as the latter is a new concept in academic literature. In the process of filling these gaps, the study will present potential research questions and provide directions for future research.

This study explores the theoretical foundations of AI speaker-driven interactivity and develops an integrated overview of the current interactivity research, evaluating the interactivity literature in the online, mobile, and social contexts, based on three conceptual dimensions from the theory of interactivity. Investigating the fundamental concepts of the theory of interactivity and critical features of the AI speaker-driven environment will help provide research directions for conceptualizing AI speaker-driven interactivity and offer important implications for marketing academics and practitioners.

Keywords: artificial intelligence, AI speaker, interactivity, literature synthesis

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THE CHARACTERISTICS OF SVOD PLATFORM AND ITS EFFECTS ON THE SUBSCRIBER CONTINUANCE INTENTION

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ABSTRACT

Mobile devices such as smart phone and pad have increasingly become an important part of everyone's live. The smartphone penetration rate has overtaken the PC as more people turn to smartphones for business, entertainment, and communication purposes in the recent years. Web series represent an emerging form of online entertainment content within subscription videos on demand (SVOD) platform, which is developed and popular worldwide. This study defined the benefits delivered from the SVOD platform. Platform accessibility, social involvement, and psychological and gratification are defined as SVOD content characteristics based on the Technology Acceptance Model (TAM) theory and Users and Gratification theory. This study discussed how the SVOD content characteristics influence subscriber engagement degree and subscriber equity drivers. The results show mobile device apps provide the most important way to connect subscribers with SVOD content and SVOD platforms. An easily operated app helps subscriber more easily control their watching behavior, and this is why they tend to leave traditional TV series and subscribe to SVOD services.

Keywords: SVOD, web series, online entertainment, continuance intention, marketing

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FACTORS INFLUENCING ONLINE MICRO-INFLUENCERS' LIVE STREAMING SALES: TRUST TRANSFER AND PARA-SOCIAL INTERACTION PERSPECTIVES

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ABSTRACT

With online live streaming becoming increasingly popular, many vendors on social commerce platforms have adopted live streaming as a tool to improve sales performance. Live streaming has contributed to the mass production of online micro-influencers. However, the field needs to develop a better understanding of the mechanism of online micro-influencers selling products with live streaming. This study aims to explore how online influencers are competent to promote and sell brands/products in the perspectives of trust transfer and para-social interaction. With data collecting from Kwai, the earliest picture and video sharing social app in China that is similar to YouTube Live, altogether 24643 live-streaming activities by 813 influencers were identified during 2019 October and 9307 live-streaming activities by 296 micro-influencers were qualified. This research found that trust between fans and micro-influencers has a positive impact on live-streaming sales while micro-influencers expertise moderates this relationship. Para-social interaction between influencers and fans also has a positive impact on live-streaming sales while micro-influencers efforts moderates the relationship. Our findings provide novel insights for influencer marketing via live streaming and suggest a possible success formula for online micro-influencers on competitive live-streaming platforms.

Keywords: micro-influencers, trust, para-social interaction, fans, live streaming

THE EFFECT OF YOUTUBE MARKETING ON LUXURY BRANDS

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ABSTRACT

YouTube is a popular platform and, therefore, is an important source of product information for many consumers. The frequency with which users use YouTube to acquire product information is increasing, and many users have purchased the products featured in the content. Millennials and Generation Z consumers are particularly sensitive to social media communication about luxury products. They watch product reviews that introduce luxury products through YouTube, and it leads to purchase. As a result, the power of YouTube vloggers is growing. Therefore, this study aims to identify YouTube vlogger characteristics of luxury product reviews and investigate the influence of these luxury brand review content attributes on the user's attitude toward the product, purchase intention, and sharing intention. The results of this study will be beneficial in assisting companies with establishing a YouTube marketing strategy.

Keywords: YouTube marketing, Luxury brand, Unboxing, Vlogger, Sharing intention

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ABSTRACT

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Keywords: artificial intelligence, AI speaker, interactivity, literature synthesis

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K-POP, GLOBAL MARKETING, AND BTS:
LEARNING ABOUT THE EAST FROM BARBIE DOLLS IN THE WEST

Maria Kniazeva, Professor of Marketing, University of San Diego School of Business

Last month seven male Barbie dolls landed on my desk. Purchased on Amazon, they arrived with bright outfits covering plastic bodies ready to be bent and twisted. Enthusiastically reviewed by global consumers on social media, the dolls had names that I couldn't properly pronounce. The articles in business newspapers appraised the dolls as "saviors" of US-based manufacturing company Mattel. Looking at me were handsome male faces that arguably resembled the members of the Korean pop band BTS. No, I wasn't refusing to grow up; I was simply beginning my new collaborative research. Puzzled by the brisk sales of the dolls, I was going to consult with my academic friends in Korea.

