[01]

MARKETING MANAGEMENT OF THE UNIVERSITIES AND THEIR FUNDING IN THE CONDITIONS OF SLOVAK REPUBLIC

Róbert ŠTEFKO and Ladislav SUHÁNYI

Abstract

Since 1989 there was a large expansion in the field of education in the Slovak Republic, namely in terms of the number of universities, both in the establishment of new public universities as well as in the establishment of new faculties at the existing universities. Moreover, new private universities and branches of foreign universities were created. This has created a very strong competitive environment in the Slovak Republic. Students can choose what they want to study, how to study and how much to pay for the study. It can therefore be said that the recent developments in the field of university education leads to a greater competitive struggle in this market. Marketing of the universities is becoming an important part of the competitive strategies. The aim of this paper is to describe and characterize the marketing management of higher education in the Slovak Republic and to provide an analytical view on the specifics of financing the higher education in the Slovak Republic. Universities must find the right mix of centralized and decentralized marketing activities. When the individual organizational units of universities offer substitute products, they should also develop new marketing activities. When offering complementary products, universities should develop joint activities. The Management of the university has an important role; it should plan each marketing activity and implement it in the practice.

Key words: marketing management, universities, higher education funding

INTRODUCTION – THE SYSTEM OF THE HIGHER EDUCATION IN SLOVAK REPUBLIC

The higher education institutions in the Slovak Republic are governed by the Law on Higher Education (Law No. 131/2002 Coll.) and they report directly to the Ministry of Education, Science, Research and Sport of the Slovak Republic. Higher education institutions are divided into:

- Public higher education institutions,
- State higher education institutions,
- Private higher education institutions.

With the approval of the competent authorities may operate in the territory of the Slovak Republic also foreign higher education institution.

The public higher education institution is a statutory and self-governing institution (legal entity) that shall come into existence and shall end its existence by law. It can be divided into the following parts:

a) Faculties,

b) Other units focused on educational, research, developmental, economic and administrative activity and information service,

c) Special-purpose facilities.

State higher education institutions are the military higher education institutions, the police higher education institutions and the medical higher education institutions. Military higher education institutions belong to the Ministry of Defence, police higher education institutions belong to the Ministry of the Interior and medical higher education institutions belong to the Ministry of Health.

Private higher education institutions are governed by the Law on Higher Education just as public higher education institutions. The funding of their activities is derived from tuition and fees.

At present, the Slovak Republic has a total of **20 public higher education institutions**. Establishing authority of the public higher education institution is the National Council of the Slovak Republic; the higher education institution is established by law. Moreover, at present in the Slovak Republic there are **3 State higher education institutions** and **13 private higher education institutions**.

Higher education institutions are classified by nature and scope of their activities as follows:

a) University type of higher education institutions,

b) Non-university type of higher education institutions.

According to the Law on Higher Education the higher education is provided by the accredited study programs on three levels:

• The Bachelor study programmes,

• The Master study programmes,

• The phd study programmes.

The implementation of higher education at all levels and forms is based on a credit system, which uses a credit accumulation and transfer. Through the credits it is possible to evaluate the student's burden of completing the study program units (Cibáková et al., 2012, p.225-226).

1. Funding of the Higher Education Institutions in the Slovak Republic

In the Slovak Republic a number of steps to modernize a higher education system were implemented. **Challenges** in this area were and still are: to increase the investments in education, **to improve the higher education management**, to improve the quality of higher education, and not least, to create closer links with the private sector and research. All these objectives are closely linked to the funding of higher education institutions. Therefore, the question of funding of Slovak higher education institutions is getting more and more to the fore in the last decade.

The current state of funding of public higher education

The current system of funding of higher education was influenced by funding systems of a number of countries, especially by the systems implemented in Portugal, Czech Republic and United Kingdom. In addition to a thorough familiarity with the Czech system (Czech Law on Higher Education Institutions from the year 1998 was the basis for the creation of a new Slovak Law on Higher Education), an important turning point was to make the acquaintance of the funding system in Portugal and the United Kingdom. From the Portuguese higher education system was taken the basic idea of derive the difficulty of the study programme from the normative number of students per teacher. From the British system of higher education was taken the overall framework and the specifics. Particular ideas were taken also from the systems of other countries, such as Israel (research performance measurement based on grant success abroad), Holland (performance in PhD. studies) and Denmark (subsidy contracts) (Mederly, 2009).

The funding of public higher education institutions in the Slovak Republic is regulated by the Law on Higher Education and on Changes and Supplements to Some Laws. Funding of public higher education is **multi-source**, while the **public resources represent the most important part** of the funding.

According to the Slovak Law on Higher Education the budget revenues of the public higher education institution consists of:

- grants from the State budget,
- tuition fees,
- study-related fees,
- revenues from the further education,

- assets revenues,
- intellectual ownership revenues,
- revenues from own funds,
- other revenues from the core activities of public higher education institution.

Revenue of the budget of public higher education institution may include also subsidies from the budgets of municipalities and higher territorial units. In some cases, public higher education institutions may use also loans from banks as a source of funding (Beličková et al., 2010, p. 293).

The subsidies from the state budget to public higher education institutions are set out by the Ministry of Education, Science, Research and Sport of the Slovak Republic based on the Law on Higher Education. In **the budget** approved **for the year 2012** were allocated subsidies for public higher education institutions in the amount of **441 424 063 €**, of which the current expenditure was set as 431 424 063 € and the capital expenditure was set as 10 000 000 € (MESRS, 2012).

Public higher education institution receives funding under a contract in the form of these four subsidies:

- The subsidy for implementation of the accredited study programmes,
- The subsidy for research, development or artistic activity,
- The subsidy for development of a higher education institution,
- The subsidy for students' welfare.

The basic criteria of each of these subsidies are provided by law. Details are included in the Breakdown of the Methodology for Allocating Subsidies from the State Budget, which is prepared and annually updated by the Ministry of Education, Science, Research and Sport. The process of allocating subsidies to higher education institutions is based on the principle of division of the total amount of funds that are allocated for subsidies to higher education institutions into four sections corresponding to the individual subsidies. Final amount designated for a particular institution is the sum of the amounts allocated into the individual subsidies. The methods of breakdown of individual subsidies are different. There are mainly two approaches: the breakdown based on performance in education and the breakdown based on performance in research activities. In addition, there are also used approaches based on the provision of basic grants, the index based approach based on the breakdown of the previous year's schedule, approach based on project quality, approach based on the individual needs of

higher education institutions, approach based on the legal rights and approach based on some other performance indicators (Mederly , 2009).

2. Marketing Management of the Universities in the Slovak Republic

The successful fulfilment of the role of universities and their ability to respond to new and constantly evolving requirements requires the universities to be flexible in their educational activities and to be able to offer good quality services that will draw the attention of their target audience. These requirements lead the universities to reconsider their position in the market and to understand the need for the application of marketing principles as an inevitable part of a successful operation. The results of several studies indicate that the high quality and reputable university is the product of good management: which is not afraid of stereotypes changing and which accepts the school as an entity that is operating in the market environment and has to be managed effectively and marketing-oriented (Štefko, 2003, p. 9).

Given the current funding system a part of the university's budget is directly dependent also on the number of students. The student becomes a customer of the university similar to the customer in the private sector. We are coming to the marketing as a management system that achieves the objectives of the organization by satisfying the needs of customers – the students. Together with the responsible financial management and with the use of multi-source financing options, marketing has become the only way to rescue and re-boost the university.

One of the most important objectives of the marketing of higher education is the "fight for quality" by asserting in several major markets where university operates.

The role of the marketing of the university is to be successful in the competition – to attract the highest quality candidates for study. It competes for these applicants on the education market. It competes on the market of students with the competing universities.

By analogy, the attractiveness of the university created by marketing allows to attract top quality researchers, teachers, and also managers, administrators and support staff on the labour market.

An important area of competition is also the attractiveness in the competition for external funds (grants, donors, sponsors, patrons, etc.).

Another important area is the competition for public opinion, image, credibility, reputation. Good market position in the mind of the target audiences, including stakeholders has a significant impact also on the building of attractiveness on the further markets.

The implementation of such a high quality marketing of the university – which results in attracting and getting the highest quality candidates for study on the market of students, the highest quality researchers, teachers, managers and other workers in the labour market, in getting success in the competition for external funds, in reaching good market position in the field of public opinion and in successful operation in other markets – allows the university to ensure "reproductive cycle of quality", which allows it to achieve a competitive advantage in the quality on the education market. The competitive advantage in the area of quality on the education market has positive implications for the achievement of the attractiveness on these markets, etc. This cycle of quality ensures a long-term high position of the university on the education market, the retention and strengthening of this position.

In this case, when the funding is multi-source, the university is less sensitive to the negative effects of the economic crisis, to the government financial savings and so on.

In relation to one of the two main components of budgets in university funding (i.e. the component dependent on the number of students) can be assumed that for the marketing are substantial all the marketing principles of the market research and of the targeted communications with selected customer segments. There are significant differences in behaviour, interests and needs of students. The university must apply the segmentation of its customers, according to which the needs of different groups of students will be met in different ways. It is extremely important to design and develop an optimal portfolio of study programs that meets the highest standards of academic quality and that meets the requirements of the future employers, also important is to meet the needs and the interests of the students.

In relation to the students, the use of marketing mix focuses primarily on (Světlík, 2010):

- Adapting the study offer to the needs of students,
- Putting adequate study burden on the students,
- Delivering the educational services of the school to the right place and in a good educational environment,
- Selecting the appropriate tools of communication mix to support the school services,
- Raising skill levels, improve the internal climate of the school, cultivation of its culture with the help of internal personnel marketing and effective employee motivation.

Marketing mix is an important and integral part of the marketing concept and marketing management in any type of organization, therefore it is also a part of the management of the

university. It can be concluded that the specific of the marketing of the university over others is also reflected in the specific marketing tools. The extended specific marketing mix of the university consists of 8 components (Štefko, 2003):

1. Product
2. Price
3. Promotion
4. Place
5. Personalities
6. Process Pedagogical Approaches
7. Participation Activating
8. Physical Evidence

Interconnection of the tools of the academic marketing instrumentarium is shown in the Figure 1.

Figure 1: Modified marketing mix of the universities
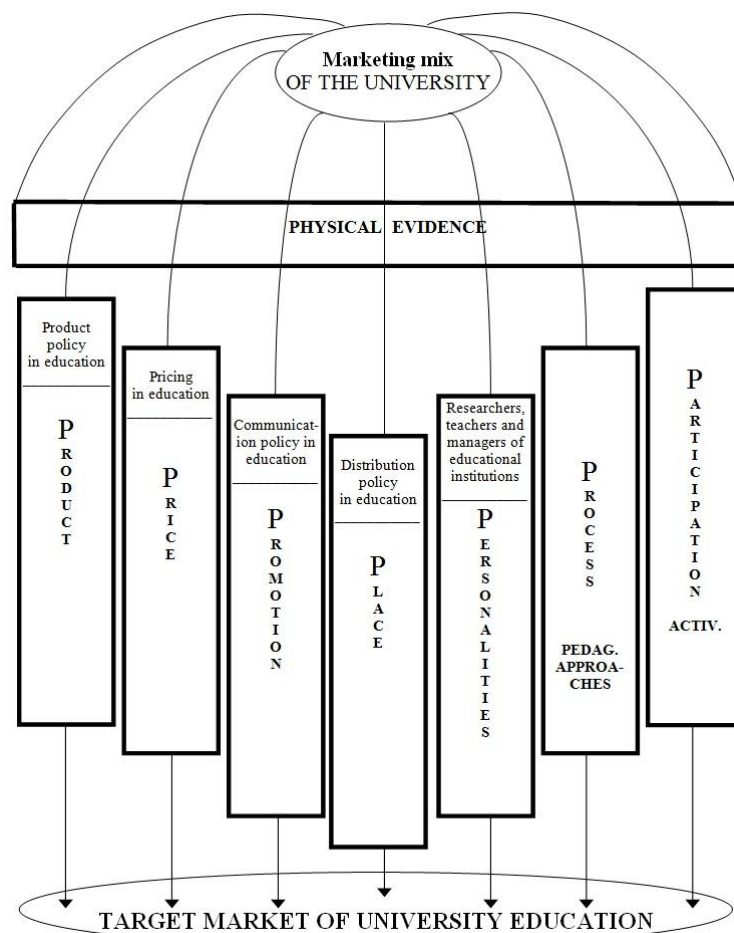
Source: Štefko, 2003, p.97

3. Development of Higher Education in the Slovak Republic

Funding of the education in the Slovak Republic on the long term basis is below the average of the European Union (see Table 1). Data from the Statistical Office of the European Union shows that the total public expenditure on education as % of GDP in the Slovak Republic has long been more than a percentage lower than the average of the 27 countries of the European Union.

Table 1: Total public expenditure on education as % of GDP, for all levels of education combined

	2001	2002	2003	2004	2005	2006	2007	2008	2009
European Union (27 countries)	4.99%	5.10%	5.14%	5.06%	5.04%	5.03%	4.95%	5.08%	5.41%
Slovak Republic	3.99%	4.31%	4.30%	4.19%	3.85%	3.80%	3.62%	3.61%	4.09%

Source: self elaboration based on the data from Eurostat, 2012

If the tertiary level of education will be expressed separately from the total public expenditure on education (see Table 2), we will see that the position of the Slovak Republic in comparison with the average of European Union doesn't changes.

Table 2: Total public expenditure on education as % of GDP, at tertiary level of education (ISCED 5-6)

	2001	2002	2003	2004	2005	2006	2007	2008	2009
European Union (27 countries)	1.08%	1.14%	1.14%	1.13%	1.15%	1.13%	1.11%	1.14%	1.22%
Slovak Republic	0.82%	0.87%	0.85%	0.98%	0.81%	0.90%	0.79%	0.78%	0.81%

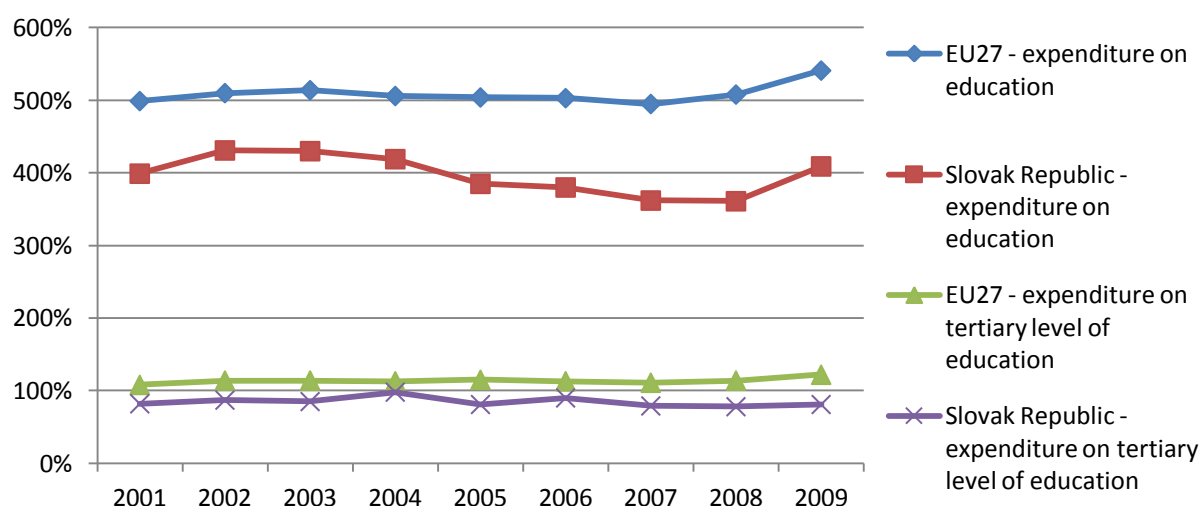Source: self elaboration based on the data from Eurostat, 2012

Comparing the funding of higher education (relative to GDP) with other European member countries, Slovakia is placed on the one of the last places. The low level of expenditure in education indicates the underestimation of the need of investments in this area.

Slovak Republic lags behind the EU countries and also the OECD countries not only in public expenditure on educational institutions but also in private expenditure. Based on OECD indicators Slovak Republic has invested in higher education in 2007 only 0.9% of

GDP, with public expenditure amounted to 0.7% and private expenditure amounted to 0.2% of GDP. Based on the OECD indicators Slovak Republic is among the countries with the lowest expenditure on higher education also when calculated per student, whether the expenditure on higher education is converted to USD at purchasing power parity (5736 USD, PPT) or to the expenditure per student relative to GDP per capita (28%). As can be seen from the above indicators, higher education institutions in the Slovak Republic are significantly underfinanced (Goliaš, 2011).

Looking at trends over the years with available data (Figure 2) it can be concluded that the position of the Slovak Republic in comparison with the European average is not improving, it is noticeable even slightly increasing GAP between the average indicators and the indicators of the country.

Figure 2: Expenditure on education as % of GDP

Source: self elaboration based on the data from Eurostat, 2012

In the analysis carried out, it is necessary to add that it was a relative calculation in relation to GDP. Average GDP in the EU27 countries also increased over the examined period, as well as the GDP of Slovak Republic. Due to the stagnation of the relative share of expenditure on higher education in the Slovak Republic and the growth of GDP, is obvious the increase of expenditure on higher education expressed in absolute numbers. In absolute numbers, the expenditure on higher education increased during most of the period (Figure 3).

Figure 3: Expenditure on education in absolute numbers: Total public expenditure on education in millions PPS, at tertiary level of education (ISCED 5-6)
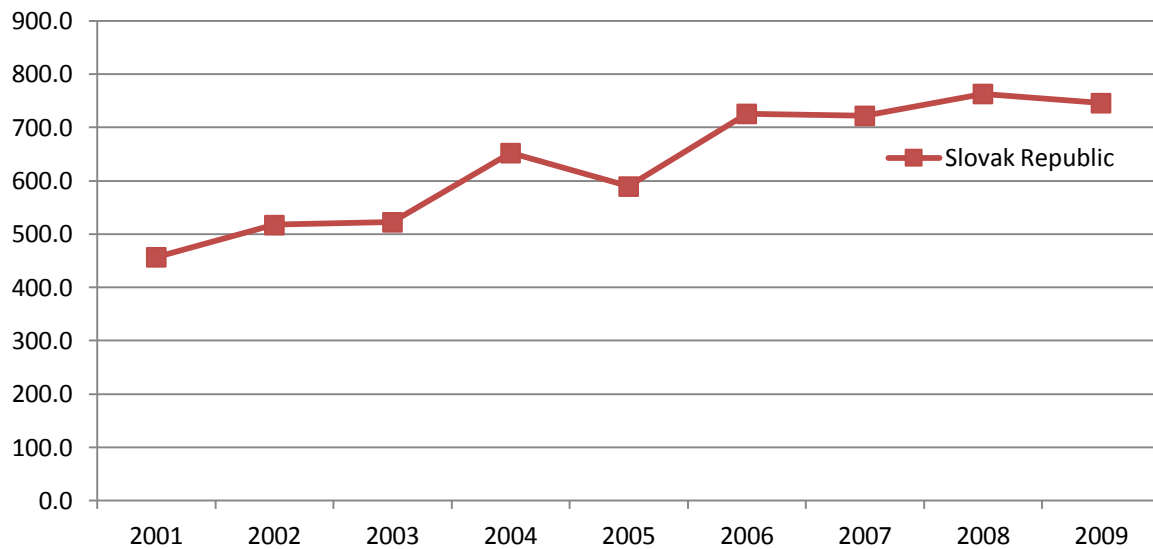
Source: self elaboration based on the data from Eurostat, 2012

The growth of public expenditure on higher education expressed in absolute numbers shows a positive development until it will be put in relation to other indicators, as it was when compared to GDP. A similar situation occurs if we compare it with the development of the number of students in the same period (Figure 4).

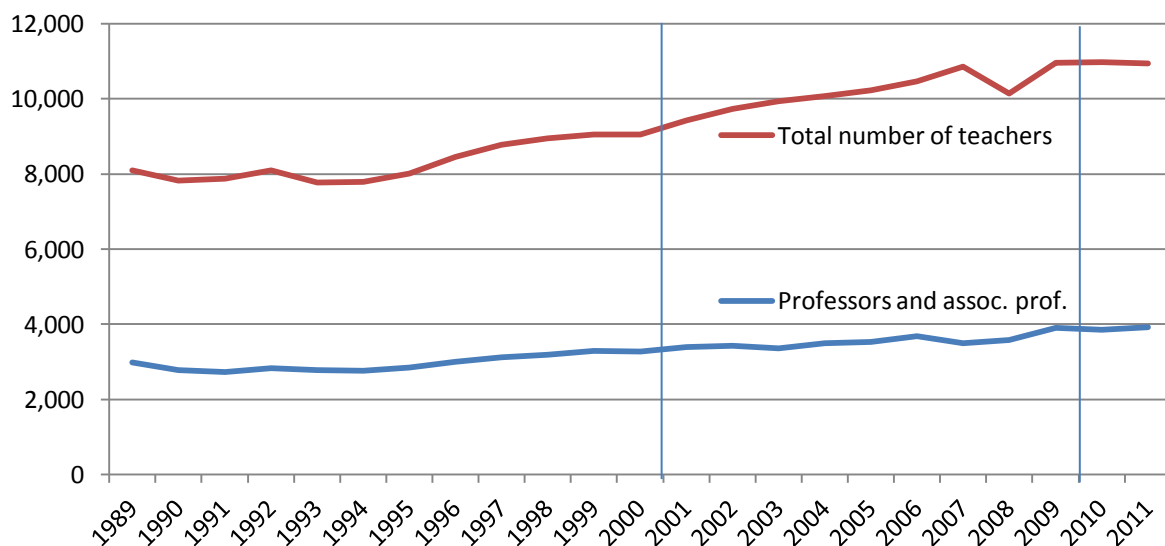**Figure 4:** Number of students at Slovak universities
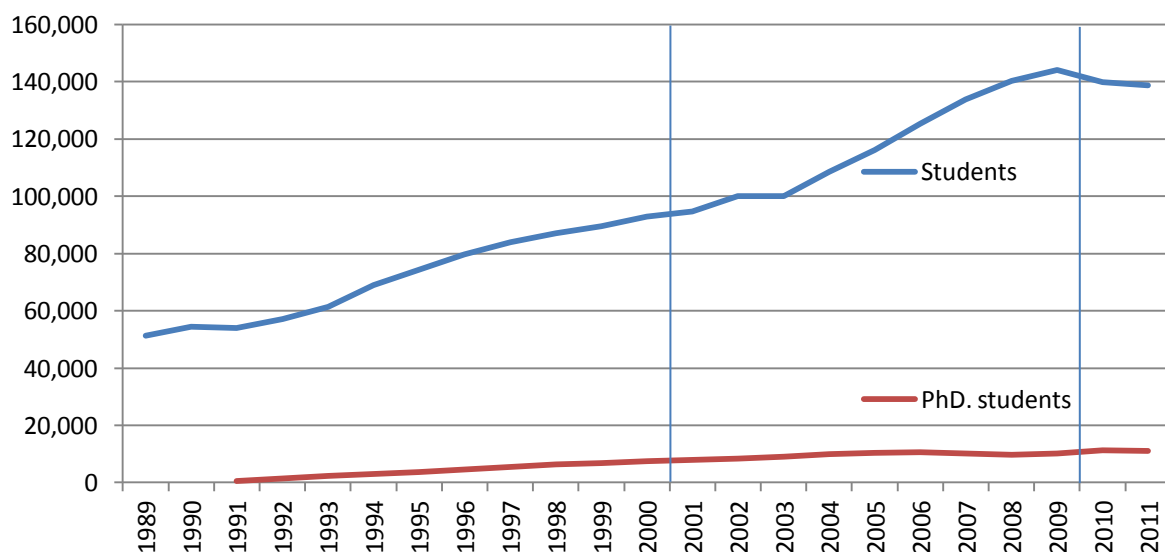
Source: self elaboration based on the data from Slovstat, 2012

The number of students studying at Slovak universities has a greatly increasing trend, which came to a halt in 2010. Over the last 20 years the number of students almost tripled. The past three years indicate that in 2009 we have reached the limit of the level of students, on which the number of students will not rise so significantly any more – given the country's size and population growth.

Larger numbers of students studying at universities increase the requirements for teacher capacity of the education system. The development of the number of staff working at universities in the Slovak Republic is shown in the following chart (Figure 5).

Figure 5: Number of teachers at Slovak universities

Source: self elaboration based on the data from Slovstat, 2012

Historical data show that the Slovak higher education system has tried to respond to changes in the number of students by increasing the number of teachers.

Using the Pearson's correlation coefficient, we tried to demonstrate a positive correlation between the number of students and the number of staff working at universities. The assumption is that between the two variables examined should be a strong positive dependency.

Correlation between the number of university students and the number of university teachers:

      Pearson's correlation coefficient   r = 0,964001

The resulting value of the correlation coefficient confirmed us a strong positive dependency between the variables, but this does not automatically means that the situation during the examined period developed optimally. Although the number of teachers in higher education depended on the number of students studying at universities, it is uncertain whether the reaction of the education system was strong enough and adequate. We know for example, that with the increasing number of university students is increasing also the number of teachers, but we do not know whether the increase was sufficient and whether increased also the work burden of individual teachers. We will set the work burden of the teachers by calculating the ratio between the number of university teachers and the number of students in higher education (Figure 6).

Figure 6: Ratio between the number of university teachers and the number of students in higher education
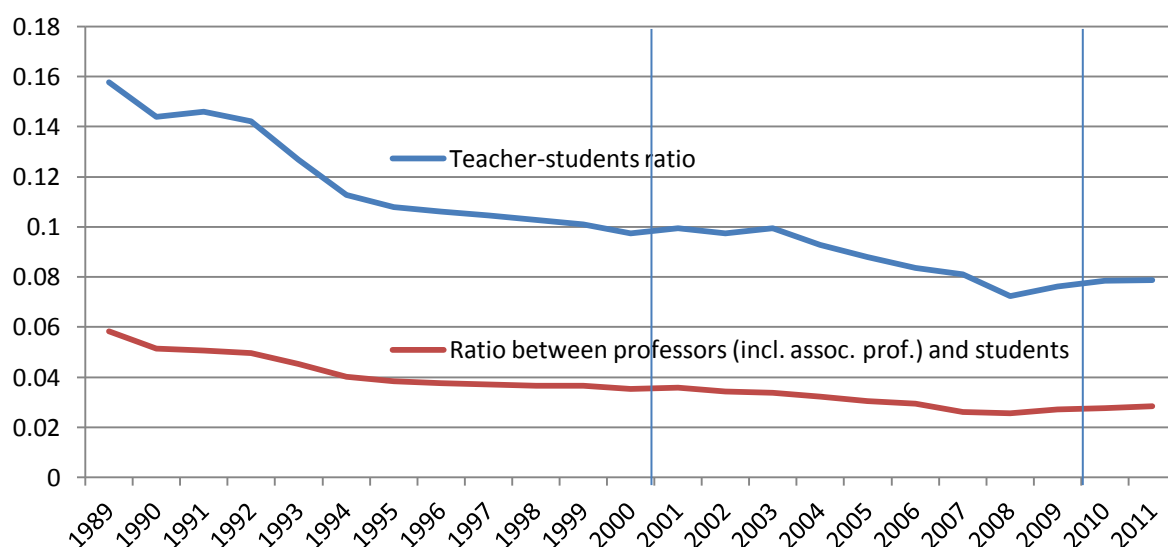
Source: self elaboration based on the data from Slovstat, 2012

The results show us the historical development of the number of teachers per student for the past 20 years. In the graph there is clearly noticeable the increasing work burden of the university teachers. While in 1989 was the average number of students per teacher 6.3, in 2008 it was already 13.8 students per teacher and in 2011 the situation improved slightly to 12.7 students per one teacher. In the examined period, the work burden of teachers in terms of the number of students has increased more than twice in spite of the increasing trend in the number of teachers.

CONCLUSIONS

Given recent trends in the number of university students in the Slovak Republic can be assumed that the importance of marketing management of the universities will grow continuously. It turns out that the growing demand for higher education has stopped and universities can no longer count on every year's increase of interest of new students. It can be expected that in the coming years will intensify the competitive fight of the higher education institutions in the Slovak Republic, and each university will try to get the best students. In terms of marketing, it is necessary to optimize the tools of the specific marketing mix of the university – as an educational institution – for achieving the highest positions on all relevant markets, but especially in the best quality segments of study applicants and students, on the labour market to obtain the highest quality research-capable teachers, also the best positions in the area of overall image of the university and on the external financial funds market. The specific marketing mix of the university is one of the best ways to achieve competitiveness and long-term financial stability, independent from fluctuations in the finances associated with the economic crisis and the periods of underfunding by Governments.

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[02]
THEMED CRUISES: NICHE, GROWTH DRIVER OR A SALES ARGUMENT?
A Comparative Study of the Caribbean and the Mediterranean

Daniel Tixier

According to the dictionary, one of the definitions of the word theme could be: « *Subject, idea around which a reflection, a stance, a work gravitate, around which action comes to life*». A theme cruise would hereby be a means to enjoy tourism by surfing on a selected theme to give rhythm to the travels of passengers. However, it is not sufficiently differentiating since, in that respect, everything could be a theme, cruises also being a holiday theme per se. In our specific framework, this isn't enough.

We shall therefore treat the theme as a cruise guideline; whether in terms of activities or of people taking part in the cruise, both points connect to a large extent. Indeed, choosing a specific theme (for instance palm game in the 19th century) narrows down the potential Customer pool to this sport's *aficionados* (assuming of course that people who are willing to go on a cruise over several days that involves a theme they have no affinity with out of a sheer sense of adventure are scarce). Likewise, a theme revolving around people (for instance a family trip or a singles' holiday will respectively attract families and hence repel the others). In that respect, a theme is therefore a reason not to embark on a cruise and should be discriminating.

In this study, we shall observe more specifically theme cruises by studying the recent developments in this sector and then raise the questions players must ponder in order to prepare their future growth.

THE OFFER OF THEME CRUISES: THE CARIBBEAN AND THE MEDITERRANEAN

The most mature market is in the Caribbean where the offer is the widest with well differentiated players and customers who are used to cruises. It is also where the themes are the most specific to target small niches.

According to website travelagentcentral.com, the 30 themes favoured by cruise operators for their Caribbean offers in 2010 were: 1/ Gourmet cruises; 2/ Wine-tasting cruises; 3/Wellness and yoga; 4/Tribute cruises (example: Beatles Tribute Cruise); 5/Golf and other sports; 6/Celebrity cruises; 7/Political, international events and history cruises; 8/Green cruises / green tourism; 9/Educational cruises; 10/Gay/lesbian cruises; 11/Pottery and other handcrafts; 12/High-tech cruises; 13/Dancing cruises; 14/Romance and vow renewal; 15/Game, casino and other; 16/Financial advice cruises (banks and funds are present to talk with travellers); 17/Cruises for singles ; 18/Cruises around chocolate; 19/Musical performances; 20/Celebrations of historical periods, staging of historical events; 21/Shopping and/or antiques; 22/Religious cruises; 23/Cruises for charities; 24/Criminal enquiries during which everyone can embody *Sherlock Holmes* during the trip; 25/Red Hat Society, cruises exclusively for members of the Red Hat women's club; 26/Nudist cruises; 27/Cruises for people with medical or special needs; 28/Film cruises; 29/Literary cruises; 30/Biker cruises.

This diversity in the themes on offer can be explained in several different ways. Firstly most cruises appeal to North American customers and leave from Miami. Since the market is competitive as a result with many players and since it is complicated to occupy a specific positioning in terms of visited regions, firms must differentiate themselves from one another by focusing more on the lifestyle on board, by therefore targeting the specific interests of customers. Besides, as a result of the increasing hugeness of cruise ships, these themes often appeal to a small portion of customers who are willing to pay a substantial premium for the experience. The theme-related activities, even certain portions of the ship, are then closed off to other passengers. This enables ship owners to fill part of the ship, with more comfortable margins than for average passengers, since, instead of comparing prices, the passengers who choose the cruise according to the theme will be not watch every penny as there is less competition on this segment –their theme–.

The number of passengers has nearly grown threefold in Europe in under 10 years, increasing from 2 to 5.5 million customers[1]. Several small companies have seen the light while the

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nombre de passagers	2 000	2 100	2 700	2 800	3 100	3 400	4 000	4 400	4 900	5 500
% d'augmentation		5%	29%	4%	11%	10%	18%	10%	11%	12%

Growth of the number of passengers (in thousands) for cruises in Europe (source : European Cruise Council, 2011/2012 Report).

major operators have gone from strength to strength. As in the United States, the ships are increasingly impressive and each new order generates a new record. The development of new distribution networks, the cut in costs, the generalisation of cruises are some of the elements, which sustain this growth.

However, the first results one comes up with in *Google* when one researches « theme cruises » are the more standard themes. Hence, the website croisierenet.com offers the following themes: wellness, gourmet and wine, fitness, children/families. With a few specifics: poker cruises, French-speaking cruises or classical music cruises. The website monde-et-croisieres.com offers for its part cruises along the following themes: French-speaking, family, musical or on a privatized cargo/yacht/ship. Indeed, the companies seem to mainly offer quite general public themes, namely not very discriminating in order not to narrow down their potential market. This can be explained by the following factors:

- A less mature market, with many passengers on their first cruise – therefore as far as they are concerned, the cruise in itself is already different from traditional holidays
- A competition that isn't as strong since spread out over several harbours, therefore less pressure for firms to distinguish themselves and a desire not to alienate part of their potential customer pool
- Smaller ships than in the Caribbean, with many players operating ships that accommodate 200 / 300 passengers, therefore with fewer opportunities to separate areas and passengers and making it easier to fill up vacancies without nevertheless appealing to niches

We shall also study cruises from the customers' point of view to furthermore explain why cruise operators do not focus firstly on the theme to enliven their cruises. However, this criterion could emerge very quickly, with the recent race towards gigantism of the various players, which shall lead them to adopt similar strategies to those favoured in the Caribbean, or with the large players – such as Disney Cruise Line – or small players – such as Star Clippers that can offer one-of-a-kind experiences.

Indeed, theme cruises offer a unique experience, which in fact exceeds the simple framework of holidays[2]. Instead of triggering the interest of consumers wondering what to do with their holidays, the theme must spur customers to go on a holiday even when it wasn't planned. It is a choice unlike any other, since it falls more in the scope of the emotional and of the spontaneous. The idea is to heighten a passion, which complements everyday life, not therefore to create a change of scenery. Effectively however, those consumers who go on such holidays are not the majority. The practical aspect (dates, place of boarding and of disembarkation) is the primary factor in the decision. As noted, going on a cruise is already in many cases a first, so the theme is often relegated to the background, as a minor decision criterion. The truly influential factors in the Mediterranean are as a result more the areas toured, the ship and the services on board and the price. It is noteworthy that the Mediterranean represents outstanding diversity, in cultural, architectural, historical, culinary…terms, hence ship owners foremost rely on this diversity to present their offers and distinguish themselves from their competitors. One of the stakes in the long run, when the European market will be more mature, will be on the other hand to offer theme cruises that will appeal both to those who are discovering cruises / the theme and to those who wish to explore it in greater depth without nevertheless tiring of it.

 The whole purpose of themes is to invoice a premium to consumers, both since the competition isn't as strong (if the theme is sufficiently discriminating) and since customers are less aware of prices if the theme plays a significant role when they are making a decision[3].

For instance, in the case of a gourmet cruise on offer at one of the major operators, for a similar offer (during the summer, 13 days / 12 nights, in a basic cabin, travelling through Northern Europe), the difference between the theme cruise (with a renowned chef on board, activities, demonstrations, tastings…) and the standard cruise amounts to 200 euro on the brochure price, namely a premium of around 15%.

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[2] *"Consumers consistently look for a reason to go on vacation, even in today's economy" - "Themed cruises provide that reason for travel and have the added benefit (for the customer) of vacationing with like-minded people who enjoy the same interests."* (source: travelagentcentral.com). *Jeffrey Anderson, vice president of marketing, America's Vacation Center.*

[3] *Susan Schaefer, Independent affiliate of America's Vacation Center, Brentwood, TN. "Your customer isn't looking for the lowest price, so you aren't competing with pricing when selling a themed cruise."*

The offers can be found on the one hand on those websites that distribute the offers of several companies and on the other hand on the websites of the various firms that commercialise them; establishing a satisfactory grid of criteria (for instance: the length of the cruise, the port of embarkation, the regions visited, the number of stopovers, the number of availabilities, the month of departure, the price for a standard cabin and the theme) and undertaking a thorough benchmark would be time-consuming. There is indeed neither a chart nor a benchmark per product. Only the ECC report listing the firms is available [4]. Only a few examples and the offer of a handful of major ship owners have therefore been examined, leading to the following reflections.

THE SPECIFICITIES OF THE CARIBBEAN MARKET

The Caribbean offers more choice in terms of themes for cruises than the Mediterranean, for several reasons:

- <u>A more concentrated market.</u> Most ships depart from Miami, therefore customers have the opportunity to compare all the offers and select those best suited to their tastes and wishes, the operators needing as a result to differentiate themselves from one another. The pool of customers is more concentrated, therefore the risk to alienate oneself from one's customers is low since there will always be enough people to fill the ships, whatever their size.

- <u>A more mature market.</u> American passengers or those who embark for cruises in the Caribbean have often already been on a cruise. One must therefore offer them something novel to render the experience different each time, to keep them excited and get them to return. In order to convince those who have never experienced cruises, it is safer to target them separately, to assess their interests and what could draw them to a cruise. Themes are therefore a clever means to target the various potential niches, to communicate with customers and to encourage them to discover the possibilities of cruises.

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[4] European Cruise Council (http://www.europeancruisecouncil.com/content/ECC%20Report%202011%202012.pdf)

- Fewer alternatives to differentiate oneself. Because they have competitors that own huge ships and that offer all kinds of activities, operators may not differentiate themselves based on the quality of life on board or on the ship's specificities. As a result an appealing means to offer a different experience to consumers is to offer alternative itineraries in order to discover cultures, heritages, architectures or simply regions still off the beaten track. Conversely in Europe this diversity is a genuine boon for ship owners to develop simply thanks to the variety of possible itineraries and of customers' interests in the different regions of the Mediterranean, without as a result offering surfeit additional – and as a consequence perhaps excessive – differentiation with a theme. Worse yet, there may be a conflict in terms of consumer desire (this theme but not that itinerary or conversely that itinerary but not this theme), which would lead to the loss of a certain number of potential customers.

- A slower growth. The growth of the cruise market in France and in Europe is extremely fast and the first objective of ship owners is to capture the wave of newcomers to get them to discover and appreciate cruises, in order for them to return. Theme holidays may take place in more traditional holiday venues yet what differs is the fact of going on a cruise, which therefore constitutes the prime asset and the major sales argument of operators. It's already a substantial enough obstacle to overcome for customers and the impression left must not be unrelated to the cruise or the ship owners (but related to the theme). In the Caribbean on the other hand one must attract new and former customers, but this involves first smaller targets and a renewed experience[5]. To enjoy the fallouts of this growth, ship owners must offer more and differentiate themselves. Moreover, it is far more profitable than waging war on prices or a string of major communication campaigns for firms. It is also easier to fill one's ships with people who are unfamiliar with cruises or who are enthusiastic about a theme rather than to win over the loyal customers of competitors.

All those factors explain why theme cruises are more developed in the Caribbean that in Europe.

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[5] *"Targeted activities entice first-timers and satisfy repeaters. As the cruising public gets more and more accustomed to cruises, they need a little more stimulus to get back on the ship," Jane Allen, franchise owner, Cruise Holidays, Thousand Oaks, C."*, travelagentcenteral.com website.

THE PROSPECTS FOR THEME CRUISES IN THE MEDITERRANEAN

As discussed previously, with the development of cruises in Europe and the construction of new ships, the major operators run the risk of concentrating only on a handful of harbours, the more modern ones, since as a general rule the possible anchorings are outdated by several years (according to the European Cruise Council).

If one refers to the example of Miami and of Caribbean cruises, this topic, along with market maturity (regular and clued-up passengers, lower growth…) limits the possibilities for ship owners to differentiate themselves, while they strive to enjoy growth within a more aggressive market. To achieve this, we shall draw up a preliminary segmentation of cruise customers in a mature market and the potential behaviours of the various segments:

- <u>Regular customers</u>: Having gone on one or more cruises, they are acquainted with the specificities of ship owners and of the various offers. They have already had he opportunity to visit the different regions on offer and carry on going on cruises. They may also turn to theme cruises, without nonetheless buying into « premium » offers such as gourmet cruises yet these cruises may come in two forms currently on the rise:
    - <u>Being on a ship</u>, merely for the pleasure of experiencing this means of transport. Companies actually offer cruises that only stop at the embarkation / disembarkation harbour. The idea lies in offering a complete change of scenery that may be undertaken first with passengers who enjoy cruises and the nonetheless restrictive dimensions of a ship.
    - <u>Exploring in depth certain regions</u>, through « hiking » cruises which are developing. According to the latest trends, hopping from one harbour to the next is too superficial and does not enable to truly discover all the beauty of he visited regions. Therefore some companies offer longer stopovers in certain harbours, in order to enable passengers to discover the hinterland, in the form for instance of hikes.

In Europe what with the number of passengers already reaching close to 6 million (5.5 million in 2010), these « regular customers » may soon constitute the majority, notably in those spearheading countries such as the United Kingdom. However these types of cruises do

not enable to distinguish companies from one another and the themes remain very general public, which still mainly revolve around enjoying one's holiday.

- The first-timers: they are discovering cruises and will at first orient their choice towards general theme-less offers: since today the whole interest lies in discovering cruises without them being too specific, therefore one should be able to offer an interesting itinerary on a beautiful ship, no more no less, to then win their loyalty and turn them into regular passengers. They will however more easily adopt the behaviour of more regular passengers if they go on cruises with savvy customers or with groups. Theme cruises do not however target them directly. The moderate growth also means they will be fewer and fewer of them embarking on their first cruise, therefore this group will tend to decrease in size.

- Groups: the latter do not prevail for the time being since their members are not sufficiently aware of cruises and it would be hard to gather everyone. However, with the generalisation of cruise tourism, more and more associations, clubs will number members who are regular cruise operators and who will as a result be in a position to offer this type of holiday that is simple, relaxing, exotic and « all inclusive ». These groups could form one of the first retail and marketing outlets for theme cruises, both in terms of « word of mouth» communication and to focus on that which connects members, be it a hobby or a passion.

- The customers of theme cruises: they will most certainly become regular customers who will be eager to turn their experience on a ship into something different each time, by associating each journey to a different theme or leisure. They yearn to be surprised and in order to win their loyalty and to keep them ecited ship owners therefore offer unique experiences, naturally at a premium cost, which hence will enable them to differentiate themselves.

Without nonetheless prevailing, these cruises may have quite daring, discriminating themes. This will be rendered easier by the size of the ships currently being built, which helps us imagine clear separations or to keep exclusive spaces for some customers without the other passengers feeling left out.

Companies may either consider those customers simply as one of their segments or consider each theme as a potential, by separating them. In fact a customer may go on a theme cruise but not another, as a result of a specific interest; however the customers' profiles and communication methods are likely to be similar.

Without them becoming predominant one of the aims of the companies may be to convert more and more regular customers into theme cruise passengers, in order to win their loyalty even further and to charge a premium.

Nevertheless, this classification is foremost valid for large ship owners, who have ships that can accommodate several thousands of passengers at affordable prices. Moreover, one must bear in mind that embarkation harbours will be limited for these large ships, which means that a substantial share of the market will fall prey to small operators in the smaller harbours, to ship owners who offer fewer themes since they will enjoy both a specific positioning and experience a less intense competition.

THREE TOPICS FOR THE FUTURE

I –   Can theme cruises in Europe be considered to be merely a niche?

- <u>For the major players: Costa Cruises, MSC Croisières, Carnival, etc.:</u> Introducing themes among their offers is not a priority for Europe. The major players can offer themes that are either very general (cooking or wine-tasting cruises for MSC Cruises, in the presence of top chefs or sommeliers, i.e. 12 cruises in total a year, whereas MSC owns 12 ships which sail year round), or a very limited offer (at Costa, a cruise offering stand-up comedy and one with former music stars, whereas this ship owner owns 14 ships). At Carnival, the focus is also placed on life on board and the offer is already so complete for passengers that they deem that themes are not a requirement; thus shows are planned, etc. These ship owners focus their marketing efforts on the quality of the ship and on the diversity of the activities available, on the originality of the itinerary and on the interest of the regions visited. The cruise in this case boils down more to a string of harbours between which the passenger discovers the joy of cruising.

  From an economic standpoint, little attention is therefore placed on theme cruises by the major players of the sector in Europe, that already differentiate themselves from

one another (through the embarkation ports, the sailing dates, the itineraries, etc.) and that differentiate themselves from smaller players thanks to their huge ships and therefore to all the additional activities they are in a position to offer.

- <u>For smaller players: Star Clippers, Regent Seven Seas Cruises, La Compagnie du Ponant, etc. :</u>

  Smaller players own fewer ships, often from three to five and as a general rule these aren't huge. Their capacities vary between 300 and 1500 vacancies per vessel. These players resort to various means to differentiate themselves and themes are not their first choice. Indeed, as for major players, the ships, the quality of life on board, the originality of the itineraries and of the harbours visited are highlighted. Star Clippers, for instance, offers the chance to sail on sailing ships (up to 5 masts for the Royal Clipper, with 227 passengers for 106 crew members). Regent Seven Seas Cruises focus for its part more on the luxury of its cruises and has been distinguished by the European Cruise Council as one of the most luxurious ship owners. A 10-night trip costs in the vicinity of 3 000 € whereas similar cruise cost around 1 000 € if purchased from the major players of the sector.

  La Compagnie du Ponant, the sole French ship owner, also differentiates itself through life on board and the harbours visited. Indeed, all the meals are gourmet and prepared by top chefs while its ships often stop off at small harbours, which large vessels cannot reach. Among those three players, only La Compagnie du Ponant offers theme cruises, with often standard and general themes (music, with the visits of opera houses and artists on board for instance, cinema, celebrities, Celtic culture, golfing… The theme is exploited in two ways: (i) through the involvement on board of celebrities of the sector concerned and (ii) through stopovers in harbours related to the theme, for instance a selection of golf itineraries). La Compagnie du Ponant offers 10 themes, with a whole array of dates: in addition to differentiating itself through traditional arguments, the French ship owner has a genuine theme offer. However, the themes remain varied and not discriminating, except for « golfing» cruises.

- <u>Theme cruises, a niche?</u>

  Yes in the sense that all the cruises examined previously focus more on the « cruise » aspect than on the « theme » aspect. This means that potential passengers become

customers of the ship, for the life on board, and that the theme is a secondary yet appreciated extra. If this theme had been offered along with holidays other than on board a cruise ship, not all customers would have gone for it. However, in a budding and growing market, the first aim of ship owners is to reveal to holiday makers the cruise and its charm, before winning their loyalty and getting them to return. Cruise operators mainly sell a travel means, a way to experience one's holidays. Therefore selling a theme at the outset could indicate a clear differentiation and there is a potential niche for this, yet potential customers and young cruise operators could be unwilling to follow this path.

II –   Could themes be something other than a secondary sales pitch?

In the current state of thee market, the answer is yes if the theme is a secondary sales pitch, which ranks after the ship, life on board, the itinerary… Since the theme is often general (gourmet, wine-tasting), it is most of the time integrated as a component of life on board. It is mainly a means to offer potential customers a more luxurious cruise than standard cruises, without nonetheless depreciating these. Indeed, it is easier to explain that all cruises are exquisitely refined but that only a handful boast a top chef who prepares meals, by resorting to a theme, rather than solving this paradox. The theme is therefore more of an excuse to add a touch of luxury to cruises and to be in a position to charge a premium to customers.

Nevertheless, theme cruises are very visible on the websites of ship owners, with a specific tab, on par with the ships or the destinations for instance, and may give a better idea of the cruises offered by ship owners. Conversely, in the case of a specific cruise (for instance, 10 nights starting in Nice), if one were to follow the thread of thought of a potential customer, the theme will not be referred to in the initial description of the cruise. The elements on hand will include the ship, the itinerary, the price, the facilities on board, whether there is a theme or not (as far as MSC Croisières is concerned), the themes being so varied they are not discriminating. The offer of theme cruises is in fact so limited (few dates, limited possibilities of ports of embarkation, etc.) that one needs to be very flexible to enjoy one and it is therefore advisable not to underline as a general rule the absence of theme than to indicate if case may be a theme. By listing theme cruises separately, one therefore enables to clearly justify the price difference, by detailing the theme, but as a result theme cruises lack visibility since the main search criterion is not genuinely the theme. In this sense themes remain secondary since as long as the offer is low, the comparisons customers may draw with a

theme cruise will be with theme-less cruises, which offer the ship, the itinerary, etc…In order to be able to compete over these key decision elements, the theme therefore takes the back stand.

As long as customers are discovering cruises, the luxury of ships and the range of activities, one must convince them that such and such a company is as good as another and offers as many thing. That is also the reason why the differences that may occur in terms of ships or itineraries are significant. Indeed, once more, differences between Europe and the Caribbean are noticeable in terms of market maturity, of competition and of the variety of available itineraries. The marketing argument of the theme therefore offers in the Caribbean a difference, for an experienced public, whereas it may conversely downgrade the offer in the Mediterranean, by relegating to the background those elements that are the most important for the first-timers.

Once more, the key for the development of theme cruises will stem from the development of the market, from growing knowledgeable and acquainted with Customer habits, and from a slower growth that will compel competing ship owners to highlight their differences for experienced consumers.

III – Is the development of theme cruises in the Mediterranean unavoidable or will ship owners be able to uncover other levers of growth?

One cannot fail to note the growth in this form of tourism yet, in order to surf on this growth in a market dominated by American companies, a report underlines the fact that European companies will be able to succeed « *only if they innovate in the creation and the development of new cruises* »[6].

The European market is constantly expanding, however ship owners, according to their positioning, their ship type, the harbours from which they operate, etc. will have to face a more or less tough competition. In small enclaves, or in harbours hat have obsolete infrastructures, only the smaller ships will be able to operate; each already enjoying a specific

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[6] The report by the Ministry of Tourism entitled « L'essor prometteur des croisières en France en 2010 » gives us a bird's perspective of the state of the cruise market in France and in Europe.

positioning and fewer places being available, only the general and non-discriminating themes will most likely be successful since it would be risky to alienate part of the limited potential customer pool with a resulting slower growth.

The development of theme cruises should therefore be more noteworthy in the major ports of embarkation, from which several large companies operate. In terms of image, to differentiate themselves and to win passenger loyalty[7]. Furthermore, if the lobbies manage to eliminate the prices from cruise catalogues (since prices are constantly reviewed), the practice of *revenue management* will be able to develop more strongly among ship owners, with the possibility of adding to cruises with a low occupancy rate themes without needing to establish the offer one year ahead.

In this case yes, themes may be an answer for ship owners who wish to enjoy growth and healthy margins, yet successes such as La Compagnie Du Ponant show that the environment of cruises still remains essential for passengers. All we need to do now is to finally agree on a clear definition of the word « theme », in order to include or not in this concept luxurious or innovating cruises since a different positioning does make a theme.

CONCLUSION

Cruises have interesting prospects in Europe, thanks to the diversity of harbours, of regions, of cultures and a population that appreciates tourism while the South Mediterranean has become increasingly safe. All the elements are gathered to enable several ship owners to position themselves and offer holidays at sea to an increasing number of passengers.

This growth translates into figures, with a boom in the number of customers over the last few years and several large ships currently being built in shipyards. New canals of distribution and communication have also come to life (online travel agencies, price comparers…), without nevertheless this giving rise to a differentiation in offers through the themes of cruises.

With a still youthful market, customers whose loyalty needs to be won and a competition, which is not yet cutthroat, ship owners may thus easily differentiate themselves (river / sea,

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[7] *"Promoting our own themed cruises gives us exposure to new leads and customers," Malaka Hilton, owner of Admiral Travel International in Sarasosta, FL*

ship, port of embarkation, itinerary…) without having to launch innovative ideas and offer passengers a themed experience.

This observation could however change overnight and ship owners could then draw inspiration from what is done in the Caribbean, a favourite venue for cruises, and one step ahead of the game over other regions of the world. However, the greater diversity in Europe tends to favour a low-key hypothesis, with cruise operator themes still very much a minority and theme offers that are quite large and all in all not very discriminating. As long as the occupancy rate remains close to 100% in the Mediterranean, ship owners will not change a winning strategy to broach a field that is still relatively unknown and unexplored in Europe, whereby they run the risk of alienating part of their customers.

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[03]

IMPACT OF PROJECT-BASED CAPABILITIES ON CHOICE AND RISK

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Abstract

In the project industry some companies are more successful at closing a deal with buyers than others. This study aims to explore the project actors' competence profile and its impact on their market and transaction uncertainty. First, qualitative data was collected. Construction were categorised as hard-type, whereas IT and other types of consulting, advertising, media and market research were considered as soft-type projects. The objective of this phase was to identify factors that make projects successful. Second, surveys have been conducted in three countries (Germany, USA, Hungary) in order to model the presumed capabilities of the suppliers and buyers and their impact on the actors' risk perception as well as choice. Processing quantitative data a four- and a seven-factor structure of expected project capabilities have been generated.

After analysing the survey data research aim was to validate the results by conducting a series of expert interviews (post-quantitative qualitative research) with respondents recruited according to the actors' level of involvement (high-low) and the level of tangibility of the project (high-low). The findings enable to enhance knowledge on competence-based risk perception of actors and create rules for selling of project-based capabilities and their impact on choice and risk across different project industries.

Keywords: *projects; capabilities; risk*

CONCEPTUAL BACKGROUND

In the last decades the marketing discipline has placed considerable emphasis on relationships by focusing on goods and services in both the business-to-business (Ganesan, 1994; Morgan and Hunt, 1994) and business-to-consumer markets (Garbarino and Johnson, 1999; Sirdeshmukh, Singh and Sabol, 2002). In contrast to relational exchanges, relatively fewer studies (see Cova and Salle, 2007) have focused on discontinuous transactions, such as projects, where repeat purchase is limited. This study draws on project (Cova, Ghauri and Salle, 2002) and solution marketing (Cova and Salle, 2007), marketing of capabilities (Golfetto and Gibbert, 2006), perceived risk and competence-based value creation (Lapierre, 2000; Möller, 2006). By drawing on these concepts this research aims to investigate the role of project capabilities from both, the buyers' and suppliers' perspective and their influence on the buyer's risk perception. Therefore, this study can help managers understand competence patterns and highlight capabilities they need to invest in. In order to test the generalizability

of our findings this study collected data in three countries, Hungary, Germany and USA, respectively. The remainder of the paper first reviews the existing literature on capabilities and their relations to risk perception in business-to-business settings followed by our qualitative and quantitative research, findings and conclusions.

Understanding Projects

Projects can be defined as transactions that are *discontinuous*, *unique* and *complex* (DUC) (Mandjak & Veres 1998) and can have *tangible* (e.g. construction, engineering) and *intangible* (e.g. software, engineering consulting, production know-how; ad-hoc market research, event management) components. Projects consist of multiple phases (e.g. feasibility study, briefing, supplier selection, project implementation, debriefing, etc.) (c.f. Cova et al., 2002), in which the interactivity of the buyer-supplier interactions can significantly change. Projects usually provide a unique (not standard) solution that requires systems thinking (Cova et al., 2002) by involving a team of experts on both, supplier and buyer side (Veres, 2009). Projects are transactions characterized by information asymmetry (both, supplier and buyer might know more in certain areas), and goal incongruence. Creating a promise with the purpose of generating some positive expectations in the buyer, but (after signing the contract) not delivering on those promises (c.f. Kracher and Johnson, 1997) creates the problem of opportunism (moral hazard). Therefore, in projects, when performance ambiguity and (high level of) interdependence is present between parties (Sitkin and Roth, 1993) the role of trust emerges, which can be developed through leveraging the right capabilities.

Capabilities in Projects

Suppliers can create competitive advantage by leveraging their tangible (e.g. hardware, buildings) and/or intangible (e.g. technology, reputation, alliance, know-how, relationship) assets (eg. Bharadway, Varadarajan and Fahy, 1993; Srivastava, Shervani and Fahey, 1998). Some of these assets draw on the company's past, such as previous project successes of the supplier, references, buyer-supplier relationship, and reputation (sources of epistemic capabilities), whereas some others represent a promise for a reliable and successful outcome (sources of heuristic capabilities) (c.f. Grant, 1995; Möller, 2006). For instance, a construction company's most important competence lies in the execution of complex tasks, whereas that of a consulting company revolves around its employees and their relationships with their clients (Sveiby, 1997). Utilization, promotion and "selling" of these capabilities in business-to-business contexts is of strategic importance for any project actor (Gibbert,

Golfetto and Zerbini, 2006). We aim to explore general patterns of capabilities that contribute to project success from both, the buyer's as well as the supplier's perspective.

Evaluating Project Success

The success of a project transaction is uncertain until it is completed, however, risk perception over the period of the project changes. For a review and graphical display of potential risk patterns see Veres (2009). The buyer and supplier risk perception is influenced by various factors. Since the project buyer lacks the required knowledge to complete the project, the major risk is related to the supplier's expected performance. Therefore, at the outset of the project a large emphasis is placed on the perceived capabilities of the supplier and promises of the expected benefits (Page and Siemplenski, 1983; Veres and Sajtos, 2012). Studies have found that buyers' perceived performance risk is linked to presumed weaknesses of the supplier (Veres, 2009), but information on a particular supplier's competence profile reduces the buyers' market uncertainty (in the pre-transaction phase) (Golfetto and Gibbert, 2006), and their transaction uncertainty (in the implementation phase) (Ford, 2002). Besides – due to the interactive nature of problem solving in project transactions – significant expectations toward buyers' capabilities can also emerge (Veres and Sajtos, 2012; Veres, Sajtos and Greve, 2012).

METHODOLOGY

We applied a three stage research design: First, qualitative data was collected in two phases. In the first phase we used 180 expert mini focus group interviews with decision makers in various industrial contexts. For this qualitative research, an equal number of on-site expert focus groups were conducted with buyers (90) and suppliers (90). Every focus group consisted of a team (2-3 people) of decision makers, such as project experts, business marketers with the aim to explore their perception on capabilities by using a standard qualitative interview guide. The objective of these interviews was to explore general views of project buyers and suppliers on project characteristics and their expectations throughout the project.

In the second phase 129 structured in-depth interviews were undertaken. Construction and manufacturing were categorised as hard-type, whereas IT and other types of consulting, advertising, media and market research were considered as soft-type projects. The objective of this phase was to identify factors that make projects successful where respondents had to categorise capabilities according to their influence on risk perception. The findings from the

qualitative interviews were used to develop an initial pool of items on capabilities that contribute to project success.

After that we conducted parallel research projects in three countries (Germany, Hungary and USA) with different data-gathering methods, in order to model the presumed capabilities of the suppliers and buyers and their impact on the actors's risk perception as well as choice. In Germany, companies were selected by using the list obtained from the Chamber of Commerce in Hamburg (Germany), whereas in Hungary company lists were used from various trade associations covering the entire country. While in Hungary (N=466) we chose a face-to-face interviewing technique which ensured a very high response rate, in Germany (N=306) 2000 emails were sent out to companies. Data collection in the USA (N=124) was managed from New Zealand through an on-line B2B panel. As target population, this study considered all companies, who mainly undertake projects and targeted the CEO of the company as the primary respondent to the survey.