Productive topics for creating a global research network do not always start by looking for holes and niches in academic literature. As many researchers will attest, inquiry often begins by chance, in a very unstructured way, just by being curious when going about everyday life. Experiencing the culture of "others" in particular provides a fertile ground for healthy curiosity potentially leading to cross-cultural research. This path promises to be most beneficial if the "outsider" partners with a cultural "insider." As a panelist, I invite academic researchers to discuss how personal interests can be transformed into productive collaborative studies and create a global cross-cultural research network.

WHAT (AND WHO) COMES NEXT IN MARKETING?

Eun-Ju Lee, Professor of Marketing
Sungkyunkwan University, Seoul, Korea

Marketing has been a field of research studying people as consumers. The scale of changes happening in current market environment are massive and unprecedented. At this point in time, we need to talk about paradigm shift in marketing in two different aspects. In this talk, I present interesting questions to marketing researchers. First, what comes next customer satisfaction? What should be the goal of marketing and marketers' actions now? The big and agreed-upon goal of marketing has been to increase customer satisfaction. Satisfaction is an emotion, a positive attitude based on individuals' inner feelings. The hyper-connected and share economy where we live in now requests marketing researchers to envision the final state of marketing to go beyond satisfaction. What consumers do in human lives, the pursuit of peace, comfort, health, energy, love, friendship, co-existence with the earth, and balance in life, all of these life stories and endeavors of consumers cannot be reduced to just customer satisfaction as buyers. We need to be cared for during vulnerable times in our lives when we cannot engage in buying decisions. We need a bigger and better construct to reflect the desired state of human lives which needs to be studied as key dependent variables in marketing research. Second, who comes next in marketing? In the near future, we will need to artificial intelligence as a hybrid decision marketing. Marketing AI can both do marketing or marketing can be done to them as AI represent human consumers and make executive decisions for them. Some of these decisions will become autonomous. Do we have the means to understand, manipulate, and control AI? Are we able to provide such knowledge and tools to business? Perhaps we marketing researchers should be the inventors of new marketing AI algorithms. Marketing has been an interdisciplinary field of study since inception. Its methodology can now embrace what is to come which lies beyond psychometric surveys and linear regression modeling. Neuroscience can help. The economic and moral decisions we make every day which look so plain and simple are the hardest to know. They are non-linear and transformative. Our brains adapt, modulate, prioritize, and balance. Brains collect memories and shed them when they become unnecessary. What most of us do without much thinking, the autonomic decisions our brains make in split seconds will need to be discovered into explicit decision-algorithms. What we human consumers do and why we do them, we need to be able to explicate so that we can guide us and marketing AI. To be able to explicate what is automatic, hidden, and implicit in consumer decisions will continue to be a strong added point of what marketing researchers add.

Now, let's talk about these issues together.

HOW TO CREATE A GLOBAL MARKETING RESEARCH NETWORK FROM CHINESE SCHOLAR'S PERSPECTIVE

Guoxin Li, School of Management, Harbin Institute of Technology

ABSTRACT

Today, innovative digital marketing trends are evolving with many new emerging technologies such as cloud computing, Internet of Things (IoT), voice search engine optimization (VSEO), artificial intelligence (AI), etc. Constant technological change and increasing reliance on digital can leave marketing wanting for more consumer connection and higher performance. Global marketing research is therefore facing new challenges and opportunities. It will produce new marketing theories owe to a large amount of new marketing phenomena, technologies, and strategies. As an example, live streaming of online micro-influencers in social media platforms has changed the traditional online shopping mode. According to the 2019 Global Live Streaming Market Report, the global live streaming market was valued $32 billion in 2017 and is expected to reach $60 billion by 2026. Taobao Live, the live-streaming unit of e-commerce giant Alibaba, recorded sales of RMB 20 billion ($2.85 billion) on a Single-day shopping event held in 2019, accounting for around 7.5% of the group's overall RMB 268.4 billion in sales. This new phenomenon push researchers to conduct creative studies and have more new findings on social media marketing strategies. So, it is important to create a global marketing research network which focuses on these innovative digital marketing phenomena and trends not only in one specific country but also in the whole world. A global marketing research center could be created by leading marketing scholars from all continents. This center can include three parties of industries, researchers, and students in both individual and organizational level. Researchers in the center can have a marketing data and cases sharing mechanism by working with Industries, companies, and CMOs. I found a "Research Center for Intelligent Marketing" (RCIM) in 2017 Jun, which is the first research center specialized in AI and Marketing in universities of China. At the end of 2018, RCIM established international partnership with The Trinity Centre for Digital Business in Trinity College Dublin in Ireland. Both research institutions are now deeply cooperated in NSFC funding project, research papers, business survey, and EURAM conference symposiums by integrating resources in China and Europe. The regional institutions can be merged into the Global Marketing Research Center as organizational level to co-share current resources. Furthermore, in the global research center, students can have higher possibilities of exchange opportunities to work with other scholars who share similar research interests and area, which also strengthen research ties within the network. Moreover, some online courses can be designed and open to worldwide audience by the center. For example, based on above-mentioned new social media marketing strategies, an online course with the title of "Global Social Media Marketing" can serve students and practitioners by introducing more new leading social media platforms not only Facebook and Instagram but also WeChat, Weibo, Pinduoduo, etc.