One of the focus points of our investigation was the impact of the company's situation in a project-partnership (i.e. buyer or supplier). To evaluate this influence we used a well-balanced sample. About half of the firms surveyed were typically in a seller/supplier position in their project activities (n=476), the other half of them were buyers (n=420) (Table 1). In our sample most of the respondents were in for-profit organizations, so our research results are relevant mainly for them.

After analysing our survey data, in the third research stage we aim to finetune our results by conducting a series of expert interviews (post-quantitative qualitative research) with respondents recruited from 4 project types according to the actors' level of involvement (high-low) and the level of tangibility of the project (high-low). This last stage can serve for better understanding of limitations when interpreting survey results.

ANALYSIS AND DISCUSSION

Discussion of Qualitative Research Findings

The interviews revealed that project uniqueness makes sales difficult and forces suppliers to move towards offering solutions. One supplier said that with regard to the issue of uniqueness that *"...buyers do not want standardized answers... but they expect us to find a solution for them...and the best situation is to find out together what his problems/needs are exactly and how to solve them"*. Hence, suppliers – instead of developing highly standardized offers – should divide complex problems into smaller (modular) tasks explore a range of solutions

and develop skills in effective service adaptation. Nevertheless, suppliers agreed that problem solving can take various forms, for instance, companies in high-tech industries (e.g. telecommunication) might require that the supplier replicate a competitor's innovative customer relationship management (CRM) system, however, in some other cases problem solving means finding out how to increase cost efficiency.

Project suppliers commented on the challenge of managing buyers' expectations, from the start of the project. Managing these expectations is a crucial activity, because "*… project selling is never about a physical thing, but rather a sale of a future promise.*" Therefore, suppliers have to provide some tangible evidence, among others, such as quality control systems (eg. ISO), references, company size, financial stability, access to unique resources, etc. in order to prove that they are capable of delivering on this promise. Being able to deliver on the promise is closely related to the buyer's main threat, namely the supplier's opportunistic behaviour. Opportunistic behaviour can potentially emerge due to information asymmetry between buyers and suppliers, which tends to be higher in the pre-transaction phase, due to the client's need uncertainty, however, it decreases over the course of the project.

Information asymmetry and the potential threat of opportunistic behaviour increase risk perception on the buyer's side, hence risk communication (discussion of potential risk factors) is vital. This is especially true in projects, because "*if a project is abandoned then its outcome is destroyed.*", which can have devastating consequences for both parties. Nevertheless, solely communicating risk factors by the supplier will only increase the buyer's risk perception, and thus, risks always need to be presented with a solution. While suppliers argued that they aim to reduce buyers' risk perception by establishing standard procedures, such as regular meetings and providing updates, buyers revealed that the frequency of visits and the introduction of support contracts are not only very effective tools in reducing their risk, but they also make buyers more involved in the project. By increasing the buyer's involvement – suppliers explained – the level of efficiency increased through improved coordination and cooperation, which in our view can also lead to value (co-)creation.

Discussion of Quantitative Research Findings

On factor structures

Based on the findings from our qualitative study our aim was to develop a set of items that reflect the project capabilities that contribute to a successful project completion. The initial pool of items underwent various purification processes by both, industry experts as well as

project participants and the final set contained 40 items with a speculative classification into the following dimensions: communication; innovational capability; relationship management; project management skills; trustworthiness; HR profile; conflict solving capability; competence to act (for example: permission); material inputs used; financial resources; (foreign)language communication; expertise (know-how); financial reliability; delegation of responsibility and competence; recognition of the limits of own competence; own network; extension of own competence; ethical behaviour; corporate reputation; instruments, devices used.

Beside other statistical analyses we conducted on these variables an exploratory factor analysis with varimax rotation to reveal any justifiable grouping among capabilities. We searched for the variables which have the lowest final communality. If the extraction communality of a variable was less than .25 it was eliminated. To find a well-interpretable factor structure we eliminated also those items which belonged to more than one factor. Finally a four-factor structure has been identified (see Table 2). The emerging factors explain 41% of the total variance which is low, though when applied maximum likelihood analysis still acceptable. The KMO value is .77, Bartlett's test came out as significant, which indicates that our variables were suitable for a factor analysis. The results are based on only 13 variables because the other items were eliminated due to a lack of communalities, or to difficulty in the interpretation of factors. In such a way the findings are result of a minimalist approach with a combination of statistical goodness and clear illustration of the phenomenon under investigation. The picture that we got is really very clear: Business ethical considerations (correctness) dominate actors' expectations and even relationship aspects (personal contact) in their explanatory force can be compared to the more professional capabilities (verified competence). Lower weight of financial capabilities probably reflects much more the fact that this is a sine qua non of partnership than a real ranking of expectations. Finally it is to mention that Cronbach-alfa for the total 40 items was 0.9 while for the involved 13 items still .75.

As regards the above presented analysis by its procedure it can be considered as a robust outcome in statistical terms. In order to achieve a better comparability with the assumed structure of project capabilities in the next step we sacrificed statistical robustness to a certain extent and made some compromise when evaluating communalities. Following this approach the dataset provided us with seven factors (see Table 3), where open communication and predictability-timeliness were the most important ones (explaining the most variance), whereas relationship orientation, tangible evidence, adaptation and financial stability were

less important. It is to mention that although relationship orientation apparently proved to be less significant, in its broader sense i.e. in the communication dimension to have confidence in the partner is a must. And – as an interesting finding - contrary to our expectation, tangible evidence proved to be only the last factor, which means making a credence project setting most tangible is not one of the most critical success factors (in contrast to our qualitative results).

Based on a multivariate analysis of variance by using all capabilities as dependent and project participants and country as independent, significant differences can be found between suppliers and buyers. Nevertheless, the correlation between the ratings of the two parties are very similar (correlation coefficient of .83), which indicates that suppliers and buyers think alike. Furthermore, all items are rated higher by buyers, except for financial competences and relational aspects, which show that suppliers focus on financial issues, but also that they are more relationship-oriented than buyers. In sum we can state that project capabilities are actor-specific but in a limited degree.

Comparative analysis among German, Hungarian and American project-actors

We conducted a factor analysis (with maximum likelihood method) to reveal patterns among the competences in each countries, separately, and in supplier companies and buyer companies, too. We used a Varimax rotation process in order to facilitate interpretation.

Investigating the different evaluations among our subsamples (regarding to the companies' country and position in a project-relation) we had to recognize that there are two universal factors, namely 'correctness' and 'financial trustworthiness', which are relevant for most of our subsamples. But we could find differences, too.

We expected differences between suppliers and buyers, because of the different positions in project cooperation can cause different expectations towards the project partners. But it was a really surprising outcome that there are differences also among the investigated countries. To understand these differences we need further investigations. In the next research project step, the post-quantitative qualitative phase can help to understand and interpret our findings.

We had to recognize that while we could find factor structures in the Hungarian subsamples, we had problems with the answers of the German and American buyer companies. Our hypothesis is that the smaller sample size may have caused it. But accepting this hypothesis we had to face a new problem: How could we find factor structures using the German and American supplier companies with this smaller sample size? Why do we need larger sample

to investigate buyers than suppliers? The further qualitative step can give us deeper insights into the thinking of buyers and suppliers.

Finally we made an effort to investigate *project competences from different perspectives* using different analytical concepts and statistical methods. So in the next step we built a regression model to add another perspective to our research.

At first we built a regression model: we regressed the factors identified previously on the factor project management skills. So all factors (e.g. predictability, relationship orientation, open communication, and so on) are used to explain the project competence evaluated by the buyer or supplier. From a methodological perspective we used partial least squares as it allows also to detect unobservable heterogeneity within a sample applying the FIMIX-PLS procedure. We calculated with all cases of all 3 countries (see Figure 1). After that we consequently analysed the different subsamples, which were the followings: buyer vs. seller, construction industries vs. soft-service project industries, in Germany, in Hungary and in the USA. We found that across all subsamples two factors were always significant: 'Open Communication' and 'Relationship Orientation'. So at first sight, we could conclude, that there were no differences in evaluating project management capabilities across the different subsamples / perspectives (see Table 5).

In the next step to detect unobservable heterogeneity (i. e. heterogeneity, that cannot be explained by our control variables / subsamples) we applied FIMIX-PLS to all models. Indeed subsamples were generated as the result of this analysis. But looking at the fit indices indicate, that only in the country subsamples a good fit of the detected segments can be found.

We had to face the question: So what could be the story behind it? We tried to "characterize" those subsamples and came up with three distinct characterizations:

"Friends": Companies that totally focus on relationship and open communication.

"Adaptors": Companies that focus on the special needs of the counterpart and adapt to it. "Professionals": Companies focusing on all facets of a good project management.

Interestingly, in all three countries "Friends" is the largest segment, followed by than different segments in different countries (e.g. Germany "Professionals", Hungary "Adaptors").

We can interpret our results that there are different ways of evaluating successful project managers. It could be argued that this is due to situational factors or due to the people that manage the projects or are in charge of evaluating capabilities of the buyer / seller.

A Post-quantitative Qualitative Research

In the test interviews with project managers of hard and soft projects first we asked the actors to review the 13 partner capability items (see Table 2) and to group the interconnected capabilities in categories. The aim of this is to justify the reliability of the four-factor structure revealed. Test interviews suggest that the way of thinking is probably very different by project industries. Certain actors might feel that project capabilities include both professional knowledge (up to date methods, experience, reliability) and interactive relationship management, others distinguish the issues related to knowledge and relationship. There is more consensus on the financial reliability, most of the project managers involved in the test phase consider outstanding debt and accomplishment according to the contract as factors related to financial reliability however some of them treat those items as factors of the professional reliability.

CONCLUSIONS

In the methodology section a detailed explanation has been given on the three-staged research design. In summary, learning about critical success factors in projects from both, buyers' and suppliers' perspective can make the project participants become more involved and proactive. Our qualitative interviews underlined that suppliers, who show leadership, pro-activity and provide a range of solutions have a better connection to the buyer's organization by cutting through organizational silos. Furthermore, this could also bring about strong involvement in the buyer towards the project, which is likely to create opportunities for joint value creation. Our qualitative interviews also revealed the importance of showcasing tangible evidence especially in reducing the buyer's risk perception, which can be also reduced by appropriate risk communication (providing solutions with risk).

Our quantitative findings highlighted the factor structures of capabilities and their ratings for both, buyers and suppliers across three countries. Although we found numerous differences across these groups, the analyses undertaken showed a significant alignment across the groups, which means that buyers and suppliers do not expect substantially different things. The role of transparent and open communication is dominant, which should focus on both, speaking and listening. These discussions should include risk assessment and boundaries of capabilities and hence, setting expectations. From the post-quantitative qualitative research we are expecting to gain a very deep insight into project actors' way of thinking as regards content and relevance of explored capabilities of partner firms.

Table 1. Proportion of Supplier and Buyer Companies in the three National Subsamples

Country		Supplier Companies	Buyer Companies	Total
Germany	Count	171	135	306
	%	**56**	**44**	**100**
Hungary	Count	243	223	466
	%	**52**	**48**	**100**
USA	Count	62	62	124
	%	**50**	**50**	**100**
Total	Count	476	420	896
	%	**53**	**47**	**100**

Table 2. Four-factor structure of expected project capabilities

Items	Factor loading	Factor label (explained variance in %)
discuss problems/risks with us honestly	.70	
make the limitations/boundaries of their capabilities clear to us	.58	Correctness
open to clarify problems	.49	(13.3%)
react quickly to emerging issues	.49	
adapt quickly to new business partners	.46	
apply the most up-to-date methods	.67	Verified
quality assured (eg. ISO)	.64	competence
have both theoretical knowledge and business experience	.44	(9.8%)
good at nurturing our business relationship even if we do not have a joint project	.72	Personal contact
have a great personal relationship with them	.54	(9.1%)
their credibility is supported by their personal connections	.45	
do not have outstanding debts	.65	Financial
meet their financial obligations according to the contract	.60	reliability (7.5%)

(KMO=.77; total variance explained =41%)

Table 3. Seven-factor structure of expected project capabilities

Items	Factor loading	Factor label (explained variance in %)
allocate time to understand our needs and expectations	.68	
make the limitations/boundaries of their capabilities clear to us	.66	Open
discuss problems/risks with us honestly	.54	communication
good at assessing whether adequate resources are available inside their own company	.54	(23%)
meet deadlines	.72	
do not change the conditions during the course of the project	.60	Predictability-
notify us of changes on time (eg. delays)	.57	timeliness (8%)
keep to their word	.50	
have a great personal relationship with them	.78	Relationship-
good at nurturing our business relationship even if we do not have a joint project	.77	orientation
their credibility is supported by their personal connections	.66	(6.5%)
good at selecting project participants	.65	Project
their project leaders are authorized to make decisions on upcoming problems	.63	management
tasks and responsibilities are well defined in their project teams	.52	skills (6%)
meet their financial obligations according to the contract	.81	Financial
do not have outstanding debts	.68	discipline/stability
do not ask for things that are not specifically included in the contract	.55	(5%)
quickly adapt to new business partners	.74	
in cases, when they have got sufficient expertise they reach out for external help	.64	Adaptation (5%)
willing to come to a consensus	.62	
quality assured (eg. ISO)	.82	Tangible evidence
apply the most up-to-date methods	.70	(4.5%)

(KMO=.83; total variance explained =58%)

Table 4. Factor structures of expected project-competences in the investigated subsamples

Hungarian Supplier Companies	Hungarian Buyer Companies	German Supplier Companies	German Buyer Companies	American Supplier Companies	American Buyer Companies
Proved competence	Correctness	Correctness	-	Proved Competence	Correctness
Responsiveness	Predictability	Clever at finding partners	-	Good reputation	
Financial trustworthiness	Financial trustworthiness	Credibility	-		
		Financial trust-worthiness			

Table 5. n = 888

TOTAL	BUYER	SUPPLIER	CONSTRUCTION	SERVICES	GERMANY	HUNGARY	USA
Adaptation	Adaptation	Adaptation	Adaptation	Adaptation	Adaptation	Adaptation	Adaptation
Financial Discipline	Financial Discipline	Financial Discipline	Financial Discipline	Financial Discipline	Financial Discipline	Financial Discipline	Financial Discipline
Open Communication	Open Communication	Open Communication	Open Communication	Open Communication	Open Communication	Open Communication	Open Communication
Predictability	Predictability	Predictability	Predictability	Predictability	Predictability	Predictability	Predictability
Relationship Orientation	Relationship Orientation	Relationship Orientation	Relationship Orientation	Relationship Orientation	Relationship Orientation	Relationship Orientation	Relationship Orientation
Tangible Evidence	Tangible Evidence	Tangible Evidence	Tangible Evidence	Tangible Evidence	Tangible Evidence	Tangible Evidence	Tangible Evidence

FIMIX Estimation

ALL   **3 Segments**

	S1	S2	S3		Fit Indices	
Adaption	-.062	.493	.230		AIC	3372.145
Financial Discipline	.094	-.189	-.300			
Open Communication	.551	.328	.141		BIC	3482.498
Predictability	-.041	.209	.408		CAIC	3482.523
Relationship Orientation	.231	.068	.273			
Tangible Evidence	-.163	-.002	.463		EN	.312
Size	**.570**	**.310**	**.120**			

"Friends"	"Adaptors"	"Professionals"

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Figure 1. TOTAL   n = 888

PLS Estimation   R²   **.412**

	Project Mgt	t-value	Sign.
Adaptation	.131	.156	.124
Financial Discipline	-.039	.353	.362
Open Communication	.436	3.373	.000
Predictability	.099	.853	.197
Relationship Orientation	.190	1.879	.030
Tangible Evidence	-.017	.167	.434

FIMIX Estimation

	S1	S2	S3
Adaptation	-.062	.493	.230
Financial Discipline	.094	-.189	-.300
Open Communication	.551	.328	.141
Predictability	-.041	.209	.408
Relationship Orientation	.231	.068	.273
Tangible Evidence	-.163	-.002	.463
Size	**.570**	**.310**	**.120**

Fit Indices	
AIC	3372.145
BIC	3482.498
CAIC	3482.523
EN	.312
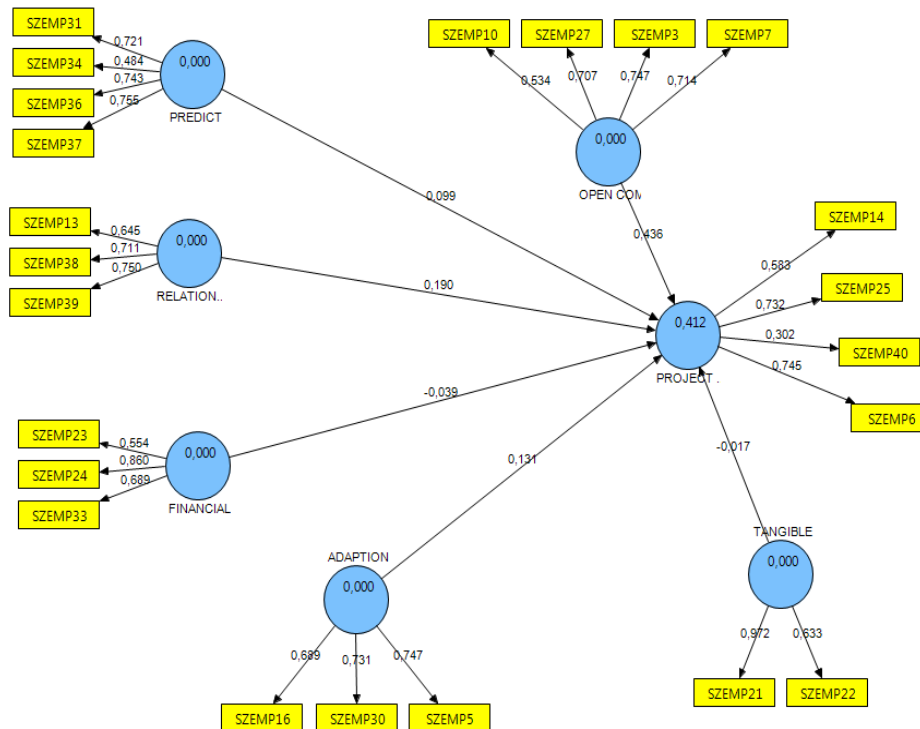
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[04]

MEDICAL TOURISM IN INDIA: PERSPECTIVES AND MARKETING CHALLENGES

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Abstract

High end technological support, highly skilled human resource, cheaper treatment with least waiting time, diversified medical therapy and excellent quality of healthcare make India an alluring medical trip destination, mainly from U.K. & U.S. Cost effective Medical treatment is putting an updated dollar value on Human life. The Indian medical tourism industry market accounts for approximately INR.13500 million (USD 240 million) and is growing at the rate of 30% annually. Major corporate hospitals & some premier government institutions have emerged as main market place for this business. Medical tourism has now become a new model of Marketing as it is going to become India's next big industry. The SWOT analysis of Indian Medical tourism business reveals a need for collaborative marketing strategy with government tourism department to promote it and meet the challenges such as lack of medical infrastructures, international accreditation and lack of support from government. Therefore, key challenges to be addressed to promote the medical tourism and make it really a new model of marketing,

Key words: *Medical Tourism, Marketing, SWOT Analysis*

Traveling abroad for one's health has a long history for the upper social classes who sought spas, mineral baths, innovative therapies, and the fair climate of the Mediterranean as destinations to improve their health. The newest trend in the first decade of the twenty-first century has the middle class traveling from developed countries to those with emerging economies to avoid treatment delays, prohibitive costs for life-saving procedures, or simply high costs for elective surgery. "Medical tourism is a term that has risen from the rapid growth of an industry where people from all over the world are traveling to other countries to obtain medical, dental and surgical care, while at the same time touring, vacationing and fully experiencing the attractions of the countries that they are visiting."

Medical Tourism can be broadly defined as travel undertaken for the purpose of availing cost effective healthcare that meets international standards of healthcare and comfort. Broadly, Medical Tourism is a concept, where two important service industries are dovetailing to attract people who seek healthcare services located beyond the geographical territory of their country and the destinations generating revenues from supplying the services that the health

tourist utilize. It is an integrated and collaborative approach from both healthcare and tourism industries, where a patient seeks healthcare and recreation in totality. Medical tourism industry of India can be classified into: Inbound: foreign patients travelling to India to seek medical assistance. Outbound: Indian patients travelling abroad for treatment. Intra bound: Indian people travelling interstate for seeking treatment. International medical travel occurs when patients cross national boarder to purchase medical goods and services. Medical tourism is a rapidly growing industry with countries like Mexico, Brazil, Costa Rica, Dominican Republic, Peru, Hungary, India, Israel, Jordan, Lithuania, Malaysia, South Africa, Thailand and the Philippines actively promoting it. Medical tourists are generally residents of the developed nations who travel to the countries, which are typically the less developed. Medical industry is the second largest industry (next to agriculture) in world and estimated around 2.5 Trillion business. To promote the industry further, the medical tourism has taken as a strong marketing tool.

The **history of medical tourism** cites that even in the early times, people have been traveling to other countries for health purposes. There were the ancient Greeks and Egyptians who went to hot springs and baths to improve their health as well as the 18th and 19th century Europeans and Americans who flocked to health spas and sanitariums and even in remote places in the hope that they will get treatment for diseases such as tuberculosis, gout, bronchitis or liver diseases The history of medical tourism dates back to its first recorded case when Greek pilgrims traveled from the Mediterranean to Epidauria, a small territory in the Saronic Gulf. It was said that this small territory was the sanctuary of Asklepios, known as the healing God. The probable actors of the Medical/Health tourism sector are: The traveler, foreign tour, operator, hospitals, insurance companies, travel Agents, tourist destination/place, local tour, operator, local guide, local hotels and local market. A most recent entrant in the field of medical tourism are the independent medical referral companies that review the individual's medical history and then recommend a doctor and hospital best suited for that particular patient. They also provide a complete service offering: visa and ticketing assistance, local transfers, complete coordination of treatment and recuperation, holidays in India, etc. Aarex India in Mumbai is one such agency. The service spectrum of medical tourism is reflected in Table 1.

Table 1. The service spectrum

Content	Wellness tourism	Alternative system of medicine	Cosmetic surgery	Advanced and life care healthcare
Service offered	Spas, stress relief, rejuvenation centres	Ayurveda, Siddha, Treatment for diseases like arthritis and rheumatism	Dental care, plastic surgery, Breast enhancement, skin treatment	Organ transplant, Hip replacement, cardiovascular surgery
Profit margin	Low	Low	Medium	High
Key competitors	Thailand, South Africa	-	South Africa, Cuba, Thailand	Singapore, Thailand, Jordan, Malaysia
India's strength	Low, Thailand has captured significant strength in the market	High, Kerala is popular for its service	Low, South Africa and Cuba lead in plastic surgeries. Cuba specializes in skin treatment	High, India has strong brand equity. Jordan has a strong presence n East market

The Drivers for Medical Tourism are;

1. Advanced medical/healthcare that is not available in one's own country (in the less developed countries).

2. Long waiting lists in the hospitals in one's own country.

3. Non affordable (cost factor) & quality health care organizations.

4. Opportunity to combine vacation with wellness.

5. Great reputation of doctors and the high success rates compared to other countries.

6. Diversity of tourist destinations.

7. Availing services that are illegal in one's own country, e.g. abortion,

Medical Tourism market consists of target Market, operators, consumer Benefits, social Issues, Infrastructure ,branding, market Description: Medical Tourism ,product, communication, channels and legal Framework.

Benefits of Medical Tourism

Tangible :

• Foreign exchange earnings which add to the economic wealth of a nation

• Cost advantage in tariff over the developed countries

• Improved information sharing

• Increase in efficiency of patient care process, cutting edge treatment.

• Improvement in hospital supply chain efficiency

• Strategic alliances with business partners within and outside the country

• Technology and knowledge transfer

• Better logistics performance both in internal and external

• Creation of employment opportunities in the industry

• Better utilization of infrastructure and skilled manpower

• Opportunity for development of infrastructure in Health, Tourism and Travel

• Economies of scale.

• Connectivity with air, road, rail and information and communication industries

• Clustering of medical travelers

• Increased wealth per capita

• Health opportunities for foreign patients may lead to better standards at home.

• Scope for Research and Development to offer comprehensive medical solutions

Intangible :

• International acceptance of country as a global healthcare provider

• Social and cross cultural experience

• International customer relations

• Global marketing and medical trade relations

• Brand image of nation as world class healthcare destination.

• Competitive advantage

• Better coordination among the partners i.e. hospital and hospitality industry.

• Public and Private Partnerships

• Patient satisfaction

Medical Tourism in India: Current Scenario

India's efforts to promote medical tourism took off in late 2002, when the Confederation of Indian Industry (CII) produced a study on the country's medical tourism sector, in collaboration with international management consultants, McKinsey & Company, which outlined immense potential for the sector The following year, the then finance minister called for the country to become a "global health destination" and urged measures, such as improvements in airport infrastructure, to smooth the arrival and departure of medical tourists. Private hospital chains such as Apollo, Fortis, Max Healthcare, and Wockhardt first promoted medical tourism to India. What started as the corporate initiatives of a few hospital chains and business entrepreneurs soon became a national economic strategy. India now classifies care of international patients as an "export" product.

Hospitals in India benefit from reduced tariffs on imported medical devices such as diagnostic imaging systems, low corporate taxes, substantial government investment in local transportation infrastructure and airport hubs, and special economic zoning laws. "Medical visas" enable visitors from other countries to stay in India for extended periods of treatment and recovery.

According to the Confederation of Indian Industries (CII), India is unique as it offers holistic medicinal services. With yoga, meditation, ayurveda, allopathy, and other systems of medicines, India offers a unique basket of services to an individual that is difficult to match by other countries, says CII. Also, clinical outcomes in India are at par with the world's best centers, besides having internationally qualified and experienced specialists.

Statistics suggest that the medical tourism industry in India is worth USD 240 million (INR 13500 million) while a study by CII-McKinsey estimates that the country could earn INR 80000-120000 million by 2014. The study predicts that, "by 2014, if medical tourism were to reach 35 per cent of revenues of private up-market players, up to Rs 12,0000 million (USD 2140 million) will be added to the revenues of these players". According to the Government of India, India's $ 17-billion-a-year health-care industry could grow 13 per cent in each of the next six years, boosted by medical tourism, which industry watchers say is growing at 30 percent annual.

 Some of the corporate hospitals in India that lead the medical tourism revolution are **-**Escorts Heart Institute & Research Centre, Apollo Hospitals, New Delhi / Chennai, Wockhardt Hospitals group, Fortis Healthcare group, P.D. Hinduja National Hospital & Medical Research Centre, Mumbai**,** Shanker Netralaya, Chennai, Tamilnadu.**,** Christian Medical

College, Vellore, Tamilnadu, Tata Memorial Cancer Hospital. Apart from the private players, public sector hospitals like All India Institute of Medical Sciences (AIIMS), New Delhi Sanjay Gandhi Postgraduate Institute of Medical Sciences, Lucknow, (SGPGIMS)India, Postgraduate Institute of Medical and Research, Chandigarh, India are the main players.

Cost Competitiveness – The key driver

The most important factor that drives medical tourism to India is its low cost advantage. Majority of foreign patients visit India primarily to avail of "First World Service at Third World Coming to India for a Medical Trip helps save a significant amount of money, sometimes to the tune of 50 % to 70 %.Cost comparison (in USD) for some procedures in some of the countries is reflected as below in Table 2.

TABLE 2. COST COMPARISON (IN USD) FOR SOME PROCEDURES IN SOME OF THE COUNTRIES

Procedure	US	UK	Thailand	India	India/US	India/UK	India/Thailand
Heart Surgery	40,000	23,000	7500	6000	85%	73.9%	20%
Bone marrow Transplant	250,000	150,000	62,500	26,000	89.6%	82.7%	52%
Liver Transplant	300,000	200,000	-	69,000	77%	65.5%	-
Knee Transplant	27,000	16,000	8000	6000	77.8%	62.5%	25%
Hip Replacement	19,000	15,000	-	5000	73.7%	66.7%	-
Angioplasty	30,000	23,000	-	4500	85%	80.4%	-
Cosmetic Surgery	20,000	10,000	3500	2000	90%	80%	42.9%

Some of The Products That are "Sold" Under the Banner of Medical Tourism are;

Wellness - Spas, Lifestyle/Healthy vacations, Nature tourism, Ecotourism, Community Tourism, Resorts, Herbal Treatments, and Complementary Healing.

Treatment - Elective surgery, Cosmetic surgery, Joint replacement, Cardiothoracic services, Eye surgery, Diagnostic services, Reproductive treatment, and Cancer treatment.

Rehabilitation– Dialysis, de-addiction programme, Elderly care programs, and Counseling services.

Contemporary and state of the art infrastructure, high end technological support, skilled manpower, and excellent quality of health care, make India an alluring Medical Trip destination, chiefly for patients in the U.K., and U.S., where health care costs are exceedingly steep. It has been estimated that India produces as much as 20,000 to 30,000 qualified doctors and nurses annually. Indian corporate hospitals excel in cardiology and cardiothoracic surgery, joint replacement, orthopedic surgery, gastroenterology, ophthalmology, transplants and urology to name a few. The various specialties covered are Neurology, Neurosurgery, Oncology, Ophthalmology, Rheumatology, Endocrinology, ENT, Pediatrics, Pediatric Surgery, Pediatric Neurology, Urology, Nephrology, Dermatology, Dentistry, Plastic Surgery, Gynecology, Pulmonologist, Psychiatry, General Medicine & General Surgery, and Dental treatment.

Combining a Medical Trip with a Pleasure Trip

India is bounded by the magnificent Himalayan ranges in the north and fringed along the west, south, and east by a continuous stretch of beautiful, sunny beaches, India is a vibrant combination of breathtakingly stunning landscapes, thick tropical forests, glorious historical sites, royal cities, colorful people, rich cultures and innumerable festivals. Himaliyan valley, Taj Mahal of Agra, Arabian sea beaches, Dull lake of Kashmir, Red Fort of Delhi, Rajasthan Deserts, Golden Temple of Amritsar etc. are the other prominent tourist destinations of India. Spa treatments, Yoga, Ayurveda and naturopathy have always enticed tourists to India. Throughout the country, there are countless health spas, relaxation and meditation centers that offer therapeutic healing of the body, mind and soul. Holistic centers in Kerala, Goa, and Himachal are especially renowned. Holistic centers in Kerala, Goa, and Himachal are especially renowned. The comfort, calm, and reassurance of the treatments can perk up the body's well being by enhancing its own inherent curing abilities, and can promote a sense of tranquility, and peace.

The Economics of Indian Medical Tourism

Maheshwari of RNCOS. study shows that CAGR (compound annual growth rates) in revenue in 2011-13 will be 26%. In terms of medical tourists, the number would touch 1.3 million by 2013 at a CAGR of 19%. "Medical tourism can be considered one of the rapidly growing industries in the Indian economy on the back of various factors,". "India has been ranked among the top five destinations for medical tourism," says Rana Kapoor, founder, managing director and CEO of Yes Bank, which has recently done a study on health and wellness tourism in India along with apex chamber of commerce FICCI. The ranking by Nuwire Investors, an online source for news on alternative investments, puts Panama on top, followed by Brazil, Malaysia and Costa Rica."India is looking at exponential growth as far as tourism is concerned," continues Kapoor. "Yes Bank forecasts that there will be an increase in domestic tourist movements over the period (2008-2020) by 118% and foreign tourist inflows over the same period will increase by 71.87%. What the potential for medical tourism from within this growth rate of 71.87% will be depends upon government policies, faith of the patients and many other external factors. The Deloitte report says that India is stepping on the gas; the medical tourism sector is expected to grow 30% annually up to 2015.

Last year, this ecosystem was responsible for about 600,000 patients travelling to India and spending US$1 billion in getting treated here. Some 80% of foreign patients coming to India are from the neighboring countries and from Iraq, Afghanistan, the former Soviet Union, etc and now increasingly from Africa, UK and USA. Foreign patients visited in some of the Indian hospitals during past years have been reflected in Table 3,4,5, 6 & 7.

Table 3. Yearly number of foreign patients at aiims new delhi (year 2010 and 2011)

	Afghanistan	Bahrain	Bangladesh	Britain	Burkina Faso	Cape Vedre	China	Congo	Sudanese
2010	10	3	30	1	0	1	2	8	1
2011	15	0	31	1	1	0	1	2	0

	Congolese	France	Iraq	Italy	Jordan	Kenya	Mauritius	Myanmar	UAE
2010	1	0	5	0	1	15	1	1	2
2011	0	2	2	1	1	5	1	1	1

	Nepal	Nigeria	Pakistan	Palestine	Russia	Somalia	South Africa	Sri Lanka	USA
2010	100	35	10	0	3	2	1	1	0
2011	115	23	1	1	1	1	1	1	1

Table 4. List of foreigners admitted in sgpgims for the year 2011.

Bangladesh	Nepal	Pakistan	Sri Lanka	Myanmar	UAE	Tibet	Bhutan
5	156	6	1	1	5	6	12

Table 5. List of patients from foreign countries in hinduja hospital, mumbai

Kenya	Bangladesh	Nigeria	United Arab	Iraq
111	45	40	14	14

Table 6. List of patients from foreign countries admitted in cmc vellore (december 2010 and 2011)

Afghanistan	Africa/Jamaica	Arabian Gulf	Australia	Bangladesh	Bhutan	Brunei	Burma
11	2	16	1	1885	90	1	1

Canada	Egypt	Ethiopia	Germany	Iran	Iraq	Kenya	Malaysia
1	3	4	1	1	3	4	4

Maldives	Mauritius	Muscat	Nepal	Nigeria	Oman	Pakistan	Persian Gulf
28	3	5	181	55	20	2	1

Qatar	Sri Lanka	Tanzania	Uganda	United Kingdom	USA	Zambia
1	52	3	1	2	2	3

Table 7. Number of patients at tata memorial centre, mumbai (year 2011 and 2012)

2011	415
2012	386

A I I M S New Delhi

All India Institute of Medical Sciences (AIIMS) was established in 1956 as an autonomous Institution of national importance by an Act of Parliament with the objective to develop teaching at undergraduate and postgraduate level in medical education in all discipline so as to demonstrate a high standard of medical education for medical colleges and other allied institutions in India, training of personnel in all important branches of health activity; and to attain self sufficiency in postgraduate medical education.

Forty clinical departments including seven super specialty centers manage practically all type of disease conditions with support from pre and para- clinical departments. The AIIMS hospital and specialty centers caters to nearly approx. 25,00,000 patients in OPD & approx. 1,00,000 patients were admitted in the hospital & different centers approx. 1,20,000 surgical procedures are conducted during one year. This includes nearly 2500 heart surgeries, 2500 neurosurgeries, heart transplants, cadaveric kidney transplants. During the last two years, Organ Transplant Programme has taken off very well. AIIMS provides leadership in heart transplant, cadaveric renal transplant and liver transplant in India

The patient, once admitted receives all these facilities almost free of cost, except for the nominal fee of Rs.350/- at the time of admission. No fee on account of routine medicine and investigations is charged from the patients for special investigations for which a nominal fees has to be paid.

Sanjay Gandhi Postgraduate Institute of Medical Sciences (SGPGIMS), Lucknow (U.P.)

The institute has been established by the state of Uttar Pradesh (India) to create a centre of excellence for providing medical care, education and research of high order in 1983. It is charted to function as university under state act. This tertiary healthcare Institute aims to provide only advance specialized medical care such as is available only at few centre in the country and nowhere else in the state. The institute started functioning from 1987.

The main superspeciality hospital is having 868 beds, 17 well equipped specialty operation rooms, 42 intensive care beds. The Neuro Sciences, Cardiac Sciences, Renal Sciences, Gastroenterology, Endocrinology, Genetics and Immunology. Critical care Medicine, Hematology are the major superspecialities.

Lucknow as Medical Tourism Destination

The city has one of the best infrastructures amongst many cities in India and the sub-continent. Yet, Lucknow has a much lower costs with relations to hotels, commutation, recreations. Apart from patients care during medical tourism costs of patients' attendants should also be kept in mind and this is easily done in Lucknow since the city has best of hotels at highly affordable prices. The city has a back ground of city of NABAB and has many historical places to be visited. Some of the tourist places of India such as Agra, Sarnath, Varanasi, Prayag, Kushinagar and Khajuraho are very near from here.

STRATEGIC PLANNING TO PROMOTE MEDICAL TOURISM

 As per the Analytical study, Medical Tourism in India is not in organized form, there should be strategies, planning and Management for promotion of Medical Tourism and to make a Medical Hub in India across the globe.

Strategic Planning – components
- Marketing / Advertising for Medical Tourism
- Sale Support Techniques
- Public Relation in Medical Tourism
- Promotional Strategy used by Hospital
- Promotional Strategy by Tourism Enterprise
- International Trade Fair & Exhibition

SWOT - (Strengths, Weaknesses, Opportunities, and Threats)

PEST - (Political, Economic, Social, and Technological analysis)

STEER - (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors)

EPISTEL - (Environment, Political, Informatics, Social, Technological, Economic and Legal)

SWOT ANALYSIS OF INDIAN MEDICAL TOURISM INDUSTRY

Strengths:

- Strong reputation in the advanced healthcare segment (cardiovascular surgery, organ transplants, eye surgery)
- Diversity of tourist destinations available in the country.
- Low cost of treatment and medicines in India.
- No compromise on the quality of medical services, which can confidently compete with that of even the most developed nations.
- India has achieved universally acclaimed standards in complex and significant procedures such as cosmetic surgery, dentistry, joint care and heart surgery.
- And all this at 1/10th of the price compared to developed nations.
- India is unique as it offers holistic medicinal services with yoga, meditation, ayurveda, allopathy, and other systems of medicines, India offers a unique basket of services to an individual that is difficult to match by other country.

Weaknesses:

- No strong government support/ initiative to promote medical tourism in past.
- Low coordination between the various players in the industry- airline operators, hotels, and hospitals.
- Lack of internationally accreditated hospitals.
- Lack of uniform pricing policies across hospitals.
- Cheating
- Political problems etc.
- Lack of Legal Framework

Opportunities:

•	Increased demand for healthcare services from countries with aging population (US, UK)

•	Fast-paced life style increases demand for wellness tourism and alternative cures.

•	Shortage of supply in National Health Systems in countries like UK, Canada.

•	Demand from countries with underdeveloped healthcare facilities.

•	Demand for retirement homes for elderly people especially Japanese.

•	Personal touch by the doctors in India.

•	Traffic system is well developed and easy to go from one country to another country.

Threats :

•	Strong competition from countries like Thailand, Malaysia and Singapore.

•	Lack of international accreditation – a major inhibitor.

•	Overseas medical care not covered by insurance providers.

•	Under – investment in health infrastructure.

•	Exorcism is more in India, foreigners may attract.

•	Identifying a real practitioner is a major problem in India.

•	Exploitation of tourists by illegal money changers.

•	New Delhi super bug.

INITIATIVES

The government of India has now thought number of steps to increase foreign tourist arrivals to India. They include: Creation of World Class Collaterals, Centralized Electronic Media Campaigns, Direct cooperative marketing with tour operators and wholesalers overseas, Greater Focus in the emerging markets, particularly in the Region of China; North-East Asia and South East Asia, Participation in Trade Fairs & Exhibitions, Optimizing Editorial PR and Publicity, Initiatives have been launched in the sphere of Medical Tourism in partnership with the private sector to make India emerge as a major global hub. The government of India has introduced a new category of Medical Visa (M-Visa), which can be given for specific period to foreign tourists coming to India for medical treatment.

CONCLUSION

The health care has become a global concern and the service is intangible in nature. In fiercely competitive global market where information is shared instantly, consumers will virtually have all the knowledge and choices in the world. India has bright prospects to emerge as the global destination for medical tourists to avail world class quality health care facilities at cost advantage. As the medical tourism industry is growing exponentially, hospitals need to develop efficient logistics system for continuous improvement to meet the requirements of international patients and to attain sustainable competitive advantage. Health opportunities for foreign patients may lead to better standards at home. Government has to take active role in promoting the health tourism by providing the infrastructure facilities, creating network and connectivity with health tourism and other related industries, tie-ups with other countries. Logistics information system will enable sharing information and effective handling of international patient care from the point of receiving to the point of sending back. Medical tourism will help in maintaining good international relations, cross border relations, trade relations, exchange of manpower and technology among countries. To capitalize the opportunities globally, a coordinated strategy is required by upgrading and restructuring the hospital services and to attract international market. Despite of many challenges, the medical tourism in India will prove as a good marketing tool for healthy industry. However for better perspectives, in addition to government support, other threats and weaknesses need to be minimized.

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[05]

DO MARKETING STRATEGIES ENCOURAGE MALADAPTIVE BUYING?

Kalina Mikolajczak-Degrauwe and Malaika Brengman

Abstract

Previous research shows that strategies used by marketers to encourage buying behaviour, such as sales promotions, loyalty cards, free gifts etc., accelerate purchase and increase consumption. But what if these tactics lead consumers to maladaptive buying behaviour, such as overspending? This article provides evidence that the relationship between materialistic values and compulsive buying (CB) is mediated by either personal or marketing triggers. Materialists who place possessions at the centre of their lives and those who want to pursue happiness by acquiring material goods are prone to CB when feeling sad, lonely, depressed or stressed. On the other hand, materialists who define success by the number and quality of goods accumulated are prone to CB when triggered by marketing incentives such as in-store discounts, sales promotions, encouraging sales personnel, a seductive store atmosphere etc. The results show moreover that compulsive buyers possess more loyalty cards than non compulsive buyers and make more often use of deal-of-the-day action websites such as Groupon. These results have important ethical and social responsibility implications for marketers, retailers and policy makers.

DO MARKETING STRATEGIES ENCOURAGE MALADAPTIVE BUYING?

'In today's developed economies there is an ever-increasing amount of buying, amidst an ever-increasing amount of purchase options' (Mick et al. 2004). This 'hyperchoice' of products and shopping channels, together with ongoing sales promotions and encouraging advertisements only stimulate the desire to obtain material goods. The importance that consumers attach to possessions has recently been increasing so much, that some researchers speak of contemporary consumers as being the most materialistic generation in history (Schor 2004; Chaplin and John 2007). Yet, it is not the fact of acquiring more than ever that is most perturbing, but the *value* attached to the act of acquiring. The nature of shopping has changed (Campbell 2004). Satisfying one's physical needs is not the exclusive reason why people purchase material goods. Buying has become a means of providing pleasure and relaxation (Bellenger and Korgaonkar 1980), expressing one's identity (Dittmar et al. 2004), gaining social status (McCracken 1990) or even regulating one's emotions (Elliott 1994; Dittmar et al. 2007). Recent proposals suggest however that this kind of compensatory behavior is directly related to compulsive buying (Dittmar 2005; Chang et al. 2010).

Compulsive buying behavior (CB) – consumers' maladaptive tendency to purchase products which they do not need and/or cannot afford (McElroy et al. 1994), is a result of a compulsive impulse and a chronic loss of control (Ridgway, Kukar-Kinney and Monroe 2008). Because

of its negative consequences and marked increase over the years (Neuner et al. 2005), CB is considered as a growing concern in many developed countries (e.g., Dittmar 2005; Neuner et al. 2005; Mikolajczak-Degrauwe et al. 2012). While the focus of CB research has been primarily on investigating the prevalence, comorbidity and internal correlates of CB, there is a lack of research examining external, situational triggers to CB (e.g., Kukar-Kinney et al. 2012). Still, not only consumers' internal motives but also external factors are important to fully comprehend this maladaptive consumer behaviour. In line with this conceptualization the current study is an attempt to reveal some external factors triggering consumers to buy compulsively. Taking into account the already established role of materialism in CB (Dittmar 2005), the focus of the present research is to investigate the external mediators of the relationship between materialistic values and CB as well as examining the role of current marketing tools in stimulating CB. The findings from this study show that different materialistic values (centrality, happiness and success) relate to CB through different triggers (either personal states or marketing incentives). Moreover we find that consumers with compulsive buying tendency are more prone to the use of loyalty cards and deal-of-the-day websites such as Groupon, while they seem not (yet) more attracted to mobile promotions.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

Compulsive Buying and Materialism

Ridgway, Kukar-Kinney and Monroe (2008) have defined compulsive buying as a maladaptive consumer behavior characterized by 'repetitive buying and a lack of impulse control over buying'. From a clinical perspective CB is treated as a disorder, though not (yet) officially recognized by the American Psychiatric Association (APA) (2000). There is a disagreement on the nosology of CB: some researchers consider CB as an addictive disorder (Scherhorn et al. 1990), others as an obsessive-compulsive disorder (Frost et al. 1998), others as an impulse control disorder (Black 2007).

Although clinical models represent the main approach to compulsive buying, more attention has recently been given to proposals drawing on social psychology which conceptualize CB as a compensatory behaviour (Dittmar 2005; Elliott 1994). In this conceptualization buying material goods helps consumers to deal with self-esteem or mood problems. CB is seen as a method of coping with life's challenges (Scherhorn 1990), low self-esteem (O'Guinn and Faber 1989; d'Astous 1990; Hanley and Wilhelm 1992) and/or internal psychological tension (Valence et al. 1988). It is also viewed as a process whereby consumers want to escape from

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negative feelings, stress and anxiety (O'Guinn and Faber 1989; Edwards 1993; Ergin 2010). Similar correlates have been found with regard to materialism, which has been linked to for example low self-esteem, low subjective well-being, or dissatisfaction with one's life (e.g., Kasser and Kanner 2004; Kasser and Ahuvia 2002). Based on these similarities researchers started to anticipate and investigate the link between compulsive buying behavior and materialism (O'Guinn and Faber 1989; DeSarbo and Edwards 1996; Rose 2007; Johnson and Attmann 2009). For example O'Guinn and Faber (1989) and Edwards (1992) discovered that compulsive buyers tend to be more envious and non generous than non compulsive consumers, but not more possessive. This could imply that compulsive buyers are more involved with the process of shopping and spending than with owning the items they purchase. DeSarbo and Edwards (1996) took a deeper look at the relationship between CB and materialism as defined by Belk (1985), and found that two different clusters of compulsive buyers exhibit different correlates, with 'external' compulsive buyers scoring significantly higher than 'internal' compulsive buyers on possessiveness (the desire to own the items purchased) (DeSarbo and Edwards 1996). According to Dittmar (2005, p. 472) however, Belk's materialism measure neglects dimensions identified as central to materialistic values, such as beliefs in material possessions as a central life goal, as markers of personal success, and as an important route to a better and happier self. By examining the specific nature of materialism, Richins and Dawson (1990, 1992) concluded that materialism is best viewed as a value which guides people's choices and conduct in a variety of situations. They identified three components of materialism: centrality, happiness and success. Centrality refers to the fact that materialists place possessions at the centre of their lives. The happiness dimension refers to the pursuit of happiness by acquiring material goods. The success dimension, finally, implies that success is defined by the number and quality of goods accumulated. Following this approach, Dittmar (2005) conducted a study on the relationship between materialism and CB and concluded that materialism is a significant predictor of CB because it 'channels consumers towards buying consumer goods as a compensation strategy when they feel unhappy about themselves, or in search of a better self' (p. 473). What Dittmar failed to report however is the relationship of the different materialism dimensions (centrality, happiness and success) specified by Richins and Dawson (1990) with CB. The aim of the current study is to fill this gap by investigating how different dimensions of materialism relate to CB and reveal possible mediators of this relationship. The development of hypotheses was based on previous research and the theory of materialism as suggested by Richins and Dawson (1990 1992).

As consumers scoring high on the centrality dimension of materialism find the pursuit of possessions a central goal in their daily lives, in the same way that compulsive buyers do (O'Guinn and Faber 1989; Ridgway et al. 2008), we hypothesize that:

H1a: Compulsive buying is positively related to the centrality dimension of materialism.

For consumers scoring high on the happiness dimension of materialism, acquisitions provide a source of satisfaction. These consumers believe that their lives would be better if they had more or different possessions (Richins and Dawson 1990). For compulsive buyers each buying episode also provides a source of pleasure. Asked about their feelings during and just after a buying trip, compulsive shoppers claim to experience euphoria, happiness, relaxation, relief, or satisfaction (Miltenberger et al. 2003). We can therefore expect that:

H1b: Compulsive buying is positively related to the happiness dimension of materialism.

The third dimension of materialism according to Richins and Dawson (1992) is success. High scores on this dimension imply that success is defined by the number and quality of goods accumulated. Compulsive buying has similarly been linked to money attitudes. It has been shown that compulsive spenders are more likely to spend money in a manner which is reflective of status and power (Hanley and Wilhelm 1992). They also use money more often as a means of comparison with others. Having more money means being able to buy more – a symbol of well-being. Moreover CB has been positively related to perceived social status (Yurchisin and Johnson 2009). Therefore we posit that:

H1c: Compulsive buying is positively related to the success dimension of materialism.

Compulsive Buying and (Modern) Marketing Triggers

Past research on CB has mainly focused on finding its psychological antecedents. With this regard a wealth of useful results have been provided and many correlates of CB have been revealed, among them: *dependence* (Valence et al. 1988; O'Guinn and Faber 1989; DeSarbo and Edwards 1996), *tendency to fantasize* (O'Guinn and Faber 1989), *perfectionism* (O'Guinn and Faber 1989; DeSarbo and Edwards 1996; Kyrios, Frost, and Steketee 2004), *impulsiveness* (Christenson et al. 1994; DeSarbo and Edwards 1996; Rose 2007), *denial* (DeSarbo and Edwards 1996), *narcissism* (Rose 2007), *external locus of control* (Watson 2009), *self-control* (Sneath et al. 2009), etc. Past research shows moreover that some personal negative states such as depression, anxiety or feeling sad or lonely, can lead to CB (e.g., Sneath et al. 2009; Ergin 2010).

On the other hand less focus has been given to the environmental factors triggering compulsive buying behavior. Consumer culture has changed enormously over the years: online shopping has become a preferred shopping mode for many consumers (Fortson et al. 2007) and 'half of Americans use their mobile devices to make purchases' (Farb 2011), just to give some examples. Each year corporations spend large amounts of money to tailor and personalize their marketing messages and to discover new tactics to encourage consumers' repeated purchases and consumption (Workman and Paper 2010). As a result, consumers are exposed to more persuasive advertising pressure than ever before (Neuner et al. 2005). Next to advertising, sales promotions play an important role in the promotional strategy of many companies (Shimp 1990). They are used to trigger unplanned purchases (Imman et al. 1990; Heilman et al. 2002), to encourage consumers to purchase unadvertised merchandise (Mulhern and Padgett 1995) or to stockpile (Blattberg et al. 1981; Shi et al. 2005), to increase the number of shopping trips to the store (Walters and Rinne 1986) and have a strong impact on brand switching (Foubert and Gijsbrechts 2007). Firms are using on average more than eight different types of sales promotions (Donnelley 1994) to seduce consumers. There are active sales promotions -requiring active search by a consumer (e.g., *coupons*), and passive sales promotions, which involve a limited search, such as in-store promotions (e.g., *free-gift-with-purchase*) (Schneider and Currim 1991). Lichtenstein et al. (1995) categorized sales promotions into price and non-price oriented. Coupons are an example of price oriented sales promotions as the consumer benefits from a lower price purchase, whereas *two-for-one* promotions are non-price oriented sales as there is no reduction in price but a consumer still benefits from a purchase (e.g., 'more value for money'). Some researchers confirm that some specific personal characteristics can trigger the response to different promotions (e.g., Martínez and Montaner 2006). For example, being a smart shopper can lead to coupon proneness and being an impulsive buyer can trigger in-store display promotions proneness (Blattberg and Neslin 1990; Martínez and Montaner 2006). Laroche et al. (2003) found that busyness[8] negatively affects behavioral intention toward coupons but not toward *two-for-one* promotions and that store loyalty positively moderates the intent to use coupons in the favorite store but negatively affects the behavioral intention to use *two-for-one* promotions. In-store promotions can possibly influence compulsive buying by reducing post-purchase guilt (Lee-Wingate and Corfman 2009). Next to in-store promotions, a popular way to encourage consumers' buying behavior is by offering loyalty programs - structured marketing

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[8] *busyness* = feeling busy; 'a subjective state that results from the individual's assessment of her or his own recent or expected activity patterns in the light of current norms and expectations' (Gershuny 2005, p. 298).

efforts that reward consumers' loyal buying behavior. This is done by offering different kinds of client cards such as loyalty cards, club cards, points cards etc.

Although these marketing efforts are known to trigger unplanned purchases (Imman et al. 1990) no previous research has yet investigated the influence of them on compulsive buying. We believe that next to personal triggers (some of them mentioned above), also marketing triggers (such as sales promotions and loyalty programs) can stimulate compulsive buying.

H2a: Personal triggers are positively related to compulsive buying

H2b: Marketing triggers are positively related to compulsive buying

As shortly mentioned above, next to in-store promotions, a popular way to encourage consumers' buying behavior is by offering loyalty programs - structured marketing efforts that reward consumers' loyal buying behavior. This is done by offering different kinds of loyalty cards such as client cards, club cards, points cards etc. Although the influence of the use of credit cards on compulsive buying has been widely investigated (e.g., Roberts and Jones 2001), no previous research has examined whether compulsive buying is positively related to loyalty card ownership. Previous research shows that compulsive buying is mostly observed in the retail sectors of clothing, shoes and perfume among women, and in the electro sector among males (Schlosser et al. 1994), therefore we will investigate the use of loyalty cards among consumers in these retail sectors. As compulsive buyers are frequent visitors of shops and buy in larger amounts than average buyers (Ridgway et al. 2008), we hypothesize that:

H3a: Compulsive buyers have more positive attitudes towards loyalty cards than non compulsive buyers.

H3b: Compulsive buyers have more loyalty cards than non compulsive buyers.

Nowadays, it also becomes popular among retailers to recommend special deals online or via smartphone applications. There exist many *deal-of-the-day* websites, with Groupon probably being the best known globally, with sales exceeding 1 billion dollars (Byers et al. 2011). The most important characteristic of the discount vouchers of Groupon is that they offer to consumers substantial savings (generally 40-60%) (Edelman et al. 2011). Moreover, the deals are localized, meaning that consumers are alerted about offers in their specific region. In spite of some reputation problems caused by sporadic unfair advertising techniques (Yiannopoulos 2011) Groupon attracts millions of consumers from 48 countries around the globe (Groupon.com).

With the dramatic growth of the smart phone market these days, people can easily connect to the Internet and can manage their 'online life' any place at any time (Park and Lee 2011). For

that reason an important step in achieving a competitive advantage and enhancing sales for a retailer is to adopt these new technologies. There are numerous opportunities for retailers to evoke consumer responses through mobile device-based promotional offers. Besides increasing profitability for the retailer and stimulating consumers' decisions to buy, these advances may have a dark side. For consumers who deal with uncontrolled buying urges, these new marketing tools might lead to more impulsive or compulsive purchases by increasing both accessibility to products and services and the ease with which purchases can be done. Impulsive and compulsive buyers are exposed to an even bigger challenge now to control their excessive buying sprees.

No earlier study has yet investigated the use of *deal-of-the-day* promotions and mobile device based promotional offers among compulsive buyers. Still, knowing whether compulsive buyers are prone to use these new technological advances would give additional insight in the external antecedents of compulsive buying behavior. We hypothesize that:

> H4a: Compulsive buyers have more positive attitudes towards mobile promotions than non compulsive buyers

> H4b: Compulsive buyers make more often use of mobile promotions than non compulsive buyers

> H5a: Compulsive buyers have more positive attitudes towards Groupon deals than non compulsive buyers

> H5b: Compulsive buyers make more often use of Groupon deals than non compulsive buyers.

The Mediating Role of Personal and Marketing Triggers

As mentioned earlier, one of the objectives of the current study is to investigate how different dimensions of materialism relate to CB and to reveal possible mediators of this relationship. We believe that materialistic values as well as personal and marketing triggers are all positively related to compulsive buying. Moreover, as different aspects of materialism (centrality, happiness, and success) refer to diverse values, we expect that their relationship with compulsive buying will be mediated by distinct triggers. For example, the happiness dimension of materialism refers to the belief that possessions are necessary to achieve happiness and well-being in life. Therefore, when feeling sad or depressed (personal triggers) persons scoring high on the happiness dimensions of materialism can be triggered to buy compulsively. On the other hand, marketing triggers such as *free-gift-with-purchase* deals, or advertisements promoting successful people driving a nice car etc., can trigger compulsive buying behavior among persons scoring high on the success dimension of materialism as for

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persons scoring high on this dimension possessions are an indicator of a person's success in life. For people scoring high on centrality materialistic value personal as well as marketing triggers could prompt to compulsive buying. This is because centrality items refer to the importance of material goods in the person's life in general, therefore marketing triggers can stimulate buying behaviour. On the other hand centrality refers also to pleasure experienced when buying (Richins and Dawson 1992), therefore personal triggers such as feeling sad or lonely could stimulate CB. Therefore we hypothesize that:

H6(a,b): Personal triggers mediate the relationship between (a) the happiness materialistic value and compulsive buying and (b) the centrality materialistic value and compulsive buying.

H6(c,d): Marketing triggers mediate the relationship between (c) the centrality materialistic value and compulsive buying and (d) the success materialistic value and compulsive buying.

Figure 1.

Hypothesized mediation via personal and marketing triggers between materialistic values and compulsive buying
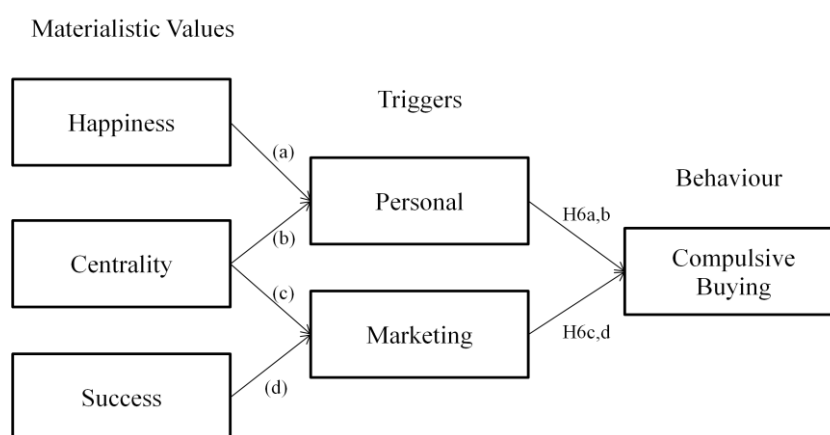
METHOD

Measures

Compulsive Buying Measure. The tendency to buy compulsively was measured using the 6-item scale developed by Ridgway et al. (2008). This scale does not include items concerning income and financial consequences, it incorporates both characteristics of obsessive-

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compulsive behavior as well as the impulse-control dimensions of buying and is the first to appropriately assess the extent of compulsive buying tendency in the general population of consumers. Four items are measured on 7-point Likert scales from *strongly disagree* to *strongly agree* and two items are measured on 7-point frequency scales from *never* to *very often*. In the current study the reliability (Cronbach's alpha) of this scale was .85 and item-total correlations were all above .45. The average value of the CB index was 18.42, the median value was 17 and the range across respondents was 6-42. According to Curran et al. (1996) rules of thumb for normal distribution (skewness ≤2.0 and kurtosis ≤7.0), the CB measure appeared to be normally distributed with skewness =.63 and kurtosis = -.12.