HOW TO CREATE A GLOBAL MARKETING RESEARCH NETWORK: ASIA AND THE WORLD

Honglei Liu, Dalian University of Foreign Languages, China

ABSTRACT

With the continuous growth and diversification of China's economy and changes in China's market, people's consumption concepts, consumption patterns, and consumer demand are constantly changing. With the development of the global economy and politics, globalized business models are bound to be the choices that enterprises must make. The barriers to entry and exit in international markets will be greatly reduced, and the differences in marketing activities between international and domestic markets will become increasingly less obvious. The formation of global ideas requires the establishment of global thinking, and global thinking requires global researches to support. Global marketing research networks are mainly achieved through inter-school cooperation, cooperation with journal editors, and participation in international conferences. In China, the main research force is mainly supported by young and middle-aged scholars. Young and middle-aged scholars have limited opportunities to serve in journals and participate in international conferences. How to offer young scholars enough opportunities to participate in global marketing research is the key point to promote global marketing research.

Keywords: marketing research, research network, global marketing, young scholars, China

CAN ARTIFICIAL INTELLIGENCE COACH IMPROVE SALES AGENT PERFORMANCE? A FIELD EXPERIMENT

Xueming Luo, Temple University

Effective sales training and coaching have long been a challenging task for managers. We examine whether and how this challenge can be tackled by the artificial intelligence (AI) coach, a computer program that leverages cognitive speech analytics and deep learning to analyze sales conversations and provide coaching feedback or job skill training to sales agents. We exploit data from a field experiment that randomly assigns 429 sales agents to have either an AI or human coach in a large fintech company. Our results suggest that the AI coach is 25% more effective than its human counterparts in improving agent performance. An exploration of the underlying mechanism shows that the AI coach is more capable of reducing sales mistakes and boosting positive emotions of the agents, both of which lead to better customer responses and thus higher sales conversion rates. However, there is a non-linear impact of the AI coach on different sales agents: the middle-ranked agents improve the most from the AI coach, followed by the bottom-ranked and top-ranked ones. While the top-ranked agents have a ceiling effect, the bottom-ranked agents suffer from an information overload problem of AI coaching. A follow up field experiment reveals that restricting the AI feedback amount alleviates the information overload problem for the bottom-ranked agents. Integrating agent compensation structure with field experiment results, we derive an optimal compensation plan with AI coaching that substantially boosts the firm's overall profits while improving agent income. These findings imply that machines can assist, rather than displace, agents and that the AI coach can be an effective tool for sales force management.

INTERNATIONALIZING AS A MARKETING EDUCATOR

Mark Peterson, University of Wyoming College of Business

ABSTRACT

Internationalization is one of the most valuable processes a business faculty member could undergo in a career because the faculty member can experientially participate in the most influential macro-environmental trend of this age – globalization.   This article highlights the challenges facing marketing educators seeking internationalization and offers the author's experience as a guide to those beginning their careers as educators, as well as to those with more experience. Such insights are organized in three categories: 1) the process of increasing internationalization for a faculty member, 2) succeeding as a teacher overseas, and 3) succeeding as a learner overseas. The most enduring benefits of internationalization for many will likely be gaining a valuable perspective on one's own culture and an appreciation for twenty-first century business challenges.

BUILDING TRUST IN STAKEHOLDER RELATIONS

Manfred Schwaiger, Ludwig-Maximilians-Universität München

Building trust among stakeholders is a key management objective of entrepreneurs – the more in VUCA times. Although academic literature offers several approaches for mature and established firms, there is a lack of insights on how young firms can establish trust. We will discuss drivers of trust and trust-building strategies against the background of academic literature, thus opening avenues for further research. In addition, recent results of a choice-based experiment among potential customers of a startup firm will be presented.