Materialism. Three materialistic values namely centrality, success and happiness were measured by means of Richins and Dawson's (1990 1992) materialistic values scales. Reliabilities (Cronbach's alpha) of each scale were respectively .78 for centrality (7 items), .75 for happiness (5 items) and .74 for the success dimension of materialism (6 items). Item-total correlations were mostly above .35, except for one item of the success factor with an item-total correlation of .26. We still decided to proceed with the complete scale, as originally suggested by Richins and Dawson (1992), as deleting one item would not significantly increase the reliability of this scale. The average value, the median, range, skewness and kurtosis for each of the sub-scales separately are presented in table 1. According to Curran et al. (1996) rules of thumb for normal distribution the materialistic values measure appeared to be normally distributed.

Table 1.

Materialistic values measure statistics

	Range	Mean	Median	Skewness	Kurtosis	Cronbach's alpha
Centrality	1-7	4.11	4.14	-.153	-.431	.78
Happiness	1-7	3.60	3.60	-.067	-.271	.75
Success	1-6	3.17	3.00	.563	.118	.74

CB triggers. To measure which factors trigger compulsive buying behavior, respondents were asked to indicate the frequency with which specific factors made them purchase a product that they afterwards regretted to buy. The questionnaire with CB triggers included specific personal factors (feeling stressed, depressed, lonely, sad, as a reward, when something bad

happened, when something pleasant happened, when bored) and specific marketing factors (convincing advertising, sales promotions, in-store discounts, discount coupons, free-gift-with-purchase, loyalty action, nice in-store product presentation, nice store atmosphere, tasters, under pressure of sales personnel). An exploratory factor analysis with varimax rotation was conducted to find the underlying dimensionality of these situational factors triggering compulsive buying behavior. An examination of the Kaiser-Meyer Olkin measure of sampling adequacy suggested that the sample was factorable (KMO=.910). The results of the rotated component matrix and scree plot initially yielded a three-factor solution with a simple structure (factor loadings $\geq$.30). Items loading high ($\geq$.30) on more than one factor were excluded from further analysis. Repeated factor analysis with the remaining items ultimately yielded a two-factor solution that fit our initial concept of two factors, namely *personal* and *marketing triggers* to compulsive buying (see Table 2). The reliability analysis yielded satisfactory results for both factors with Cronbach's alpha .859 for marketing triggers and .862 for personal triggers.

Table 2.

Exploratory factor analysis – final two-factor solution

	Marketing Triggers	Personal Triggers
discount coupon	.82	.14
in-store discount	.80	.23
free-gift-with-purchase	.80	.23
sales promotions	.80	.18
loyalty action	.78	.11
nice store atmosphere	.55	.19
under sales personnel's pressure	.43	.09
feeling depressed	.12	.87
feeling sad	.19	.86
feeling lonely	.20	.86
feeling stressed	.25	.68

Attitudes towards loyalty cards, mobile promotions and Groupon deals. Attitudes towards loyalty cards, mobile promotions and Groupon deals were measured by means of three-item questions on a 7 point-scale from *bad* to *good*, *negative* to *positive*, and *unfavorable* to *favorable*. The mean score of each of these three items indicated consumer's attitudes towards loyalty cards (Cronbach's alpha .975), mobile promotions (Cronbach's alpha .980) and Groupon deals (Cronbach's alpha .963) separately.

Use of loyalty cards, mobile promotions and Groupon deals. Respondents were asked to indicate the number of loyalty cards they possess. Further, on a 7-point-scale respondents were asked to indicate how often they make use of mobile promotions and how often they make use of Groupon deals (*never*, *one time*, *from time to time* <2-3times a year>, *sometimes* <a few times a year>, *regularly* <once a month>, *often* <every two weeks>, *very often* <once a week or more>).

Sampling and Data Collection Procedure

Data for the current study was collected over a four-month period in the beginning of 2012. Dutch and French versions of the questionnaire have been created to allow respondents from the two largest regions of Belgium (the Dutch-speaking region of Flanders in the north and the French-speaking region of Wallonia in the south) to participate in the study. Several ways have been used to circulate our online questionnaire. First of all we used invitations on online forums such as Flair and Libelle (women magazines popular in Belgium), different shopping forums (including a forum for shopping addicts) and others. We have advertised the survey in our university newsletter and asked colleagues and friends to forward the questionnaire. To encourage potential respondents we promised an incentive of €100 for one randomly chosen respondent.

A total number of 351 respondents actually participated in the study. After a careful data cleaning procedure (only Belgian adults, aged 17 years or older, were taken into account), 339 participants were retained from the primary dataset serving as the basis for the further analyses (see table 3). The sample was clearly dominated by female participants (70.5%). The age range was 17-77 years with a mean age of 28 years and a median age of 24 years. Approximately 80% of the sample constituted of participants from the Dutch speaking part of Belgium. The majority of the sample had a high school degree (almost 50%), followed by Bachelor (33.3%) and Master (10.3%) diploma holders. With regard to monthly personal income 26.8% earns less than €500, 22.7% - between €501 and €1.500, 25.4% - between €1.501 and €2.500, and only 4.4% earns more than €2.500.

RESULTS

Socio-Demographical Comparison between Compulsive and Non-Compulsive Buyers

According to Ridgway et al.'s (2008) conceptualization, 60 out of the 339 respondents (17.7%) could be classified as compulsive buyers. This percentage is higher than in previous CB research conducted in Belgium (e.g., 6.1% in Mikołajczak-Degrauwe et. al. 2012) which can be a result of the data recruitment procedure (survey advertised on many different shopping forums), but in line with other studies (e.g., 16% in Magee, 1994; 16% Kukar-Kinney et al., 2012). There were significantly more compulsive buyers in the Dutch-speaking group than in the French-speaking group (21.1% vs. 4.3%; χ^2 =10.602; df =1; p =.001). The difference in the percentage of compulsive buyers in these two language samples is striking and could be partly explained by the fact that the percentage of men (who are seldom compulsive buyers) in the French-speaking group is much higher than in the Dutch-speaking group (61% vs. 21.5%). There were also considerably more compulsive buyers among women (23%) than among men (5%) (χ^2 =15.703; df =1; p <.001). Moreover compulsive buyers seem to be younger than non compulsive consumers (mean age 26 years vs. 28 years; t=2.29; p=.023). These differences are in line with previous research findings (e.g., Black, 2007; Koran et al., 2006; Mikołajczak-Degrauwe et al. 2012) and can be due to the fact that emotional and identity-related dimensions of shopping are more important for women than for men (Babin et al. 1994; Dittmar et al. 2004) and reflect the developmental needs of young people to explore consumer activities or to establish an adult identity by material goods (Dittmar, 2005). With regard to Education (χ^2 =.797; df =4; p=.939), and Income (χ^2 =1.404; df =4; p =.843) no significant differences between compulsive and non compulsive buyers were found.

Table 3.

Socio-demographical profile of the respondents

	All Respondents		Non Compulsive		Compulsive		χ^2 test
	n	%	n	%	n	%	p
TOTAL	339	100	279	100	60	100	

Language						*p*=.001
Dutch	270	79.6	213	76.3	57	95.0
French	69	20.4	66	23.7	3	5.0
Gender						*p*<.001
Male	100	29.5	95	34.1	5	8.3
Female	239	70.5	184	65.9	55	91.7
Age						*p*=.023
less than 21years	47	13.9	41	14.7	6	10.0
21-25years	161	47.5	129	46.2	32	53.3
26-30years	56	16.5	45	16.1	11	18.3
31-40years	27	8.0	21	7.5	6	10.0
41-50years	23	6.8	18	6.5	5	8.3
51years or more	23	6.8	23	8.2	0	0
Missing	2	.6	2	0.7	0	0
Education						*p*=.939
Primary school	6	1.8	5	1.8	1	1.7
High school	168	49.6	139	49.8	29	48.3
Bachelor	113	33.3	94	33.7	19	31.7
Master	35	10.3	28	10.0	7	11.7
post-Master	16	4.7	12	4.3	4	6.7
Missing	1	0.3	1	.4	0	0
Income						*p*=.846
Less than €500	91	26.8	72	25.8	19	31.7
501-€1.500	77	22.7	63	22.6	14	23.3
1.501-€2.500	86	25.4	71	25.4	15	25.0
more than €2.500	15	4.4	13	4.7	2	3.3
I'd rather not say/I don't know	70	20.6	60	21.5	10	16.7

Direct Effects of Materialistic Values and CB Triggers on CB

Hypotheses H1a, H1b and H1c were first evaluated via *t*-tests of the mean differences in materialistic values (centrality, happiness and success) between compulsive and non compulsive buyers. As reported in table 4 compulsive buyers appear to score higher on each dimension of materialism. Hypotheses H1a, H1b and H1c are therefore supported.

Personal and marketing triggers (Hypotheses H2a and H2b) are also experienced significantly stronger among compulsive in comparison to non compulsive buyers. Hypotheses H2a and H2b are therefore supported.

Table 4.

T-tests of mean differences in materialistic values between compulsive and non compulsive buyers

Measure	Compulsive Buyers	Non Compulsive Buyers	t-value	p-value
Materialistic Values				
Centrality	5.12	3.89	-11.16	<.001
Happiness	4.08	3.49	-3.64	<.001
Success	3.68	3.06	-3.66	<.001
CB Triggers				
Personal	3.12	2.20	-4.20	<.001
Marketing	2.95	2.40	-4.01	<.001

The Attitudes towards Loyalty Cards, Mobile Promotions and Groupon Deals among Compulsive Buyers

The differences between compulsive and non compulsive buyers regarding the attitudes towards the use of loyalty cards (non grocery), mobile promotions (via smartphone) or Groupon promotional deals (Hypotheses H3a, H4a and H5a) were evaluated via *t*-tests of the mean differences. As can be seen in table 5, in general, consumers tend to have rather positive attitudes towards loyalty cards but a bit less positive attitudes towards Groupon and in particular mobile promotional deals. Though it seems that compulsive buyers have slightly more positive attitudes towards the use of Groupon deals, this difference did not appear to be significant. Also the attitudes towards mobile promotions do not differ between groups. Hypotheses H4a and H5a are therefore not supported. What attitudes towards loyalty cards

concerns, we observe a small difference between both groups. This difference is considerable at the .10 significance level. We can therefore accept Hypothesis H3a.

Table 5.

The attitudes towards loyalty cards, mobile promotions and Groupon deals among compulsive and non compulsive buyers

Attitudes:		N	Mean	SD	*t-* value	*p-* value
Loyalty cards	non compulsive	279	5.07	1.41	-1.80	.073
	compulsive	60	5.42	1.23		
Mobile Promotions	non compulsive	279	4.07	0.96	1.30	.196
	compulsive	60	3.90	0.83		
Groupon Deals	non compulsive	187	4.45	1.49	-1.44	.151
	compulsive	37	4.83	1.22		

NOTE: the question about attitudes towards *Groupon promotional deals* was not mandatory, as not everyone is familiar with *Groupon* (31.6% of all respondents indicated not to know about Groupon).

The Use of Loyalty Cards, Mobile Promotions and Groupon Deals among Compulsive Buyers

According to the Chi^2 test there exists a relation between the ownership of (non grocery) store loyalty cards and CB (Chi^2=10.03; *p*=.018). As can be seen in table 6, there are more compulsive than non compulsive buyers (41.6% vs. 23.3%) having 6 or more store loyalty cards. Hypothesis 4b can therefore be supported.

Table 6.

Number of loyalty cards owned by compulsive and non compulsive buyers

# Loyalty Cards	Compulsive Buyers	Non Compulsive Buyers
0	20.0%	26.2%
1-5	38.3%	50.5%
6-10	23.3%	15.8%
>10	18.3%	7.5%
Total:	100.0%	100.0%
Chi-square	10.03 (p =.018)	

A similar approach has been used what the use of mobile promotions (via smartphone) and promotional deals suggested by Groupon is concerned (Hypothesis H4b and H5b). As can be seen in table 7, we observe a small tendency for compulsive buyers to use mobile promotions more often than non compulsive buyers. This tendency seems to be stronger for the use of Groupon deals. However, according to Chi^2 test the association between CB and use of mobile promotions or Groupon deals seems not to be significant. Therefore Hypotheses H4b and H5b cannot be accepted.

Table 7.

The use of mobile promotions and Groupon deals among compulsive and non compulsive buyers

	Mobile Promotions		Groupon Deals	
	compulsive	non compulsive	compulsive	non compulsive
never	93.3%	90.3%	61.7%	72.8%
once	0%	4.3%	15%	13.6%
more than once	6.7%	5.4%	23.3%	13.6%
Total:	100.0%	100.0%	100.0%	100.0%
Chi-square	2.77 (p =.249)		3.96p =.138)	

Mediating Effects of Personal and Marketing Triggers

The mediating effects of personal and marketing triggers specified in Hypotheses H6a, H6b, H6c and H6d were tested by employing the tests of mediation suggested by Zhao et al. (2010) and Hayes and Preacher (2011). Based on this framework, three separate regressions were estimated: 1) the effect of materialistic values (centrality, happiness and success) on the mediators (personal and marketing triggers); 2) the effect of materialistic values on compulsive buying; 3) the effects of the mediators on compulsive buying. For this reason the analyses in this part of our study were based on the compulsive buying index instead of splitting our sample in two separate comparison groups (compulsive and non compulsive). Tables 8 and 9 provide a comprehensive overview of the mediation analysis.

In general, the results of the analysis indicate that personal and marketing triggers mediate the relation between materialistic values and compulsive buying. The full mediation model explains 54% of the variance in CB (adjusted R square). More in detail, different relations can be identified with regard to the three dimensions of materialism: centrality, happiness and success. Happiness has an indirect effect on CB through personal (.311) but not through marketing triggers (H6a supported). As the total effect of happiness on CB is not significant (β=.006, p=.984), we can refer to this as 'indirect-only mediation' (Zhao et al. 2010) or 'full-mediation' (Barron and Kenny 1986). Centrality has an indirect effect on CB through personal (.287) but not through marketing triggers (H6b not supported, H6c supported). As the total effect of centrality on compulsive buying is significant (β=4.901, p<.001), we can talk about 'complementary mediation' (Zhao et al. 2010). With regard to the success dimension of materialism, the total effect on CB was not significant (β=.419, p=.192) but there occurred an indirect effect of success on CB through marketing triggers (.172) ('indirect-only mediation') (H6d supported).

Table 8.

Indirect effects on compulsive buying

	Personal Triggers			Marketing Triggers		
	Effect	*CI$_{low}$*	*CI$_{up}$*	*Effect*	*CI$_{low}$*	*CI$_{up}$*
Centrality	.287	.090	.561	-	-.006	.271
Happiness	.311	.128	.579	-	-.023	.198
Success	-	-.144	.275	.172	.028	.201

Table 9.

Mediation analysis and model coefficients

	Compulsive Buying		Personal Triggers		Marketing Triggers		Compulsive Buying	
	R^2_{adj}= .54		R^2_{adj}= .14		R^2_{adj}= .09		R^2_{adj}= .48	
	Coeff.	*p*	*Coeff*	*p*	*Coeff.*	*p*	*Coeff.*	*p*
Centrality	4.509	<.001	.261	<.001	.113	.041	4.901	<.001
Happiness	-.374	.177	.283	<.001	.075	.139	.006	.984
Success	.198	.518	.044	.545	.187	.001	.419	.192
Personal Triggers	1.101	<.001	-	-	-	-	-	-
Marketing Triggers	.922	.004	-	-	-	-	-	-

Figure 2.

The results of mediation analysis between materialistic values and compulsive buying via personal and marketing triggers
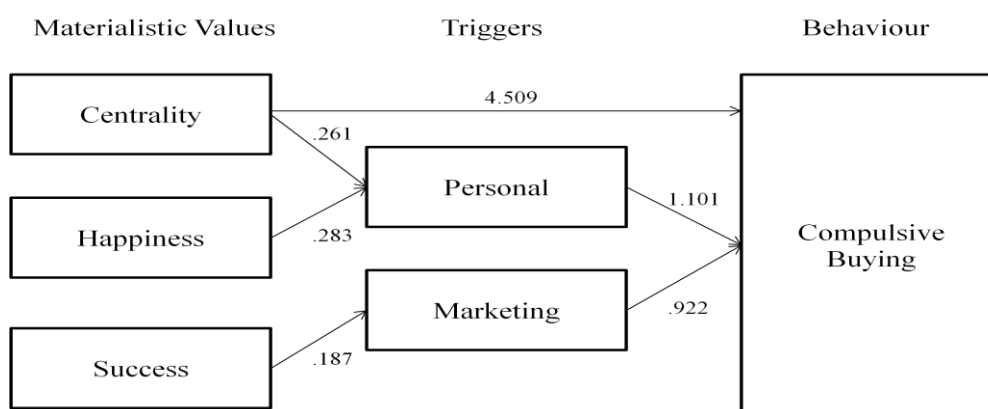
CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Psychological correlates of compulsive buying have been studied extensively, while little attention has been given to marketing mix factors triggering consumers to this maladaptive form of buying. Previous research shows that consumers respond differently to sales promotions, coupon discounts, loyalty actions etc. The basic purpose of the current study was to investigate whether compulsive in comparison to non compulsive buyers are more prone to react to different kinds of marketers' and retailers' efforts to stimulate buying behaviour. We have also focused on identifying compulsive buyers' attitudes and use of modern marketing incentives such as mobile promotions or Groupon deals. Taking furthermore into account the previously established role of materialistic values in compulsive buying behaviour we investigated how *marketing* (e.g., sales promotions, discount coupons), next to *personal triggers* (e.g., feeling sad or lonely) relate to CB and mediate the relationship between materialism and CB (see table 10 for an overview of results).

Table 10.

Results overview

	Hypothesis	Test	Conclusion
Materialistic values		*t-test*	
centrality	H1a: CB>nonCB	*p*<.001	supported
happiness	H1b: CB>nonCB	*p*<.001	supported
succes	H1c: CB>nonCB	*p*<.001	supported
Triggers		*t-test*	
personal	H2a: CB>nonCB	*p*<.001	supported
marketing	H2b: CB>nonCB	*p*<.001	supported
Attitudes towards:		*t-test*	
loyalty cards	H3a: CB>nonCB	*p*=.073	supported
mobile promotions	H4a: CB>nonCB	*p*=.196	not supported
Groupon deals	H5a: CB>nonCB	*p*=.151	not supported
The use of:		*Chi^2 test*	
loyalty cards	H3b: CB>nonCB	*p*=.018	supported
mobile promotions	H4b: CB>nonCB	*p*=.249	not supported
Groupon deals	H5b: CB>nonCB	*p*=.138	not supported
Mediation through triggers:		CI_{low}/CI_{up}	

personal	H6a: happiness*CB	.128/.579	supported
personal	H6b: centrality*CB	.090/.561	supported
marketing	H6c: centrality *CB	-.006/.271	not supported
marketing	H6d: success*CB	.029/.379	supported

The results reveal that the link between materialistic values and CB is mediated by personal and marketing triggers. Specifically, the centrality and happiness dimensions of materialism are related to CB through personal triggers, while the success materialistic value relates to CB through marketing triggers. This means that materialists placing possessions at the centre of their lives or those who want to pursue happiness by acquiring material goods engage in CB when feeling sad, lonely, depressed or stressed. On the other hand, materialists who define success by the number and quality of goods accumulated engage in CB when triggered by marketing incentives such as in-store discounts, sales promotions, encouraging sales personnel, a seductive store atmosphere etc. The results also show that consumers have in general positive attitudes towards the use of loyalty cards, and rather positive attitudes towards Groupon deals. It is important to mention that not everyone is familiar with Groupon though (31.6% of our sample). The least positive attitudes are observed with regard to mobile promotions, which are apparently still rarely used in Belgium as compared to, for example, the USA where half of the population use their mobile devices to make purchases (Farb, 2011). Contrary to our hypotheses, no differences have been found between compulsive and non compulsive buyers with regard to the attitudes towards Groupon deals and mobile promotions, as well as in the utilization of these marketing tools. However, as far as loyalty cards are concerned, there appeared to be differences between both groups. Specifically, when compared to non compulsive consumers, compulsive buyers seem to have more positive attitudes towards and posses more loyalty cards.

Previous research shows that tactics used by marketers to encourage buying behaviour, such as sales promotions, loyalty cards, free gifts etc., accelerate purchase and increase consumption. The findings of the current study imply moreover, that compulsive buyers are more responsive to these marketing efforts than other consumers. A possible reason of this effect can be the fact that compulsive buyers are easier to persuade by marketers or retailers. Future research is needed to evaluate whether this assumption is correct by investigating the persuasion knowledge among compulsive buyers. Another reason why compulsive buyers are more responsive to some marketing tools encouraging purchase might be the reduction in post-purchase guilt, often experienced by compulsive buyers (Faber and O'Guinn 1992). Saving points, receiving gifts or getting a reduction in price when buying can provide them

with an excuse to buy and make them feel less guilty afterwards. A more qualitative oriented research would be needed to investigate the reasons why compulsive buyers are attracted to loyalty cards or deal-of-the-day websites.

An interesting finding was observed with regard to the use of mobile promotions. Not only are mobile promotions not (yet) very popular among Belgian consumers, but even compulsive buyers seem not to be attracted to them. The current research results must however be interpreted with caution and might not be generalizable to other countries. It is likely that the attitudes to and use of (modern) marketing tools such as loyalty cards, deal-of-the-day websites or mobile promotions are related to their popularity among marketers within a country. For example, the use of mobile promotions by marketers in Belgium is still in its infancy. With the increasing number of modern ways to promote market products and services, it is important to keep track of their popularity and actual use among consumers. This can further help marketers and retailers to understand consumers' needs, in order to differentiate or personalize the way to reach their clientele.

The relationship between the centrality materialistic value and CB appears to be mediated by personal but not through marketing triggers. However since centrality has also a direct effect on CB, according to Zhao et al. (2010), this means that there exist other potential mediators of this relationship. Future research should evaluate which other factors mediate the link between centrality and CB.

The current research was an attempt to explore how marketing tools in general influence maladaptive consumer behaviour such as compulsive buying. A more thorough investigation would be encouraged to see how specific marketing factors such as advertising or store atmospherics encourage CB. A good example of this kind of investigation is the research of Kukar-Kinney et al. (2012) who examined the role of price in the purchase decisions of compulsive buyers. These kinds of studies broaden our knowledge on CB and its external, marketing triggers. Responsible marketers and retailers can employ this knowledge and think about ways to support, rather than encourage this disadvantaged group of consumers who have a tendency to buy products they do not need or cannot afford.

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[06]
RETAIL MARKETING IN INDIA

Trimbak B. Khalkar

The Indian retail industry is now beginning to evolve in the line with the transformation that has swept other large economies. It witnesses tremendous growth with the changing demographics and an improvement in the quality of life of urban people. The growing affluence of India's consuming class, the emergence of the new breed of entrepreneurs and a flood of imported products in the food and grocery space, has driven the current retail boom in the domestic market.

Retail Marketing includes all the activities involved in selling goods or services directly to final consumes for personal, non-business use. Any organization selling to final consumers -- whether a manufacturer, wholesaler, or retailer – is doing retailing. It does not matter how the goods or services are sold (by Person, Mail, Telephone, Vending Machine, or Internet) or where they are sold (in a store, on the street, or in the consumer's home).

 "Any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution"

The concept assumed within this definition is quite important. The final consumer within the distribution chain is a key concept here as retailers are at the end of the chain and are involved in a direct interface with the consumer.

THE RETAIL MARKETING REVOLUTION

By 2010, the list of India's top 10 retailers will have at least 5 Indian corporate. Retail Marketing will go through a tremendous change in India this millennium. It will change India's cities, its people, and its households. The Indian consumer is reportedly the largest spender in Singapore and London. It is, therefore, strange that there have, so far, been few efforts to present the product in the right kind of environment in India. Indeed, the right shopping experience does induce Indian consumers to spend more. This is evident from the experiences of retail-outlets like Shoppers' Stop, Music World, Food World, Crosswords, The Home Store, Ebony, Bigjo's, Saboos, Standard, Vijay Store and Janaki Das & Sons, Westside etc.

A glimpse of the last 2 decades of the previous century proves illuminating. Large-format retailing started with outlets like Vivek's and Nalli's in Chennai and Kidskemp in Bangalore, and, at another level, with manufacturer-retail brands like Bata, Bombay Dyeing, and Titan. The last decade of the millennium witnessed the emergence of lifestyle brands and the plastic culture. Liberalization and increasing awareness of the world around us created the Indian yuppie, who aspired to own everything we saw on TV, or in shops during jaunts abroad. New lifestyle brands offered traditional retail-outlets an opportunity to convert themselves into exclusive stores, franchised or otherwise. And even as these developments were taking place, the Indian consumer became more mature.

Internationally, retailing is a large business; you find at least one retailer amongst the top 10 companies in every country. In the US, it is Wal-Mart with a turnover in excess of $ 120 billion. In the UK, it is Marks and Spencer's with close to £ 10 billion; and, in Germany, it is Karstad with a turnover in excess of dm 10 billion.

Studies by consulting firms like A.T. Kearney, KSA Technopak, and McKinsey & Co. in India have indicated a huge potential for retailing in the country. Drawn by the magic number of Rs 1, 60, 000 corer that is expected to be the size of the retail industry by the end of the first decade of this millennium, several companies from the organized sector have also jumped into the fray.

In this millennium, like in the last, customers will want to spend time with their family and friends. They may like to visit malls on weekends where everything will be available under one roof. India will benefit from these developments because of increased consumption through retailing and the corresponding increase in employment created by retailing.

Types OF Retail Marketing

Store retailing provides consumers to shop for goods and services in a wide variety of stores and it also help the Consumers to get all the needed goods and services from one shop only. The different types of store retailing are given below:

1) Specialty Stores

These stores focus on leisure tastes of different individuals. They have a narrow product line with deep assortment such as apparel stores, sporting goods stores, furniture stores, florists

and bookstores. These stores are usually expensive and satisfy the needs of selected consumers who have liking or preference for exclusive things.

2) Departmental Store

These stores are usually built in large area and keep variety of goods under one shed. It is usually divided into different sections like clothing, kids section, home furnishings, electronic appliances and other household goods. In a departmental store a consumer can buy variety of goods under one shed.

3) Supermarket

These stores are relatively large, low cost, low margin, high volume, self service operations designed to serve total needs for food, laundry and household maintenance products. Supermarkets earn an operating profit of only 1 percent on sales and 10percent on net worth.

4) Convenience Stores

These are relatively small stores located near residential area, open for long hours seven days a week, and carrying a limited line of high turnover convenience products at slightly higher prices than departmental stores. Many such stores also have added takeout sandwiches, coffee and pastries.

5) Off - Price Retailer

These stores sell goods at low price with lower margins & higher volumes. These stores sell goods with deteriorated quality. The defects are normally minor. This target at the persons belonging to the lower income group, though some have a collection of imported goods aimed to target the younger generation. The company owned showroom selling the seconds products is a typical example of off - price retailer.

6) Discount Store

These stores sell standard merchandise at lower prices by accepting lower margins and selling higher volumes. The use of occasional discounts or specials does not make a discount store. A true discount store regularly sells its merchandise at lower prices, offering mostly national brands, not inferior goods.

7) Catalog Showroom

name goods at discount prices. These include jewelry, power tools, cameras, luggage small appliances, toys, and sporting goods. Catalog showrooms make their money by Catalog showrooms generally sell a broad selection of high-markup, fast-moving, brand-cutting costs and margins to provide low prices that will attract a higher volume of sales

Trends in Retail Marketing

1. New retail forms and combinations continually emerge. Bank branches and ATM counters have opened in supermarkets. Gas stations include food stores that make more profit than the gas operation. Bookstores feature coffee shops.

2. New retail forms are facing a shorter life span. They are rapidly copied and quickly lose their novelty.

3. The electronic age has significantly increased the growth of non store retailing, consumers receive sales offers in the mail and over television, computers, and telephones, to which they can immediately respond by calling a toll-free number or via computer.

4. Competition today is increasingly intertype, or between different types of store outlets. Discount stores, catalog showrooms, and department stores all compete for the same consumers.

5. Today's retailers are moving toward one of two poles, operating either as mass merchandisers or as specialty retailers. Superpower retailers are emerging through their superior information systems and buying power, these giant retailers are able to offer strong price savings. These retailers are using sophisticated marketing information and logistical systems to deliver good service and immense volumes of product at appealing prices to masses of consumers.

6. Marketing channels are increasingly becoming professionally managed and programmed. retail organizations are increasingly designing and launching new store formats targeted to different lifestyle groups. They are not sticking to one format, such as department stores, but are moving into a mix of retail formats.

7. Technology is becoming critical as a competitive tool. Retailers are using computers to produce better forecasts, control inventory costs, order electronically from suppliers, send e-mail between stores, and even sell to customers within stores. They are adopting checkout scanning systems, electronic funds transfer, and improved merchandise-handling systems.

8. Retailers with unique formats and strong brand positioning are increasingly moving into other countries. McDonald's, The Limited, Gap, and Toys "R" Us have become globally prominent as a result of their great marketing prowess. Many more Indian retailers are actively pursuing overseas markets to boost profits.

9. There has been a marked rise in establishments that provide a place for people to congregate, such as coffeehouses, tea shops, juice bars, bookshops, and brew pubs. Denver's two Tattered Covered bookstores host more than 250 events annually, from folk dancing to women's meetings.

RETAIL MARKETING IN INDIA

Retail marketing is the most important part of the entire logistics chain in a business especially in consumer related products. Without proper retailing the companies can't do their business. Retailing is the process of selling goods in small quantities to the public and is not meant for resale. Retail is derived from the French word retailer, meaning to cut a piece off or to break bulk.

There are various ways of making goods available to consumers like:

- Company to distributor to wholesaler to retailer to consumer
- Company to salesperson to consumer
- Company to consumers (online/ phone/ catalog ordering)

These three are among the most common ways of making the goods available to consumers. But in India the three layered system of distributor, wholesaler and retailer, forms the backbone of the front-end logistics of most of the consumer-good companies.

In this system the company operating on all India basis appoints hundreds of distributors across the country that supplies to various retailers and wholesalers. Wholesalers in turn can

either directly sell in the market or can supply to retailers. The current retailing system prevalent across the country is highly fragmented and unorganized. There are a number of reasons behind this fragmented retail market. Some of the major reasons being:

- Poverty and lower literacy levels.
- Low per capita income.
- Savings focused and less indulgence mindset.
- Poor infrastructure facilities like roads etc.
- Restrictions on intra-state good movement.
- High taxes.
- No exposure to media.
- High import duties on imported goods.
- Retailing is not considered as a business or industry by the government.
- Hitherto none of the business schools in India were offering specialized courses on retailing.
- Expensive supply chain.

Besides this there is other reasons too, which led to stifling of growth of organized segment of retailing sector and which instead led to highly fragmented market.

Today in India we have more than 12 million retail outlets and most of them are locally run and family owned. There are very few nationally present retail stores. In India the process of buying and selling at these unorganized retail outlets, is highly characterized by bargaining and negotiations. But slowly with increasing influence of media and urbanization the market is shifting towards organized segment. Seeing the huge market size of retail business in the country and the current level of organized segment, many players have jumped into the fray and many are waiting for the right opportunity to enter it.

Present Retail Scenario In India

- Retail experts find Indian industry promising
- Retail sales to touch Rs. 30,000 crore by 2005
- Mall Mania: The developing mall culture in India
- Emergence of region-specific formats
- Emergence of discount formats

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- Entry of international players

MALL MANIA: THE DEVELOPING MALL CULTURE IN INDIA

Modern malls made their entry into India in the late 1990s, with the establishment of Crossroads in Mumbai and Ansals Plaza in Delhi. By early 2001, several mall projects were announced. According to market estimates, close to 12 million sq. ft. of mall space is being developed across several cities in the country, of which 10 million sq. ft. is expected to be operational by end of 2003. With this, rentals for retail properties have shown a marked decline, which has brought down the break-even levels of the retail projects. Moreover, retailers would now have access to retail-specific properties, which will increase their efficiencies.

Information technology in retail :-

Over the years as the consumer demand increased and the retailers geared up to meet this increase, technology evolved rapidly to support this growth. The hardware and software tools that have now become almost essential for retailing .

1) Bar coding and scanners

Point of sale systems use scanners and bar coding to identify an item, use pre-stored data to calculate the cost and generate the total bill for a client.

2) Payment

Payment through credit cards has become quite widespread and this enables a fast and easy payment process. Electronic cheque conversion, a recent development in this area.

3) Internet

Internet is also rapidly evolving as a customer interface, removing the need of a consumer physically visiting the store.

4) ERP System

Various ERP vendors have developed retail-specific systems which help in integrating all the functions from warehousing to distribution, front and back office store systems and merchandising. An integrated supply chain helps the retailer in maintaining his stocks, getting his supplies on time, preventing stock-outs and thus reducing his costs, while servicing the customer better.

5) CRM Systems

CRM (Customer Relationship Management) Systems, allows the retailers to study the purchase behavior of consumers in detail and grow the value of individual consumers to their businesses.

6) Advanced Planning and Scheduling Systems

APS systems can provide improved control across the supply chain, all the way from raw material suppliers right through to the retail shelf. These APS packages complement existing (but often limited) ERP packages. They enable consolidation of activities such as long term budgeting, monthly forecasting, weekly factory scheduling and daily distribution scheduling into one overall planning process using a single set of data.

CONCLUSION

Retail industry is beginning to evolve in the line with the transformation that has swept other large economies. Recently Government of India has allowed FDI in the retail industry. In coming days many companies may inter in the retail industry they may provide thousands of employment opportunities to the people.

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[07]

ON THE DELINEATION BETWEEN STRATEGIC MARKETING AND STRATEGIC MANAGEMENT

Marek Prymon

Abstract

Strategic management as a field of managerial sciences evolved much later that marketing strategy .With time passing, however, marketing started to be subordinated to other strategic management concepts. This finally led to reduction of the role of marketing . It is especially idea of hierarchy of strategies that interpretes marketing as mere one of many options in a company's strategy structure. The aim of a paper is to discuss the strategic role of marketing in the process of formulating and as the content of company's strategy. Relationships between marketing and strategic managment are identified in the light of the processes of evolution of both marketing and strategic management. An author proposes a kind of a deductive model of the structure of strategy. It serves as a platform to integrate marketing with other strategic options. Next, on the basis of research, an author analyses an influence of marketing on global strategies in practice. Research data contain the history and strategies of the group of worldly companies, included mainly in Hoover's Handbook of American Business and Hoover's Handbook of World Business.

Keywords: strategic management, strategic management, corporate strategy

The theory of marketing and theory of management have developed in highly separated way. What is problem today is that contemporary strategic management offers no acceptable and clear proposition for the role of marketing within a firm. Also marketing theory offers no acceptable proposition about links between marketing and other possible strategic options.

ON GENESIS OF MANAGMENT SCIENCE AND MARKETING STRATEGY

What is interesting , is that in part, managerial sciences originated in marketing philosophy. It is commonly shared knowledge that the main focus of the school of scientific management was work management, that the main focus of administrative school of management was the whole organization,and for behavioral school ,the focus was human aspect of managment. In fact, about 100 hundred years before works by Taylor (1911) ,Fayol (1916) Adamiecki (1896) or Munsterberg (1913), - it was M. Boulton and J.Watt who not only developed elements of technical production such as standarization,quality control procedures, cost accounting, and concept of interchangeability of parts, and work planning. They also recommended some analytical approach to company : to start from making research of the demand for its products and next, they recommended to analyse the product with respects for
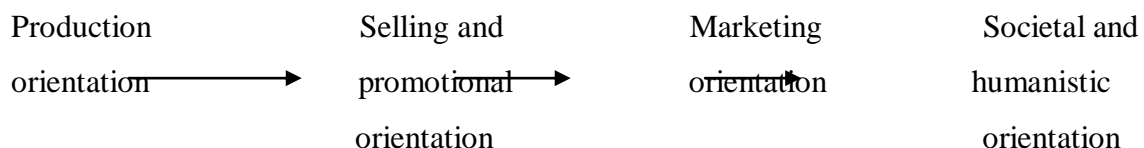
requirements of clients. Such recommendation directly concerns the core of marketing thinking (Smith, 2007 : 34).

It is very common to date back origins of contemporary marketing to fifties of the last century. In fact it happened long time ago that the idea of marketing strategy has been declared . Lyon (1926) pioneered an introduction of contemporary use of strategy, indicating the role of relationships between company's resources and environmental changes. He stressed fundamental reason for a company to have strategy- coordination role of strategy (Prymon 1982,Sharma 1999) . He explained that the strategy helped to evaluate changes in an environment and make appropriate decisions. For Lyon, an essence of strategy was a set of combined goals and tools. Such interpretation of the content of strategy remains actual even today.

Periodisation of Marketing

To identify links between marketing and strategic marketing one should see the evolution and both marketing and strategic management.

Growing interest in marketing by many authors resulted in the fact that some attempts to periodise the development of marketing thinking were tried from the early times of appearence of marketing (Keith ,1960).One of important proposals was offered by W.Stanton (1978) . Within the framework of idea of the process of evolution of marketing four different managerial orientation or philosophies were identified (Stanton ,1978: 11).

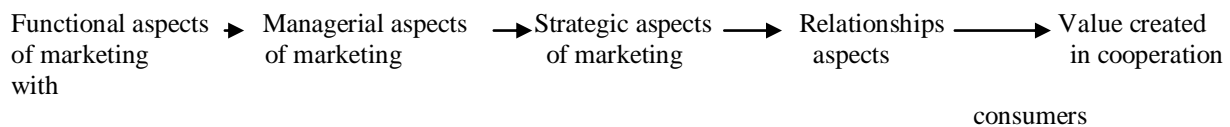| Production orientation | → | Selling and promotional orientation | → | Marketing orientation | → | Societal and humanistic orientation |

Ill.1.The process of evolution of marketing.

An advantage of the idea shown is that it really contains different managerial philosophies. Reliability of the concept of evolution partly comes from the fact that it was based of observation of practice - the history of management in a big company –Pillsbury Co. What is important that real marketing philosophy appears not earlier than in the third and fourth stage of the process. The third stage covers philosophy of enhancing company's growth on satifying

customers' needs and the fourth enlarges the scope of philosophy and covers satisfying long term well beeing of both consumers and the society.

Marketing philosophy has remained much unchanged with time passing . Real changes however were concerned with marketing techniques available . Also the focus of marketing literature subjects to changes.

Functional aspects → Managerial aspects → Strategic aspects → Relationships → Value created
of marketing   of marketing   of marketing   aspects   in cooperation
with   consumers

Ill.2 The evolution of focus in marketing

It should be noted that different stages of the above evolution are concerned with the same philosophy. Relationship marketing is a valuable concept in a way that stresses the potential included in long term links with company's clients. In fact the concept was compliant with traditional marketing thinking. Relationship marketing is not in conflict with the traditional concept of marketing mix since an essence of relationship is „after all" expressed and executed in particular marketing mixes. It used to be marketing recommendation on distribution channels to optimize cooperation with buyers.

No doubt that new possibilities of direct marketing help to develope stronger links between company and its client (Best,1997;241). Value added marketing reinforced original meaning of marketing mix (Nilson,1992). It also it reinforced the role of consumer in creating consumer value.However, the idea of involment by consumers in the process of creating the value meant no revolution to marketing since the basic marketing assumption, about the role of marketing research for a company was assumption about both direct and indirect role of consumers.

For many years marketing theorists assumed that marketing played central role for the whole company .A company was proposed to be marketing company or market driven organization. Market driven organization was assumed to match two requirements .First is adoption of marketing as a philosophy and commiting to customer orientation.The second is delivering better customer value than their competitor (Baggozi,et. al, 1998: 690 and Day 1990). Even claiming supremacy of marketing in a company one could not fail to see other then marketing company's sphere's. Kotler in early editions of his handbooks stressed the objective presence of fields of conflicts between marketing and other functional fields and he also

proposed tools of ceasing those conflicts. In general it is   proposed for marketing to coordinate marketing with finanse,operations and other company's functions to serve the customer (Kotler et al. 2007:779).

Periodisation of Strategic Management

 Some concise view on evolution of the so called managment systems provided Ansoff and McDonnel (1990 :13).

Table 1. Evolution of Management Systems

Changeability	1900	1930	1950	1970	1990
Unpredictalibilty of the future					
Recurring		Systems and procedures Manuals		**Management by control**	
Forecasting by Extrapolation		Operational budgeting Capital budgeting Management by objectives Long range planning		**Management by extrapolation**	
Predictable threats and opportunities	**Management by Anticipation of changes**		- periodic strategic plannnig - strategic posture management		
Partially predictable opportunities Unpredictable surprises	**Management by flexible rapid response**		- contigency plannnig - strategic issue management - weak signal issue management - surprise management		
Turbulence level	1.Stable	2.Reactive	3.Anticipating	4.Exploring	5.Creative

Source: Ansoff and McDonnel (1990 :13).

Aaker (1988 :10)   proposed more synthetic concept of periodisation of strategic thinking (see table 2).

Table.2.Evolution of Management Systems

	Budgeting/Control	Long-Range Plannnig	Strategic planning	Strategic Market Management
Management emphasis	Control deviations and manage complexity	Anticipate growth and manage complexity	Change strategic thrust and capabilty	Cope with strategic surprises and fast-developing threats/opportunities
Assumptions	The past repeats	Past trend continues	New trends and discontinuities are predictable	Plannning cycles inadequate to deal with rapid changes
The proces	Periodic	Periodic	Periodic	real time
Time period	From 1900's	From 1950's	From 1960's	From mid-1970's

Source:Aaker,D. (1988:10)

The proposal by Aaker stresses evolving aternative: periodic strategic process versus real time process.

The idea of periodization of strategic thinking covers big simplification.The above idea and similar ideas try to explain ex post, the logic of „former" concepts. As a factor explaining the use of particular concepts , the level of turbulence is a stressed. It is not well founded. In fact no times were really stable. High level of turbulence was observed at the end of XIX century, in time of tough competition and accelerated internationalisation of markets. What really created the level of stability or instability was the intensiveness of competition. It is monopolic martket that gives the company some comfort of stability. So it is not possible to ignore instability in recent times ,but it is not appropriate to consider the market turbulence as a totaly new phenomenon.

Strategic Management Schools and Marketing

Evolving in 50' of the last century, long range planning covered the assumption about both need and possibility for a company to base its growth on formulating and executing far

reaching strategies. It was also an assumption on possibilities to predict future for long time periods (Aaker,1988 : 10).

Generally there was not conflict between marketing thinking and long range planning. Furthermore in times of domination of long range planning in 1950s and 1960s ,marketing was commonly accepted as the main strategic idea. Apart from one of versions of long range planning that assumed just extrapolation of processes,the idea basically included adjustments of company to its environments (Ansoff 1965,Argenti 1974).

For Drucker marketing was so basic that was not a special activity at all. It rather was the whole business seen from the view point of its final result, that is from customer's point of view (Drucker, 1954 : 38).

Evolving marketing research methodology and market forecasting destroyed the concept of black box market and gave the rise to hopes for successful market forecasts. Marketing strategy was expected to integrate any variables both external and internal .Company's goals might be similar to marketing goals. In 1966 P. Drucker indicated seven marketing goals for businesses: attempted position of actual products in actual markets, attempted position of actual product in new markets, actual products to be left, new products needed in actual markets, new markets that should be developed, by new products, organization of distribution to gain marketing goals concerned with consumer service (Drucker, 1966) .

Later ,in sixties of the last century , long range planning started to be questioned .It should be noted that more critics were concerned not as much with the very idea as with the practical process of planning.

Thomson and Martin summarize weaknesses of practices of formal planning:

- Planning was often carried put by planners, rather than managers who would be affected by the resultant plan,

- As a result, the outcome of planning was often a plan which in reality had little impact on actual management decisions, and therefore was not implemented,

- The planning techniques used were criticized because of the way in which they were used,

- The important elements of culture and total management were usually left out.

(Thomson and Martin 2005: 406).

No doubt that, as is truth of many managerial concepts, it is market failures of previously formulated strategies by companies that provoked searching for new managerial theories.

As an answer to long range planning was to be strategic planning and next , strategic management. A general idea was to adjust company's activities to steady change. As a challenge for a company was unavoidable process of change and as an answer to it,was development of techniques easing the effects of changes. As an attribute of strategy was to be elasticity. New approach to strategic formulation was also concerned with implementing strategic planning models. As writes S. Sharma (1999) this led to marketing plan becoming an important instrument for strategic change by guiding the product-market choices.

Evolving strategic management according to Bennett as an aim had deployment of company's resources effectively and rationally, in the context of turbulent environment, to gain long range company's gains (Bennett,1999: 12).

Growing popularity of acquisitions in the market turned attention of strategists to port folio decisions. Expansion of companies was based on mostly financial considerations However portfolio methods like BCG method provided for some equilibrium between financial and marketing option within a company. It is remarkable that the founder of BCG model , Henderson was originally the marketing expert. Sharma indicates however that portfolio models were suited more for financial planning and not very useful for marketing decisions (Sharma ,1989) . Portfolio models deserved much critics. However, even if port folio analysis methods are not well founded (Jacobson and Aaker,1985), it should be noted that marketing theory before introduction of those methods ,was unable to cope with the problems of many sectors, product lines and products in which company operates. Strategic management has to the high extent common methodological background with

strategic marketing. Concepts like product life cycle, portfolio analysis, SWOT analysis were not only in common use but also they could serve as tools to integrate marketing with overall company's strategy.

School called strategic positioning school , and SCP model school (Structure-Conduct – Performance) assumes that the dominant influence on firm's performance is the external environment in which it competes (Caves 1998, Porter,1980 Hamel and Prahalad,1990). Under such model the focus in strategy is on positioning ; locate an attractive industry and attempt to become an market leader (Fitzroy,Hulbert 2005,p 9). The school exploited some mentioned above methods, based on marketing methodology . However , two fundamental strategies proposed by the school ,it is cost minimalisation and differentiation meant departure from marketing thinking. Also the proposed by the school sources of competitive advantage (Ma,1999) excluded marketing advantages .

It was as early as in 1970s the role of marketing started to be limited. There were probably two reason. One was that economic situation of many American corporations were worse that in 1950' (Barabba 1995: 44). Failures of companies could evoke doubts about reliability of marketing concepts .The second reason was concerned with very nature of marketing. Marketing is finally an art and good adoption of marketing has never been within easy reach.

Contemporary strategic management is highly influenced by two schools : resource based view (RVB) and the emergent strategy school.

The first ,RVB approach stresses the role of company resources as main factor of growth (Selznick 1957, Kay, 1993). According to RBV school , a company that as a first one has gathered unique resources, creates resource barriers , difficult to dealt with by competitors .These barriers require from competitors to cover extraordinarily high costs (Urbanowska 2011,p.37). In the light of RVB, approach marketing environment stops to be a focal point in the strategy formulation process**.** Marketing did not account even for being a firm's unique capabilities and core competencies (Sharma 1990). With time passing it occured impossible to ignore the role of environment as a factor influencing corporate strategy .

Also emergent strategy school totaly departs from Lyon's view of marketing strategy.The emergent strategy school in its pure version it says that a strategy is an effect of activities and choices made by stakeholders. Strategy evolves and develops with time passing (Mintzberg and Waters,1995).

In in their pure versions CPS school is entirely focused on the environment and RBV on internal forces respectively. With time passing it occured impossible to ignore the role of environment as a factor influencing corporate strategy even for RBV advocates. In a book „Strategic Management.Logic and Action" Huff et al.(2009) stress the role of marketing related considerations in identifying and developing key competencies and formulating the business model.

More recent concepts that evolved within the framework of strategic management - the so called Dynamic Capabilities theory (Teece,Piano and Shuen 1997) brings some balance to those schools (Foss,1966). Dynamic capabilities are dependent on : a)how the firms learns new skills (b) internal and external forces that focus and constrain the process of learning (c) the selection environment in which the firm competes for resources and customers.This school can be regarded as a way in which strategic management is partly becoming back more complaint with marketing strategy.

One of other concepts that was meant to destroy traditional strategic thinking was offered by D'Aveni (1994) .He stressed the role of dynamic repositioning in four key arenas:

price/quality, know-how-timimg,stronghold creation /destruction and the so called deep pocket.

D'Aveni rejects traditional assumption about possiblility for companies to forge and enjoy for longer time traditional advantages, and proposes „ sustain unsustainable „competitive advantages based on factors such as (7 S'): (1) stakeholder satisfaction (2)strategic soothsaying.(3) positioning for speed. (3)positioning for surprise.(4) shifting the rule of the game (5) signaling the strategic intent. (6) simultaneous and sequential strategic thrust. The first two factors are crucial from the view point of marketing. Stakeholder satisfaction is the key in winning interactions with competitors and the critical stakeholder here is customer. Strategic soothssaying is meant the process for seeking new knowledge for predicting what customer will want in the future.

In general marketing as a strategy, at least partly, was compatible with those concepts of strategic management that were based on interpretation of strategy as an intended concept. The core of marketing –value for customers is the fundamental spectrum for succesful strategies. Competitive tools in practice are ,first of all, values included in marketing mix.

Marketing influences not only strategic managment but also is a source of some ideas that are popular within the framework of the theory of management : consumer relationship management, clienting, or consumer value management.

Strategic Timing and Marketing.

One of reasons to propose subsequent concepts of strategic managment was traditional problems with strategic time horizons.As proposed Aaker (1988) there apperared an alternative: periodic versus real time strategies. Traditional alternative was also long time horizonts versus short horizons ,eventually no concrete time horizons. Real or assumed weaknesses of long range planning led to concepts of strategies arranged for shorter periods. From marketing view point however , longer time horizons seem to be more appropriate ,especially because of needs to implement some typical time consuming goals like market entrance, development and introduction of new products, or repositioning of products.

Traditional alternative regarding time horizons appeared to be nonessential in practice. Suddenly it occured that the strategy need not to have one concrete deadline. Instead ,some part of strategy can be arranged for different time horizons.Different time horizons can be proposed for company.s mission,vision, operational goals quantitative goals, special

programs like sustainability program,social responsibility programs etc. So what evolves are the so called polychronic strategies

(Prymon,2012).They provide for longer time horizons for forecasting framework,shorter for mission or vision ,and still shorter for quantitative goals.

Also to some extent also any kinds of strategic concepts like evolving strategy concept,management by flexible rapid response, are compatible with marketing thinking provided that a company is capable of elastic responding to market.

Structure of Company's Strategy and Marketing

The most defeating for marketing thinking are the ideas of hierarchical structures of corporate strategies .The most common are ideas of three, four or sometimes five levels of strategy .Typical structure consissts of three levels : corporate strategy, business level strategy, functional strategy.

Particular concepts express some proposals about the content of strategies at particular levels .The most frequent proposal is that different levels meant different levels of aggregation or levels synthesis. As says Bennett (1999:40) at the corporate level there is a kind of super strategy that integrates and coordinates all activities . At the lower level, strategies set together activities resulting from corporate strategies. Functional strategies are concerned with specific fields like finance, marketing, human resource development.

  For Huff ,Floyd et.al., corporate strategy contains decisions on the scope of activities and financing the whole portfolio of a company. Business strategy explaines planned activities, units performing those activities,ways of realisation and addresses comapny's customers .Functional strategy is to suplement business strategy in fields like informatics,the staff, R&D and marketing (Huff et al.2011:30). DeWitt and Meyer identify four levels of strategy. At functional level separated strategies should be formulated for each field like marketing,operations,finanse and logisitcs.At the level of business ,a company should combine particular strategies to gain consistent composition.As for corporate level, particular business strategies should integrated. At the level of a network where different companies joint to create value added what is needed is to set particular strategies together so that they created consistent strategy (DeWitt,Meyer 2007 :142).

The idea of hierarchy of strategies is commonly accepted. Even well known marketing experts like Ph.Kotler used to agree on hierarchy of strategies. Kotler says that marketers must give priority to strategic planning in three key areas : managing a company's businesses as an

investment portfolio, assessing each business's strengths by considering the market's growth rate and the company's position and fit in that market, and establishing a strategy (Kotler ,2009:86). In fact however , no reasons to consider those areas as not requiring the marketing expertise. In general ,marketing experts agreed on marketing as only one of functional strategies (Sudharsan, 1995 :10).

What are disadvantages of the idea of strategy hierarchy?

- Concept of hierarchy of strategies deprives a company of possibilities of finding some principal or to say ultimate solution for its strategy at the level of marketing and marketing elements. The same can be said about solutions which could be based on finance or logistics considerations.

 - Acceptance of strategies hierarchy necessitates the presence of many strategies in the same company. If so ,no of strategies would be real strategy in terms of serving coordination of day-by-day decisions in a company.No of them would lead the company.

-What is the most doubtful in the context of idea of „ multilevel strategies" is the real content of super strategy. Looking at big strategies of global companies in the past, we can say that they were based no very abstract ideas but on very concrete ones

As an answer to the concept of hierachy of strategy could be the dynamic concept of a strategy. Its assumption is that final content of a strategy can be derived from and related to any of functional spheres of a company (Prymon,2010). It could be marketing , logistics,production,technology etc.
With concept chosen as a strategic, other concepts should be harmonised.

REAL PRESENCE OF MARKETING IN THE CONTENT OF CORPORATE STRATEGIES

It is interesting to check if, in practice, marketing has real meaning for companies.It is a long tradition to base strategy related research on surveys. It is important that survey can cover some deeper aspects of strategies.There are however some weak sides of survey based research.One is that managers as respondents are likely to describe not as much reality than desired reality.The second, is impossibility to reach really representative samples. So as an alternative for the research is to use a kind of hard data in strategy related studies ,it is formal strategy statements by companies.
An aim of my research was to evaluate marketing content of one of types of goals- corporate visions and missions . As a research material on visions and misions included 168 companies

was used. The companies were selected from the group of Fortune 500 and from the group of 500 biggest companies listed in Hover's Handbook of World Business ,also some companies from other sources were added.

The introductory review of missions and visions could help to classify the content of these strategies. It included following „research categories" :

-inclusion of direct statements on what (products,values) and for whom is to be delivered.This type of content was interpreted as marketing content,

-„abstract „content that cannot be directly associated with concrete products,

-indication of special market segment,

-indication of what is or will be delivered (type of industry or product),

-indication of financial targets,

-indication of attempted company's position in the market,

-indicating the ways in which company's is to be performed its activities,

- inside- oriented content (focus on the personel).

In general it has proved that despite academic controversy on the content of visions and missions, visions are usually more general than missions.

Marketing content (in terms of first research category) was present in only 10% of visions. 31 % of companies expresses them in abstract way (for instance „our future is dynamic").Also many companies (29%) declares what is to be offered.

Marketing has been more influencial on the content of misssions than visions. More than half of declarations of missions (54%) matched employeed marketing criterion. Companies stressed the fundamental role of being led by idea what and for whom to offer. Other thing is that sometimes customers were shaped only in very general way (our clients, segments served etc.).

Separated inquiry was made to evaluate the marketing element in corporate value statements. Corporate value has very broad scope .It seemed to be interesting if marketing is influencial also upon this category. Research included big companies in diffferent industry sectors. Unlike in the above presented research conclusions, only two basic categories concerned with the presence of marketing in corporate values were used. One, was presence of categories related to consumers and a second, the lack of presence of such categories.The research included 50 big companies belonging to different industry sectors (see table 3).

Table 3.Companies Included in Analysis of Value Declarations

	Industry	Company
1.	Food	Kellog, Heinz, Coca-Cola ,Pepsi- Cola ,Kraft Foods, Nestle', Heinz, Hershey's, Cambell, Heineken
2.	Chemistry	Dupont, Monsanto, BASF, Dow Chemicals, Bayer, PPG Industries, Dawood Hercules, American Cynamid, Chevron, Akzo Nobel
3.	Electronic and computers	FMC Technologies,Toshiba, Sony, Philips, Texas Instruments,Samsung, Motorola, Fuijitsu, IBM
4.	Car industry	Ford,GM, Chrysler, Toyota, Renault, Volksvagen, Fiat, Volvo, Hyundai, Nissan
5.	Financial services	Occidental Insurance, Royal Bank of Canada, Deutsche Bank, Prudential Goldman Sachs, American Express, Citi Bank, HSBC, Aviva ,Axa

Table 4 The Presence of Marketing in Corporate Value Statement.

Sector:	Food Industry	Chemistry	Electronic and Computers	Car industry	Financial Services
Companies with Marketing as Value element	5	6	7	3	9
Companies without Marketing as Value element	5	4	3	7	1
Total	10	10	10	10	10

The sample was too small to draw deeper conclusion.However it is clear that marketing is present in declarations of value of ,most companies- 60 % of the group (see table 4)

Visions,mssions and value statements are the most commonly declared parts of strategies.

In addition to those categories,what emerges is the use of other categories , directly based on marketing concept ,first of all , it is value proposition (Anderson,Narus,Rossum,2006, Parasuraman, 1997).The idea is similar to the category of business model, in a way that it, like business model it also requires explaining why customers should buy the product.

CONCLUSIONS

Marketing deserves more attention in contemporary managerial theory than it does. Frustration with failures by strategies of firms provokes searching for new concepts of strategies. However reducing the role of marketing to functional fields has no justification. It shows that after years , schools of strategic management are forced to accept marketing criteria as major determinants of strategic choices. It is in practice that shows that strategies by global giants are much influenced by marketing philosophy. Marketing is influencial upon the main choices expressed in corporate strategies especially missions and declarations of values.

LIMITATIONS OF STUDIES

As a research material , formal statements of strategies were used. The use of such data allows for reaching many companies.There is an obvious risk for formal statements of not including some elements of corporate strategies. However, probably the bigger risk concerns surveys as methods of exploring strategic tasks.

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[08]

TOTAL QUALITY MANAGEMENT IN TOURISM COMPANIES: A FIELD STUDY OF THE VIEWS OF A SAMPLE OF TOP MANAGEMENT IN FIRST-CLASS HOTELS IN RIYADH

Alaa Hussein Ali Alsrabi

Abstract

This study is to identify the extent of interest and convinced top management of hotels and application levels of Total Quality Management, as well as prepare and accept the application of Total Quality Management, and indicate the top management support for the application of Total Quality Management And applying this to a sample of employees in high level management for a group of first-class hotels operating in the city of Riyadh, the study finds that the hotels surveyed apply total quality management in all its dimensions and a high level As results indicated when asked the sample of what considerations affecting about their conviction and willingness applying total quality management results were approved college about the need for a system of incentives appropriately lead to improved process quality tourism, and improve the competitive position of the hotels. When asked the sample over the impact of work teams the answers are as follows It is considered The study also concluded a set of recommendations and which ones need to find the appropriate information system will provide hotel management and Forums all the supporting data and information to activate the principle of making decisions based on facts and correct information that the formation of a team work helps to solve various problems.

Keywords: tourism, Total quality, leadership, hotels, continuous improvement

FIRST: INTRODUCTION

Global and local Organization is facing many of changes and challenges, whether industrial or service organizations. And called for these challenges to the emergence of new concepts in the management of organizations seeking to achieve the goal of survive and thrive in the world of competition and that change traditional techniques that do not fit with what face organizations of challenges, and embrace the concepts of modern management enable the organization to deal with the challenges that direction and overcome to achieve a level best performance. The concept of total quality management of modern management concepts based on a set of principles which can be any management to be adopted, including hotels in the Kingdom of Saudi Arabia in order to achieve the best performance

Total Quality Management (TQM) are to be of interest to deep thanks to his abilities and potential developmental push up organizations managers to re-define their responsibilities and their applications process that is certainly working to achieve organizational goals more efficiently and better, adding for that this administration has worked to establish the concept is very important and enabled managers to accommodate the variables except a continuous quality improvement for all processes and not just the final product, and managed organizations that work in accordance with this concept to achieve distinction and stay in an environment stability

It is no doubt that the application of total quality management needs to substrates strong underlying and one of these pillars is creativity and innovation in processes and product, which now constitutes one of the most important priorities competitiveness and the main driver for organizations to continue and achieve a market share of rival As is well known that tourism enterprises are generator key the donor powers of creativity so what do human and material efforts within the framework of work tasks tourist find justifications clear when success is achieved in the management of its activities efficiently.

So the tourism activity in general and hotels more accurately to prove throughout the stages of human evolution active role and significant in raising the rates of all sectors of society to the fact that the common denominator among them is creativity and continuous monitoring of the cases that constitute a point to initiate new areas, and tourism enterprises by virtue of fulfilling her a set of functions which operate on attract situations that require taking the position actor direction has become a strong competitive field, and through the efforts of those who made it to the service of tourism and the environment and society, and assert its role in the creation of sources of innovation and creativity all that work to strengthen its position.

Hence, coordination between tourism enterprises and sectors of society become an urgent necessity in today's world through its role in the exercise of the functions of expertise and development and create opportunities to achieve an excellent level of competition, and areas that have gained a great deal of focus and attention to achieving interaction required is quality.

That traditional mechanisms to achieve an acceptable level of quality of the final product has become a factor inhibiting in today's world, unless it is taking the principle its new but is inclusive (ie quality include the organization as a whole at all levels regulatory and not only confined to the final product), and have been able to tourism enterprises that improved their growth rates improving To service (which represent their product basis) and high quality and

through subjecting its operations to tourist standards consistent with the level of quality to be achieved.

Turning to the application of total quality in tourism enterprises, the one the major problems facing often is the faith and conviction leadership level where the role of the subject, and the growing issue important and complex both in line with the growth of tourism and increasing energies of human and material, and in light of the role of this department has become does not mean simply adding to the development process, but must be at the core of all business functions institution tourist, is indispensable for the required support from the leadership level in improving the quality of tourism services and the growing number of beneficiaries of such services, has been awarded quality management leadership level the possibility of monitoring the areas of responsibilities better and taking appropriate action in a timely manner.

So this research is modest attempt to point out on the concept of total quality management and a clear leadership role in the adoption of these roles in the hotel and tourism organizations and discuss the possibility of the application.

SECOND: STUDY METHODOLOGY

1 - The importance of the study:

Hotels in Saudi Arabia realized and determine first class hotel and since for quite some time compared to their counterparts the world need to address the quality of service provided for the purpose of marketing their services, due to intense competition, making it think the advantage of applying the concept of total quality management and building rules for the collection of data and the creation of information relating to the wishes of its customers and potential customers, in order to make decisions enhance its competitive position by recognizing the opportunities available and the challenges they face. And linked to the importance of this study important role occupied by the hotel sector in the kingdom of sudia Arabia and of providing high-level services of quality and minimizing errors that drains a lot of money, and you get because of the lack of customer satisfaction, return some business, lack of training, lack of use information in the decision-making process. As The importance of this study being pursued new method to identify the levels of application of the concept of total

quality management, the staff of the senior management of hotels have been selected top management as the application of strategies emerge from this administrative level as well as the existence of the conviction and desire high capacity this trend talk to raise the percentage of completion and effectiveness of the organization and the adoption of a new entrance in the face of the selections after he became Foreign traditional entrance is able characteristics stand in front of the overwhelming trend of changes and developments.

2.Study Problem

The concept of Total Quality Management TQM of modern concepts and who became its application is important in any organization you want to stay the same and continue, because of the innovative ways in which organizations compete entered whether in products or services offered to its customers. Organizations have faced a lot of difficulties and challenges when applied to this concept, and that these difficulties with regard to the technical side and the other terms of the cultural aspect of the organization. Service organizations suffer larger of these challenges, due to direct dealing between these organizations and beneficiaries

And in the growing interest in the role of tourism enterprises in supplying the development process of the country energies and achievements upscale sings decision maker and pay to make decisions actors and high-quality addition to making organizations operating in various sectors of the community to respond to this growing expansion to meet the client's needs of goods and services, it is important to be detected for the quality of the tourism process for these institutions. Basic research problem in the need to link the concept of total quality management process in tourist hotels in Saudi Arabia and trying to figure out directions senior management direction. The problem can be formulated study by the following questions:

1)Is senior management of hotels holding the strategically thought and the desire of the need to implement the principles of total quality management and compliance? 2)Is hotels possibility of achieving total quality management requirements? 3)Does it affect total quality management to increase efficiency, productivity in tourism enterprises?

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3. Study objective

The study aims to achieve a set of goals, as follow: -

1) provide a conceptual framework for the application of the concept of total quality management in tourism enterprises.
2) Determine the reality of total quality management requirements in hotels, and what are the potential obstacles in the application of total quality management program.
3) Study the possibility of preparing a preliminary basis for the application of total quality management in the service provided by the tourist workers in hotels.

4. Boundaries to study

Was selected first class hotels in Riyadh to be an visibility for research and for the following reasons:

1. The concentration of most of the first-class hotels in Riyadh.

2. Possession of material and human potential high and high levels.

3. No studies or research on hotels in the area of application of total quality management.

5. Sources of data collection

Questionnaire: the use of the questionnaire form from which to obtain data for identifying the views of senior management in hotels about total quality management, and organized scale binary form (I agree, I do not agree). The form distributed to a group in the Supreme Administrative hotels totaling (20).

6. The research sample

The research sample was limited to first-class hotels in the city of Riyadh

THIRD: THEORETICAL SIDE

The concept of quality management concepts of modern management philosophy is based on a set of ideas and principles and any management can be adopted in order to achieve the best possible performance. Given the novelty of this concept we find him many definitions because of the lack of agreement on a specific definition, and this leads us to address the group as follows: -

Known as the Federal Institute for Quality TQM as a comprehensive regulatory approach designed to meet the needs and expectations of the customer, which includes the use of quantitative methods by both managers and employees for the purpose of continuous improvement in operations and services of the organization (1).

Known Rialy as a shift in the way in which managed by the organization, which includes focus energies Organization on continuous improvements for all operations and functions, to begin the optimization first of the different phases of the work, as the quality is not more than meet the needs of the customer (2).As defined by Goetsch and Davis as the efforts that aim to maximize the competitiveness of the organization, through the concerted efforts of all individuals to work on continuous improvement of goods and services produced by the organization (3).

The Heizer and Render has made it clear that TQM refers to a focus on quality and the level of the organization as a whole from the supplier to the consumer, and requires management commitment and interest in all aspects of the products and services that are important to the customer (4).

There are those who believe that the management of Grandma overall philosophy is designed to change the organizational culture, making the organization a quick response and flexible in its dealings and intensify efforts to focus on the customer, which is common in the organization healthy climate and environment contribute to the increased participation of workers in the planning and implementation of continuous improvement to meet the needs of customers (5) .

And refers Aqili to total quality management as a philosophy of modern management takes the form of a policy or administrative system comprehensive, based on the positive changes radically for everything within the organization to include these changes thought, behavior, values, beliefs organizational, management concepts, leadership style management,systems operating procedures and performance, in order to improve and develop all the components of the organization to reach the highest quality in the output (goods and services) and the lowest cost, in order to achieve the highest degree of satisfaction to its customers by satisfying their needs and desires as they expect) 6 (.

Follow through the evolution of the concept of total quality management, we find they are no longer limited to the basis of the quality of the product or service provided but the concept expanded to include all operations and activities within the organization, and this is what contributes to the achievement of a high level of quality of the performance of the organization as a whole. As is also evident "that the researchers differed in their definition of total quality management because of different attitudes, some of them focused on the customer and how to satisfy his needs and desires and appeared so obvious" definition provided by the Federal Institute for Quality. Some of them focused on the need for continuous improvement of the products and services provided by the organization, and came definition provided by Goetsch and Davis. The Rialy focused and Heizer and Render definitions they have made on the use of management tools and scientific methods in the management of the organization to ensure the required quality. The direction in which pointed to the integrative concept of total quality management has emerged through the definition presented by researcher Aghili

From the above we can offer the following definition of the concept of total quality management as a management philosophy includes all activities that achieve the needs and expectations of customers and the community, and aims to achieve improvement and continuous development in the quality of the product or service, and this is done in cooperation and concerted efforts of both management and workers, which achieves the objectives of the organization efficiently.

1 - The importance of the concept of Total Quality Management I have popularized in our time to use the term total quality management as an alternative to the old terms that express the same meaning (quality control). Perhaps the term Total Quality

Management suggests that the fruits of activity quality of the increase in productivity, and an increase in consumer satisfaction achieved productive overall good management of this activity. The word comprehensive means to achieve quality is everyone's responsibility (everyone in the organization) (7).

According to the chronology of the development of the concept of quality in industrial organizations is total quality management stage his contemporary. Has characterized this stage development and comprehensive continuous quality systems and breadth of the concept applied to quality, and was the most prominent variables this stage is the use and development of information systems of quality management, and the World Organization for Standardization issued standard (ISO 9000), preserved as a unified international standard for quality assurance (8).

The total quality management distinctive strategy for achieving competitive mode. They provide methods and tools for this competitive situation, and is working on the development of skills and knowledge for all levels of management and its constant focus on a continuous improvement in quality, and consider how far to consumer desires and changes in them.

As well as of the most prominent landmarks of Total Quality Management is developing the skills and capabilities of employees through training on statistical methods for quality control and give them powers appropriate to be able to take responsibility for mistakes and thinking by objective and implementation makes the conduct of regular in the light of the planned and this is what has emerged the concept of customer entrants. This attention to make workers become a degree of self-confidence to take responsibility for what was prevalent in the traditional business environment, prompting them to compete with each other towards the application of high quality (9).

And thus became quality constitutes a major anchor and the most important goals sought by managers to achieve, and longer apply total quality management is one the main axes in the crystal and capacity building organization for being interested in the adoption of the principle of employment quality in completing various business, in order to reach the end desired, by achieving customer satisfaction ,and benefits for all employees in the organization and the community (10).

If we want to keep framing the concept of total quality management, we find that there is no general agreement on the Some inventory total quality management angle he (the concept of

administrative integrative oriented continuous improvement in the quality of products _ as commodities or services _ through the participation of all levels of management in the organization. Identified the administration TQM as (a set of guiding principles and philosophical interest to continuous improvement, and integrating administrative methods, and statistical principles, and improvement efforts and techniques available in the structured model and unified to achieve continuous improvement) (11). no different quality management in service for Item the quality of service is measure the extent to match the level of quality provided with the expectations of the beneficiary, and provide quality service means in the final analysis to be of service compatible with the expectations of the beneficiary, and is an administrative system puts customer satisfaction a top priority, rather than focusing on profits with the short term as the direction of customer satisfaction to achieve profits in the long run more stable and stable compared with the short time span (12).

Generally total quality management philosophy and administrative culture based on a commitment to quality from the first stage of production until putting the product in the market, and this is done through the participation of all in the processes of continuous improvement and employment of modern technologies to ensure that their products are designed elaborate constantly.

1: Customer focus

The concept of customer according to the philosophy of Total Quality Management includes two types of Alamlaehma client external and internal customer, client outside that gets the products and services the organization The internal customer is the one who works within the organization and be a gateway Te are the output of his colleagues in other departments or from the same section and achieved customer satisfaction when meet the needs of the item or service or superiority. The customer satisfaction according to this philosophy number one priority in the work of organizations and this requires proper understanding and employing capacity within the organization and the use of modern methods special mechanization and simplify procedures and reduce waiting time customer and delivery processes required to fully and attention and welcoming them and deal with them to resolve problems in order to complete the service in correctly and the first time.

2: Leadership

Requires senior management training on the concepts and the basic principles of this philosophy and have the vision and the right policies to be implemented and commitment to apply where the leadership role the foundation in creating (Genesis) work environment internal contribute to greater participation of workers in the organization instead of being provided full support for all employees in the administrative levels minimum to achieve the goals that I found for it organized.

3- Involvement of People: The participation of all individuals in the organization of the most important principles that should be the focus, because it promotes the confidence to have a role in achieving the goals of the organization and thus increase their loyalty and affiliation change the culture of the organization and that this change is a challenge generally manage the organization, which that requires a full understanding of the quality, concepts and importance and definition customers and deliver this understanding to all employees and to ensure that the adoption of the teams and there are three entrances to these teams that are based on physical stimulation to enable employees (Employee Empowerment) of responsibilities in the decision-making from the lowest level to the highest level in the organizational structure

3 - Plans and the evolution of the processes necessary to achieve product (Plan and develop the processes needed for product realization) through events and efficiency of the organization. And accrued benefits can be summarized in the application of this principle to

1 - a structural system to achieve the goals of the organization by more roads

4:Process Approach:

The principle of the process is not simple in front of the administration as which inputs are converted into outputs that correspond to specific requirements, but can reach the desired results more effectively when administered activities and resources associated with a process that requires meet the following basic requirements: -

1- Identify Processes.
2- Determine the Sequence and Interaction of Processes .

3- Plan and develop the processes needed for product realization.

4-Monitor and Measure Processes.

5- Analyses Characteristics and Trends of the Processes.

6- Review process performance.

 7- Implement actions to achieve planned results and continual improvement of processes. -

5- System Approach to Management)

This principle requires identification and management understanding of the processes necessary to achieve by events and efficiency of the organization.
 And accrued benefits can be summarized in the application of this principle to
1 - a structural system for achieving the organization's objectives by the most effective and efficient.
2 - Provide a better understanding of the roles and responsibilities necessary to achieve compliance with the objectives and reduce functional errors.

3 - Understanding the capabilities of the organization and the development of resource constraints.
4 - to continue to improve the system through the standards and evaluation

6: continuous improvement

The continuous improvement of the quality management entrance called in Japanese kaizen is to develop products and processes through the application of suggestions and opinions. It includes improvement and development of both individuals and resources, processes and procedures and the basis of this principle that every aspect of the process can be improved and the ultimate goal is perfection that can not be achieved but always we are looking through the efforts of management quality to end never in the search for the best ways for each of the processes and procedures.

It included the principle of continuous improvement benchmarking definition (Benchmarking) for good practice for workers and feelings their integration development process. There are two basic factors determine performance improvement are satisfying the needs and requirements of the customers and benchmarking carried out through government to conduct operations as from which to choose performance standards that represent the best performance of the operation or effectiveness. There are four types of reference for comparison:

The effectiveness of the decisions adopted mainly on the analysis of data and information. The nature of the work new require the provision of information required for different employees about the market and the expectations and desires of customers and their remarks about the organization and information on quality standards of services in the organization and information on the level of performance of staff who deal with customers directly and information on customers themselves, which leads to decisions based on the foundations of a real and not on the basis of emotions and guesswork.

Organization should improve its relations with processors of this relationship can be relied upon to be helpful in creating value for both parties.

The concept of leadership:

The leadership of great importance with regard to the introduction and implementation of total quality management. The observed situation the current management in light of the growing phenomenon of globalization and the entry of administrative leadership in the century challenges atheist twenty, and increased competition, only to find that the administrative methods of traditional no longer viable, and that the commander of administrative to remain distinct, and keeps the organization that led the competition framework, it Sataiwi pages old traditional , and starts approach of modern management techniques, and that experience has shown success in public and private sectors, if applied form correct and in accordance with its approach scientific and practical, and perhaps the most important of these methods style TQM, and style re-engineering work systems and others.

Achieve quality.. Requires a quality leader:

Certainly, the success of the TQM process depends greatly on the full commitment of management and provide the right kind of leadership. And must be subject to the process of selecting leaders of TQM is particularly accurate measures for leadership qualities. And must be entrusted to lead the process of implementation of quality person fully conscious of overall quality, and understands that quality include all activities and tasks. This means that the person who will lead the quality must be available to have personal influence and activity and a clear vision of the process of achieving quality, without giving an example of perseverance and determination to get things right from the beginning the commander can not be found in the quality of staff a sense of appropriate quality.The need leadership quality

program also features that are associated with leadership, such as: experience and competition, integrity and consistency and confidence high.

The basis: quality is part of the components of successful leadership:

This means that leadership and quality management are interrelated concepts cannot be separated from the other. Process can not be considered quality activities isolated from the rest of the work of the institution, but are a necessary part of their work. On the other hand, cannot improve quality without effective leadership commissioner of senior management. Who are the leaders who will apply Total Quality Management? What are the characteristics that must also bring with them? What are the qualities that enable them to address the coming storms developmental and transformative? How will the role of change and contribute to it, and any weapon?There are key elements must be present in every leader, every decision maker has the responsibility and authority affect the internal and external environment and is affected by, the elements will be an important presence to confront What requirements, challenges and aspirations.

Terms of an effective leader or what is known as the leader of the Director:

• Ability

• desire

• formal recognition

• Recognition of the basal

3 - The theoretical side of tourism:

Tourism factors like human movement and travel, a phenomenon as old as humanity itself, and therefore difficult to determine the true beginning her, though phenomenon has taken a crystallized concept and economic activity has a role that at least as important as the rest other economic sectors and social phenomenon as well. Emerged kinds multiple and different from tourism activities T associated each specific targets such as tourism and educational tourism hospitalization and convalescence and leisure tourism with the beginning of the Renaissance under revolutions agricultural and industrial societies of Europe and especially in the second half of the twentieth century (13). some writings due date tourism to the era of pre-

Renaissance European was Iraqi veterans who travel to attend the celebration of the Sumerians (sacred marriage) each year, as well as the case when the Babylonians holidays will be played in the city of Babylon, people have traveled from all over Greece to watch the Olympic Games, which appeared for the first time (776 BC. m.).

In the present witness tourism tremendous development and diversity in organizations and tourism services and the increasing numbers of tourists dramatically characterized travel various modes of land transport, air and sea heavily large has never seen before. No longer tourism just a phenomenon of economic and social dimensions, but has evolved and emerged aspects of culture and civilization and political inmake them human phenomenon multi-dimensional Although the perception of tourism is still in many developing countries, including Iraq backward and foggy at the same time they suffer but not limited to the lack of tourism awareness of the role of tourism in promoting the country from the highest levels of leadership (government) to the ordinary citizen in addition to underdevelopment in the investment and technical developments of information and communications in the service of the tourism sector in general.

As for the existence of a modern concept of tourism did not materialize clearly only in modern times and differed also definition depending on the different scientific disciplines that consume the study and analysis, for example but not limited to known UN tourism as (transit of personnel outside the political boundaries of the state in which they live for more than twenty fourhour and less than one year to make it clear that the purpose behind that of permanent residence, work or study or just crossing state other "transit") (14) this is the definition brief and overlooked types of tourism such as tourism religious and recreational in the same country (domestic tourism). Agrees with Wegener who counted Tourism is all forms of travel and accommodation for residents and non-local. either international Academy of Tourism on it (the term given to flights entertainment and related activities by the activities and satisfy the needs of the tourist "also neglected this definition many kinds of tourism) (15). known Bovy & Lawson Tourism as a (way leisure time exercise many activities, including travel for a certain period and specific goals) (16). could be argued that tourism three dimensions major cultural dimension and the dimension of media and the economic dimension and through interaction with events such activities three are developed and prosperity.

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The Enterprise Manager tourist integrated process requiring specialist Jada been prepared scientifically and systematically, and equipment to help him improve performance efficient, along with the availability of the base of the information supposedly obtained easily and cheaply and should be in the framework of a policy limited scientific and practical plans essence linking tourism development the country's sustainable and provide the social climate and appropriate economic workers even يفرغوا energy in order to innovate and develop solutions to any problems facing their work. institutions that take it upon themselves to be the framework for this process is called institutions tourist. If the tourist establishments involved with other organizations in some organizational characteristics and administrative such as The presence of targets seeks to achieve and organizational structure that moves through the power and decision-making, there are also differences radically between tourism enterprises and other public and private institutions organizationally and administratively those differences make them institutions distinct and complex paid to take certain forms of regulation and distinct patterns of administration, which calls for the need to re- consider the extent to which the traditional theory of the organization with the requirements of managing tourism enterprises (17). has led the changes and the rapid developments and extensive modern techniques used primarily mental abilities, skills and innovations in the construction and performance and found by the so-called growth explosive information that is under the size of tourist information Detailed front of the decision maker, to dye the distinctive character of tourism enterprises today and also reflected this evolution on the emergence of new systems, including total quality management, which found her growing interest in the production of goods and services and become the common language between institutions and countries and crystallized in the form of mechanisms and systems working on applying the requirements specifications quality and tourism enterprises by virtue of being a center radiating to the development of the country through its activities and frameworks of human and mechanisms so the work tourist Pat task top priority institutions concerned tourism is to emphasize their role and found it appropriate to employ capabilities their employees to serve the environment and society, and made in the contents of their role and found in their What can marketed to provide them with reasons to evolve and continue and strengthen its position. Perhaps Multi total quality management which is one of the important topics that can frames theory into details entrance and works in shaping and building creative strategy for tourism operations for being interested in the adoption of the principle of hiring quality target essential for the

various activities in order to reach the stage long-term success by achieving continuous improvement and benefits for all workers in the tourism enterprises and society

The global tourism market in the period from 2008 AD - 2010 AD. This In a report to the World Tourism Organization of the tourist movement in 2008 in the world Table (7) were cash proceeds 944 billion dollars has been occupied France ranked first by (79.3) million tourists and Arab Republic of Egypt at the center atheist twenty by (12.3 million tourists) and reveal the following tables Special to the world tourism Organization number (8,9) the major countries of the world receiving tourists and the amount of tourist revenue and tourism expenditure are as follows:

Table (7) major countries receiving tourists in (2008 m) million:

No	Location "state"	number of tourists	No	Location "state"	number of tourists
1	France	79.3	22	Hungary	8.8
2	AMERICA	58	23	Switzerland	8.6
3	Spain	57.3	24	Japan	8.4
4	China	53	25	Ireland	8
5	Italy	42.7	26	Singapore	7.8
6	UK	31	27	Emirates	-
7	Ukraine	25.4	28	-	-
8	Turkey	25	29	Belgium	7.1
9	Germany	24.9 34	30	Tunisia	7
10	Mexico	22.6 35	31	South Korea	6.9
11	Malaysia	11 22.	32	Czech	6.6
12	Austria	21.9 37	33	Indonesia	6.2
13	Russia	-	34	Sweden	-
14	Hong Kong	17.3	35	Bulgaria	5.8
15	Canada	17.1	36	Australia	5.6
16	Greece	-	37	India	5.4
17	Saudi Arabia	14.8	38	Brazil	5.1
18	Thailand	14.6	39	Denmark	-
19	Poland	12	40	Argentina	4.7

20	Portugal	-	41	Bahrain	-
21	Egypt	12.3	42	Norway	4.4

Source: WTO Document, Tourism High lights 2008

Star rating according to the purpose of the construction and the type of management and service provided:

First: Star rating according to the purpose of the construction:

Was rated hotel accommodation facilities in accordance with the purpose of the construction to the following:

1 – **motels**

It accommodation building on the highways to travel outside the cities where down where travelers so put their cars in front doors of their rooms and these motels with facilities simple has been renamed this name because it is derived from the letters the first two words Motor and the final two letters of the word Hotel and usually there is no service laundry or establishment or the joys and meetings but there is a section reception and restaurant simple kitchenette so that the guest can serve himself. These motels scattered in the United States and Europe heavily on highways because vast distances between cities in addition to Westerners love to travel by car.

2 - **Hotels Resorts**

They arise hotels in the coastal areas for the most part, where frequented summer and winter, according to the weather and where it is practiced various kinds of water sports as a sport diving and deep diving on the surface of the water and surfing and Sports using parachute water and the boat.

These resorts go to attendees of relaxation and escape from the hustle and bustle of life for a week or two and be a stay in a full breakfast as well as lunch and dinner or half board, breakfast and dinner.

3 - **Floating Hotels**

They either hotels anchored or moving on the surface of rivers from one city to another in accordance with the laws of the country or Bakharc great tourist scouring the seas and oceans in this case treated as a city great with theater and cinema and dining areas and meetings, swimming pools and bands ring over the place. The system is of course B accommodation with three meals.

4 **- Hotels conferences**

They Hotels is constructed different rooms for conferences where they are holding conferences to local or international addition to the availability of large tracts of private parking to those attending the conference and there are, of course, rooms stay at the highest level and halls for good food, swimming pools, health club, preferably a squash and tennis courts.

5 - **Hotels airports**

They Hotels adoption inside the airport or near the object and purpose of receiving crews hospitality air and passenger transit for a night or two nights without having to go to the center of the country and wasting time and by many of the rooms excellent accommodation and smart container of modern technology. Also has suites for business at the highest level a container for various modern facilities as lines modern facilities as high-speed Internet lines.

6 **- Hotel suites**

It is for all hotels and a residential subdivision suites called Suite, where there are many multi-room suites existent Presidential Suite or Royal Suite multiple bedrooms and living facilities the other small كمطبخ and nanny's room. There are also other extraordinary suites consisting of two or three bedrooms in addition of course to the presence of various types of restaurants and health club and tennis and squash courts.

6 - **Business hotels**

They exist in the city center hotels ranging from two and three-and four-star and is often aimed at the tourist city's domestic and some foreign tourist groups brought about by tourism companies. These business hotels are different types of rooms according to the degree of the hotel in addition to the three diets. This may be those hotels international hotel chains as a

series Sheraton Hotels and Hilton Hotels chain or independent hotel chains follow one person or a local company.

Second: Star rating according to the type of service provided:

1 - Installations establish a unique service

These facilities are often Five Star tracking international hotel chains where they are by providing the maximum possible service for a one hour and arrival in the hotel lobby and activate the procedures for placement fast and he went to his room container to the latest modern technology through proven in the main restaurant of the hotel and provide service to the French way his and containing silver and Chinese and Glassware expensive addition to the crew trained high on the arts service and care of guests, and especially when they are offering various types of delicious dishes from the menu on demand and which chooses which guest what suits him of varieties and prices were divided into section and soups of all kinds He divided the Eastern and Western authorities then divide the main meal of meat or fish or birds and then various types of sweet east or west and finally fruit or fine Cuban cigars

Of course there are business center services different 24-hours a day and service health club and exercise various stadiums available in hotel golf, tennis and squash.

2 - Service accommodation facilities Medium

These hotels are often medium-sized service providers medium for visitors, including providing clean rooms and dining rooms good decoration in addition to a good number of facilities needed by the guest such as laundry and ironing services and Tel International and reservation services and reception.

3 - Establish facilities with limited service

These hotels do not increase the number of small rooms for the 50 rooms and often family-run, but provide reception services and combined booking and external laundry and ironing The food also subject prepared in a small kitchen or buy food from abroad. Star rating according to the type of management: Spread in the modern era phenomenon hoteliers asylum to foreign management companies to manage their hotels to achieve high profit rates such as management of Sheraton and Hilton Worldwide paid a percentage of the profit.

Division of corporate tourism according to the nature of their work:

There are four types of travel and tourism companies are as follows:

1 - Travel Agencies comprehensive make all

2 - Travel Agencies to issue airline tickets

3 - Travel Agencies Tourist Transport

4 - Travel Agencies for Specific Purposes

FOURTH: ANALYSIS OF THE RESULTS

After analyzing the data obtained, emerged here questions that have already been put forward in the research problem that revolves around: how conviction and desire of employees in senior management hotels surveyed to study in the application of the principles of total quality management, and verification of the availability of supplies quality necessary for correct implementation compared with the What is the actual reality of the hotels in terms of their abilities and potential in the adoption of total quality management. In order to reach results duplicates method was used and the percentage which is a kind of digital and for the purpose of summary comparisons confined questions that make up the measure of total quality management in the following dimensions: -

1. **Conviction and the desire to implement TQM**

When the sample were asked about what considerations cursor on the conviction and desire to implement total quality management results were overall approval on the need for an appropriate incentive system leads to improved quality of tourism operation, and improve the competitive position of the hotels. When asked the sample influence teams came answers as follows which is considered to form a working group helps to solve various problems. As well as answers indicated the sample on the importance of periodic changes in the technical and administrative departments in addition to activating the participation of all workers in the development of the goals of the hotel

2. **Willingness to accept the principles of Total Quality Management**
When asked the sample on their ready and prepare to enter the realm of the new concept of quality management in the hotel, where indicated their answers there wanting high at work

within the concept of work teams specialized and a willingness to develop programs written and continuing to develop the administrative processes and service and to provide an atmosphere is gratifying in the hearts of workers as well to desire application of modern marketing concepts in managing the operations of hotels.

3. **Availability requirements of Total Quality Management:**

When asked about the availability requirements of Total Quality Management, views of the sample showed that the mechanism for the introduction of the suggestions offered by employees to improve quality of tourist weak process as well as the devolution of powers necessary for workers in the middle levels by the hotel management.

4. **Planning for Total Quality Management:**

In light of the answers, it turns out that hotels have programs of cooperation and coordination with various tourist hotels, and also provide a system of salaries and appropriate incentives, and the hotel management develop a deliberate strategy plans to achieve its goals.

FIFTH:CONCLUSIONS AND RECOMMENDATIONS

First: Conclusions:

1. Significant trend towards services contributed to the higher concentration departments and decision-makers to keep up with growing interest development in the service sector and the impact of TQM on tourism.

2. There is the possibility of the application of total quality management in tourism enterprises, provided that you follow the lines and the basic principles set out unprecedented support senior management in the organization and considered the tool by which to promote tourism and improve the reality tourist service.

3. The need to increase interest in tourism companies to the principle of continuous improvement, through interest with the consent of workers, as well as inform employees on long-term strategies and emphasized that for the purpose of building and consolidating the principles of quality among workers.

4. To find out how prepared hotels surveyed for the application of total quality management has been identified on some aspects of this administration, فأتضح that the desire to work Alvrgi won the highest agreement between the sample and being the most important pillars upon

which TQM it is the very nature of work hotels which requires in many of its activities and presence of the task forces.

5. As I surveyed results that hotels need to focus on the application of certain technical matters relating to different aspects that affect the quality. It became clear that the low approval rates

II: Recommendations:

1. Requires the proper application of the concept of total quality management in a great effort in relation to amending enterprise trends and success of this mission depends on the commitment of senior management so and the extent of support for this concept and make it part of the culture of the new organization preceded by a visionary and inclusive.

2. The need to increase interest in tourism companies to the principle of continuous development, and training.

3. The need to increase support of senior management in the tourism companies to apply the principles of total quality management.

4. Work to involve the hotel personnel at all levels to adopt administrative principles of total quality management and application.

5. The need to raise the ceiling and how to apply the knowledge of TQM and continuous training to increase the skills of workers.

6. Despite the high levels of the application of the principle of customer focus in tourism companies, but management must give priority to focus on improving the methods used to meet customer expectations as well as increased interest in the study and analysis of customer satisfaction with the service provided.

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[09]

NEW DIRECTIONS OF RETAIL MARKETING STRATEGY: A VALUE-DRIVEN PERSPECTIVE TO SUSTAINED COMPETITIVENESS AND BUSINESS SUCCESS

Somdee Hongphisanvivat

Abstract

The high turbulent environments call for new directions of retail marketing strategy. Its focus on creating, communicating and delivering value to target customers to ensure their satisfaction and achieve marketing objectives is insufficient. Sound marketing strategy requires multidimensionality derived from a vantage point of customer, company, competitor and other important stakeholders due to a more concern of social well-being and healthy environments. Further, modern consumers prefer more conveniences, varieties and novels, high/standard quality with lower price and better services. These hetero and holistic requests erg marketing managers to change the wheel of retailing development through value-driven perspective. Firms need to employ a holistic approach to build superior value increasingly critical to sustained competitive advantages and business success. This paper addresses such imperative issues to find out which retailing formats/ patterns and strategies are appropriate for creating superior customer value to reach a better long-term performance and its continuity. Multiple qualitative methods are primarily used to obtain widen and deepen information from various retail experts experiencing in marketing areas as well as from consumers' actual shopping. Then the holistic framework is proposed and demonstrated. Finally, managerial implications and future research agenda are recommended.

Keywords: new retailing strategy, value creation, sustained competitiveness

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[10]

BROADENING THE SCOPE OF ETHICAL CONSUMER BEHAVIOUR: A STUDY ON FIVE PRECEPTS OF BUDDHISM

Dushan Chaminda and Nilanthi Ratnayake

Abstract

*Consumption is an essential everyday process. By very nature, it is a means of expressing our moral identities and an outlet for ethical obligations. In more recent years, ethical aspects of consumption have come under greater scrutiny with the emergence of ethical consumption discourses, and are currently associated with a range of consumer behaviours and responsible business practices. To this end, religion is an undeniably powerful and **concurrently the most successful** marketing force that can shape the ethical behaviour, yet **under-investigated in consumption practices despite Corporate Socially Responsibility provoked ethical behaviour.** Ethical consumption practices are regularly characterised as consumption activities that avoid harm to other people, animals or the environment where basic Buddhist teachings become more pertinent and practiced in Buddhist communities. This study conceptualises the importance of religious beliefs in ethical consumer behaviour and through researcher introspection methodology, the study empirically explore whether and how ethical consumerism is reflected through Five Precepts of Buddhism [i.e. (1) abstain from taking life, (2) abstain from stealing, (3) abstain from sexual misconduct, (4) abstain from false speech, and (5) abstain from intoxicants that cloud the mind]. The study contributes to the theory and teaching in the marketing discipline by linking how religious beliefs enhance ethical consumerism that remains largely unexplored.*

Key words: *ethical consumer behaviour, Buddhism, Five Precepts*

Ethical consumer behaviour is a burgeoning social movement (Carrington, Neville and Whitwell 2012) and a topic that has received increased attention in recent decades. Market research data in UK suggest that ethical food and drink market represents 8% of the total food and drink market (Cooperative Bank, 2009) and 89% of UK consumers report they have ethical issues of concern (Lazzarini and de Mello, 2001). Thus consumers are increasingly express concerns about the ethicality and impact of their consumption choices upon the environment, animals and the society (De Pelsmacker, Driesen and Rayp, 2005; Shaw and Shui, 2002). Based on political, religious, spiritual, environmental or social motives (Harrison, Newholm and Shaw, 2005) consumers are involved in number of ethical decisions including organic production (Clarke et al., 2008; Dombos, 2008; Guthman, 2004; Tullock

and Lupton, 2002); environmentally friendly packaging (Shaw, 2007; Bech-Larsen, 1996; Thogersen and Grunert-Beckmann 1996) and recycling (Taylor and Todd, 1995; Thogersen 1994 ; Diamantopoulos et al., 2003) that are predominantly focused on environmental and social concerns.

These ethical decisions may have been derived by consumers either as a result of consumer responses to various Corporate Social Responsibility (CSR) initiatives enforced/promoted by organisations, or due to their internal and personal moral values developed through religious or spiritual beliefs. Current literature posit the significance of religion in human behaviour including learning and development (Sherkat, 2010); promoting health and reducing risk behaviours such as smoking and drinking alcohol (Sinha, Cnaan and Gelles, 2007; De Micheli and Formigoni 2002; Wallace and Forman (1998) and consumption of food consumption, clothing and charity (Nam et al. 2010; Ger, 2005).

Thus, besides CSR oriented or CSR provoked ethical consumer behaviour that are well researched in the consumer research, the impact of one's religious beliefs on ethical decision-making is significantly valid as spiritually oriented consumption behaviour may also encompass consumption choices upon the environment, animals and the society. Thus, investigation of the relationship between one's religious beliefs and ethical decision-making is paramount to advance consumer behaviour theories and addresses continuous research calls on religion and consumption (Izberk-Bilgin, 2012; Beruchashvili and Arnould, 2005; Watts and Loy, 1998).

The study conceptualises the importance of religious motives (or beliefs) in ethical consumer behaviour and empirically explore whether and how religious beliefs influence consumer ethical-decision making by captivating the Five precepts framework in Buddhism. The study contributes towards consumer research by highlighting the importance of religious beliefs in shaping ethical behaviour that have the ability to precede CSR provoked ethical behaviours put forward by organisation in the current marketing environment.

CONCEPTUAL REVIEW

Ethical consumption and decision-making

Consumption is an essential everyday process; 'to live is to consume' (Borgmann, 2000: 418) and today consumers are thought to play an active and skilled role in the consumption process

(Barnett et al., 2004). Existing marketing literature has predominantly used the term 'ethical consumer' to describe those who consider the environment, human and/or animal welfare as important, and as a consequence evaluate their consumption lifestyles to take these issues into consideration (Strong, 1997; Harrison et al., 2005; Barnett et al., 2005).

Social science research on consumption has discovered that ordinary consumption is inundated with moral, rhetoric and ethical concern where much of the moralising is localised around family and friends, but can be seen as part of people's self-image and their integrity (Harrison, Newholm, and Shaw, 2005). Papaoikonomou, Ryan and Valverde (2011) conceptualised ethical behaviour in consumers around two main streams of research: consumer ethics and ethical consumer behavior (Chatzidakis and Mitussis, 2007). Consumer ethics focus on how consumers perceive and react to potentially unethical purchase situations or behaviours such as counterfeiting, using an expired sales coupon, shoplifting, receiving too much change at the counter, or changing price tags on products (Chiu et al., 2009; Vitell, 2003). In the ethical consumer behaviour, which is the focus of this study refers to the making of consumer decisions according to social and environmental considerations such as animal, social, and environmental welfare (Low and Davenport, 2007).

As discussed by Harrison, Newholm and Shaw (2005: 2), ethical consumers are those who, when making purchase decisions, consider the effects a choice has on the world around them. Consumers ethical decision- making may involve a variety of decisions ranging from boycotting a particular brand or company because of a story they have read in the newspapers; select a 'fair trade-labelled coffee due to a concern for developing countries, or an eco-labelled washing powder because they think environmental issues are important (Harrison, Newholm and Shaw, 2005). This type of buying has been described as ethical purchase behaviour or ethical consumption. However, consumers will not choose these types of product if they cost half a month's salary or in the case of food stuffs if they taste bad. Ethical consumers are not therefore ignoring price and quality but applying some additional criteria on the decision-making process (Harrison, Newholm and Shaw, 2005). Thus 'being ethical' encapsulate different expressions, concerns, and issues for each individual (Barnett, Cafaro, and Newholm, 2005) where decisions concerning overall reduction of consumption or concerning as a medium for ethical/moral action based on subjective moral judgments applied to individual products/brands across the production, consumption and disposition

cycle (Brunk, 2010). This ethical behaviour may therefore have political, religious, spiritual, environmental, social or other motives for choosing one product over the other.

Motivations for ethical behaviour

Importantly ethical consumers have political, religious, spiritual, environmental, social, or other motives for choosing one product over another' (Harrison, Newholm and Shaw, 2005). Extant literature posits a number of ethical initiatives consumers choose due to these different motives where environmental and social motives play a predominant role in shaping ethical behaviour.

Consumer ethical decisions include buying organic production (Harrison, Newholm, and Shaw, 2005;Grunert and Juhl, 1995; Clarke et al., 2008; Dombos, 2008; Guthman, 2004; Tullock and Lupton, 2002); environmentally friendly packaging or avoiding excessive packaging (Shaw, 2007; Bech-Larsen, 1996; Thùgersen, 1996); participation in recycling programmes (Pieters,1991; Taylor and Todd, 1995; Thugersen, 1994 ; Diamantopoulos et al., 2003); regulating home heating and reduced use of air conditioning (Osterhus, 1997; Verhallen and Raaij, 1981; Yates and Aronson, 1983), and choice of mode of transportation (Verplanken et al., 1994). These ethical decisions are based on environmental and social concerns. Importantly discourses of ethical consumption have further spread from consumption to humanitarian debates such as exploited labour (Hale and Opondo, 2005; Silvey, 2004); fair trading (Dolan, 2008; Nicholls and Opal, 2005 ; Ozcaglar-Toulouse, Shiu, and Shaw, 2006; Shaw and Clarke, 1999; Shaw and Shiu, 2003); local production (Holloway and Kneafsey, 2000; Pratt, 2008) and animal welfare or ethical treatment of animals (Sassatelli, 2006; Roe, 2006; Watts, 2004).

There are two fundamental types of moral principles that guide evaluations: deontological (An individual evaluates an action as right or wrong by referring to higher moral duty, norms, or the law) and teleological (entails taking into account perceived consequences, their probability, desirability and the severity of positive or negative impact) (Barnett et al., 2005; Forsyth, 1992; Shanahan and Hyman, 2003). Yet, Shanahan and Hyman (2003) and Vitell et al., (2001) posit that individual's ethical judgment can be a function of both deontological norms and teleological considerations.

Irrespective of the type that governs one's ethical judgement, consumer ethical behaviours detailed above can be viewed from two important perspectives: consumer responses to various CSR initiatives or their internal and personal moral values. As Hopkins (2011), the wider aim of social responsibility is to create higher standards of living, while preserving the profitability of the corporation or the integrity of the institution, for peoples both within and outside these entities. In achieving this sustainable development in societies, organisations are very proactive in implementing and motivating consumers to involve in these CSR initiatives. In this respect, consumer's commercial environment or the organisations from where they buy goods and services provoke such ethical behaviours. On the contrary, consumers may involve in ethical behaviour guided by their internal and personal set of moral norms. The latter can be as a result of one's religious or spiritual beliefs that disciple his or her behaviour which is significant and exemplary in light of today's highly competitive and vicious market place. Importantly Shaw and Clarke (1999) and Shaw and Shui (2002) highlighted the influence of factors such as internal ethics and personal values in integrating the TPB (Theory of Planned Behaviour). Moral concepts such as justice and power, and basic ethical principles of right vs. wrong and good vs. bad make consumer behaviour as an outlet for the expression of personal ethics (Sayer, 2003; Warde, 1997).

Thus, investigation of the impact of religious and spiritual beliefs on ethical consumption behaviour is paramount to enhance our understanding on truly motives underlying ethical decision- making. This study addresses this important gap in the literature by investigating the impact of religious beliefs on ethical consumer behaviour by addressing continuous research calls on religion and ethical consumption (Izberk-Bilgin, 2012; Beruchashvili and Arnould, 2005; Watts and Loy, 1998).

Importance of religious or spiritual motives in ethical consumer behaviour

There are hundreds of religions exist in the world, yet every religion help humans understand their nature and behaviour. By doing this, every religion aims to transform humans from the animal to the divine although this spiritual transformation is identified by different names such as nirvana, heaven, or salvation (Werner, 1985).

A number of studies report the significance of religion in human behaviour. Religion has a powerful influence on learning and development, and this provides an important cultural foundation for stratification processes (Sherkat, 2010). Wallace and Forman (1998) identified the importance of religion in promoting health and reducing risk behaviours. A recent study in

the U.S. revealed that adolescents who perceived religion to be important and who were active in religious activities were less likely to be involved in risk behaviours such as smoking, drinking alcohol, and having sex (Sinha, Cnaan and Gelles, 2007). De Micheli and Formigoni (2002) indicated that self-perception of 'religious reason' provides a strong justification for not engaging in deviant behaviour such as drug use. Miller (2005) suggested that parents can influence youth by providing a model of how spiritual beliefs and practices are important for coping with difficult life situations and by exerting control over contacts that young children have with other children.

Religion links consumers to a style of life that determines what, how much, and why something is consumed (Hirschman, 1983). As posited by Nam et al. (2010), religion is the strongest factor in any food consumption culture where most religions prescribe certain patterns of consumption behaviour. In dietary guidelines, Catholics are being asked to abstain from eating meat on Fridays during Lent, vegetarianism for Hindus, and Muslims and Jews abstaining from pork altogether. Similarly there are well known religious prescriptions in clothing, grooming, art, music, charity, chastity and thriftiness. Thus, religious beliefs are likely to affect in consumer decisions and life choices (Ger, 2005). Such decisions can be embedded with their own religious and spiritual beliefs, which are under researched in current consumer behaviour literature and thus explored through this study relating to the Five Precepts of Buddhism.

Five Precepts of Buddhism and ethical behaviour

The well-known Five Precepts *(pancha sila)* form the minimum code of ethics that every lay Buddhist is expected to adhere to (or practice) in day today life. As detailed by Silva (2012) and Watts and Loy (1998), the Five Precepts include; **1). Not killing or causing harm to other living beings which** is the fundamental ethical principle for Buddhism, and this precept implies acting non-violently wherever possible, and many Buddhists are vegetarian for this reason; **2). Not taking the not-given demonstrates s**tealing as an obvious way in which one can harm others. One can also take advantage of people, exploit them, or manipulate them. All these can be seen as ways of taking the not given. The positive counterpart of this precept is generosity; **3). Avoiding sexual misconduct -** different Buddhist schools have interpreted this precept in many ways, but essentially it means not causing harm to oneself or others in the area of sexual activity that include avoiding breaking commitments in the area of sexual

relations, and avoiding encouraging others to do the same; **4). Avoiding false speech which is** the crucial element in our relations with others, and we often deceive ourselves or others without even realising that this is what we are doing. Truthfulness, the positive counterpart of this precept, is therefore essential in an ethical life and **5). Abstaining from drink and drugs that cloud the mind -** The positive counterpart of this precept is mindfulness, or awareness. Mindfulness is a fundamental quality to be developed the Buddha's path, and experience shows that taking intoxicating drink or drugs tends to run directly counter to this.

A lay Buddhist is expected to follows this code of ethics in day today life, and consumption obviously being an everyday process, a Buddhist consumer is expected to follow this Five Precepts in the consumption process too (i.e. in acquisition, consumption and disposal of products and services). From an individualist perspective, if one through his or her religious beliefs follow this five precepts in consumption decisions, we can conceptualise that the ethical consumer behaviour or ethical-decisions making is shaped by the Five Precepts of Buddhism. This conceptualisation and exploration addresses the important gap in the literature where religious or spiritual aspects underlying ethical decisions making is under-researched.

METHODOLOGY

The main approach pursued in the study is subjective personal introspection (SPI) developed by Holbrook (1995). In other words, SPI is impressionistic narrative accounts of the writer's own private consumption experiences (Holbrook, 2005). Introspection as a research method have been used in areas such as cognitive processes (memory, perceptions, thoughts, problem solving), emotions, specific experiences (e.g. alcohol abuse, spousal loss), cultural phenomena and also in consumer research (Bristor, 1992; Gould, 1991; Gould and Stinerock, 1992).

In particular, as the study is in the exploratory, 'researcher introspection' methodological approach was employed. In this method, researcher is the sole introspector in the study. According to Wallendorf and Brucks (1993), in the researcher introspection approach, 'the researcher studies him/herself; the researcher and subject/informant is the same person and there are no other subjects/informants'. As Wallendorf and Brucks (1993: 340) posited, there are a number of variations in introspection. The five categories of introspection are : 1) researcher introspection, 2) guided introspection, 3) interactive introspection, 4) syncretic

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combinations, and 5) reflexivity within research. This research method depends on the role played by introspecting individuals. The role of the introspector is determined by the level of closeness or intimacy between researcher and introspector, the number of introspectors, and their function in the study. Irrespective of the variations of introspection, this methodology involve "looking into our own minds and reporting what we there discover" (James, 1890: 185) and includes at least one individual providing verbal data on aspects of his/her experience that are consciously available to the introspector but not directly observable by another person (Wallendorf and Brucks, 1993).

This methodology is also known as 'interactive introspection' Ellis (1991) where the researchers stimulate, and react to, the other researchers, the ultimate purpose being the emergent experiences of both parties (Ellis, 1991). This interaction enables the researcher to focus attention on practices, at a level of heightened consciousness, and to probe those aspects of lived experience that might not otherwise be accessible. Also this method brings out a greater number and depth of emotional insights relevant to the phenomenon.

In this study, two authors serve as subjects/informants and therefore research design consists of authors' life narratives relevant to their religion, five precepts and consumption decisions. All two authors are Buddhists by religion, come from different parts of Sri Lanka and have similar educational and professional backgrounds. Currently the two authors live in two separate English speaking countries and the multireligious environments facilitated in-depth focus and attention in developing and introspecting these narratives relating to Five Precepts of Buddhism and ethical behaviour.

Dushan's narrative

I was a Buddhist at birth as I was born to a Buddhist family and I learnt Buddhism, as a religion first from my family (parents, grandparents and siblings). Even though my family did not 'teach' me Buddhism formally, I learnt as they engaged in certain religious activities. I started gaining a sense as to what a 'Buddhist 'would do. In addition, I remember my grandparents telling me and my siblings some stories of Buddhist scripts which helped inculcate certain moral values such as respecting adults, living a simple life and being compassionate to all living beings.

Next, I learnt Buddhism from Sunday school where I completed my religious education for 12 years. I also had Buddhism as a subject in school curricula for 10 years. I strongly believe that there is a strong link and an influence my religion and my way of life. What really made me live in religious way, apart from the effects of religious learning of Buddhism, I guess, was the social pressure. This means, having been brought up in also called 'Buddhist society', following accepted Buddhist practices was a way of getting the social acceptance.

At the age of 13, I remember how I enjoyed killing a snake, but, I still remember how badly I was criticised by my parents and siblings saying that it was totally an unaccepted act of a Buddhist child. After this incident I never made any deliberate effort to kill a living being. But, I still cannot understand why I like to have meat or animal related products in our meals with such compassion to living beings.

Reflecting broadly on some key decisions that I made later in life, I now feel that I had a strong religious backing. For example, I became a vegetarian at the age of 32 for more than two and a half years. I feel one great motivation for this decision was the religion or preservation of the very first precept. The fact that I chose not to eat meat made me feel positive about myself and was self-assuring as well. Reflecting on the influence of five precepts particularly in my routine practices, I feel that there is a strong link prevails between the two.

I try not to harm any living being with my daily acts. I tend not throw away liquids (hot water, waste water or chemicals) on earth considering not only of their harmful effects to the environment, but of possible harm to creatures living on earth. Even though I eat meat or food that contains meat, I feel it is ok to eat meat as I personally did not involve killing animals. According to Buddhist teaching, this means that act of eating meat does not complete all criteria required an act to be defined as a sin. However, I tend to avoid eating meat whenever possible and I do not consider it to be a compulsory item in every meal I take.
I know even in my family, we still have special meals such as vegetarian menu on paydays and we feel happy at least we spent a day in a Buddhist way. Also, in family occasions such as alms giving, we tend to avoid meat as a practice. However, we still have not been able to avoid fish in such occasions unless we were particularly requested by the monks.

I tend not to possess thing that do not belong to me. I try to be careful to pay the right price and purchase products. But, I expect the best for the price I pay. I personally do not like to use a used product if I have not paid a price for that. But, I feel it's not because of the religion but the self-esteem.

In terms of abstaining sexual misconduct, I remember how I perceived the Television advertising campaign for AIDS when it was first lunched. What was promoted though the campaign as 'safe sexual behaviours' was strange to me and not a usual thing for a Buddhist. The act itself was violating fundamental social values in a Buddhist society. Similarly, I do not like advertisements that depict and highlight extreme sexual appeals as I feel they are unethical in the way they promote their products. Also, I tend to avoid such adverts and try not to buy such brands. I am very particular in selecting clothes to my mother and sister, I have a tendency to choose cloths with charming colours and that are not overly revealing.

In terms of not lying, I tend to share our genuine experiences of consumption with others (friend and family). Similarly I expect sellers to tell us the truth. I get easily disappointed if I feel that they attempt to cheat me by giving wrong information. I tend to avoid such places and people whenever possible. I personally have such negative experience of buying a television set from a reputed company and I remember sharing this story with everyone whom I got to talk about this.

When I think of the past, I feel that there was a strong religious support (not a pressure) for me to be a teetotaller and a non-smoker. In spite of the peer pressure I had at the school, I could easily adopt the anti-smoking and anti-alcoholic life style as it was totally accepted in a Buddhist society and there was a way to justify my choice without being criticised by others.

Nilanthi's Narrative

I was born and brought up in a very strong Buddhist background in suburbs of Kandy, Sri Lanka. Growing up as a child all my family, neighbours and relations were Buddhists where I remember religion played a very important role in our daily lives as well as in special events such as weddings, birthdays etc. At the age of 4, I remember going to the temple with my family and neighbours on every full moon poya day in each month until I left home for university studies. Every evening, me and my sister had to observe 'pansil' (Five Precepts). My mother used to prepare meals for monks in our village temple every month and we all participated in these almsgivings which I really enjoyed mainly because I had the freedom to

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explore and watch wall paintings in the temple. Growing up at the age of 6, I remember observing sill for the first time with my grandmother and then gradually it became an event in the monthly calendar. During this childhood period Wesak and Poson festivals (that commemorate and celebrate the birth, enlightenment and passing away of Buddha and bringing Buddhism to Sri Lanka by Mihindu Thero) were definitely my highlights of the year. I can still imagine these days, and I now thoroughly enjoy recalling these nostalgic memories. I remember observing sill and participating in prayers in the evening with flowers, candles and incense *sticks. And on every Sunday I went to Dhamma School with my sister during my childhood. Growing up as a teenager* every special event of my life (e.g. sitting for GCSE, Advanced level) started with religious endeavours because before these events, my mother took me to the *Dalada Maligawa (*Temple of the Sacred Tooth Relic) to take blessings. I think from the day I was able to be conscious about myself, Buddhism has played a critical role in shaping my way of life.

As a lay Buddhist, I follow the Five Precepts in everyday life to the maximum extent I can. Thus obviously these Five Precepts have eventually influenced my behaviour including purchases, consumption and disposal decisions both in my individual and family decisions (oriented and extended).

The First Precept is to abstain from taking life. I have neglected this precept many times during my childhood not on purpose but I enjoyed catching fish and butterflies, putting them in bottles and feeding them. Unfortunately after few days they lose their lives. But growing up I tried not even to kill a mosquito with the intention of adhering this precept. This concern would have been due to my childhood experiences because many domestic animals such as chickens, goats and cows were in my surrounding neighbourhood and enjoyed touching them. Also I didn't have a life without my dogs and most of the weekend was spent caring them. So governed by this precept and being an animal lover, I try to avoid harming or killing animals. This practice has also been extended by avoiding meat eating. My mother was a vegetarian and that may have been a reason why I didn't like eating meat during my childhood. Growing up where there were no options, I had to eat meat for my survival but definitely it is not my preference. Although I buy meat items on behalf of my family, I do not eat meat. However, it should be noted that there is an ongoing debate on whether this precept advises Buddhists to be vegetarian or vice versa.

The second precept is to abstain from stealing. I feel that I am making a crime to the society if I steal someone else's possessions and have never ever made any attempt to steal which I believe is as a result of this precept. As I was from a middle class family, I could not have everything I wanted or liked. I remember my school friends having precious possessions which I didn't have at the time. But knowing my parents can't afford them, I didn't cry for them or never thought of stealing. I feel sympathetic when people try to shoplift or steal others possessions because they are not self-disciplined and not smart enough to realise the negative consequences of stealing.

The third precept is to abstain from sexual misconduct. Sex is a basic physiological need for every human being. Being aware of the life threatening diseases such as HIV as a result unreliable sexual relationships and disastrous activities such as prostitution and child abuse happens in the society, I tend to reflect the importance of this precept. I am very pleased that I was aware of the negative consequences of sexual misconduct and the adverse effects that bring to one's life through this precept. Although Five Precepts is not mandatory to follow as per the Buddhist teaching, I understand that these precepts regulate person's internal ethics and moral obligations for the well being of the society.

The forth precept is to abstain from false speech. As an adult I have had many occasions where I had to verbally battle with people when they were trying to cheat through false speech. I never tolerate to be cheated by any form of marketing communications or any false and/or hidden offers. I hate very much when people cheat to others which I believe is as a result of violating this precept. However, I must admit that sometimes I tend to lie to get away with certain situations, but I ensure that even I make up a small lie, that does not cause any harm to any person. As far as my grocery shopping is concerned, I always buy fair trade bananas and coffee due to two reasons: As an appreciation for fair working practices and please my son as he is very passionate about fair trade and organic produce through his school projects.

The Fifth Precept is to abstain from intoxicants that cloud the mind. I am totally congruent with this precept and have never smoked, drank alcohol or consumed any harmful intoxicants in my life time. More than realising the adverse effects of such consumption, I feel it was in my mind from childhood that this is not the right thing to do, perhaps being influenced by this precept.

DISCUSSION AND IMPLICATIONS

Two narratives were written independently by the authors and then went through a number of iterations together to discover whether and how Five Precepts of Buddhism shape ethical decision making in the consumption process. Importantly to both of us, these Five Precepts significantly influence our behaviour including ethical decision-making. Although the relevance of all Five Precepts on ethical consumption decisions were not reflected, following section discusses the conformance or divergence of Five Precepts and ethical decision-making and their implications by examining the content of narratives.

Researchers' narratives on the first precept show a clear relationship between ethical decision-making. The quotes 'I try not to harm any living being with in my daily acts'; 'tend to avoid eating meat'; 'vegetarian menu on pay days' ;'being an animal lover' and 'avoid killing animals and meat eating' can be directly related to the ethical initiative of animal welfare or ethical treatment to animals (Sassatelli, 2006; Roe, 2006; Watts, 2004). Practices governed by this precept can also be indirectly related to buying organic (Clarke et al., 2008; Dombos, 2008; Guthman, 2004; Tullock and Lupton, 2002) because considering the minimum use (or non use) of pesticides that are harmless for insects and other living beings in organic production, one may tend to purchase and consume organic produce if governed by this precept.

Researcher quotations relevant to the second precept such as 'try to be careful to pay the right price' and 'I feel that I am making a crime to the society if I steal someone else's possessions' imply that justice and fairness is appreciated by Buddhists by following this precept', can be closely associated with fair trade initiatives (Dolan, 2008; Nicholls and Opal, 2005) and against unfair working practices such as exploited labour (Hale and Opondo, 2005; Silvey, 2004).

Quotes such as 'I never tolerate to be cheated by any form of marketing communications or any false and/or hidden offers'; 'I expect sellers to tell us the truth and I get easily disappointed if I feel that they attempt to cheat me by giving wrong information' and 'always buy fair-trade bananas and coffee' demonstrate the forth precept of abstaining from false speech which represent well with decisions relating to fair trade (Dolan, 2008; Nicholls and Opal, 2005). Therefore based on these religious beliefs, consumers may essentially be

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provocative in ethical decisions-making without having the need to promote and convince towards such decisions through political agendas and CSR initiatives.

Narratives of both authors reflect the conformance of the other two precepts; abstain from sexual misconduct and intoxicants in their life experiences through the quotes such as 'I am totally congruent with this precept and have never smoked, drank alcohol or consumed any harmful intoxicants in my life time'; 'I could easily adopt the anti-smoking and anti-alcoholic life style as it was totally accepted in a Buddhist society'; I have a tendency to choose cloths with charming colours and that are not overly revealing' and 'I am very pleased that I was aware of the negative consequences of sexual misconduct'. Although these precepts are not directly associated with ethical initiatives relevant to consumption, these moral obligations directly associate with society's well being in reducing crime and violence.

CONCLUSION AND FUTURE DIRECTIONS

Research on consumer ethics and ethical decision-making has been a topic of continued interest in consumer research although role of the religious or spiritual motives in this ethical behaviour is under-represented given the predominant focus of environmental and social motivations. This paper conceptualised and investigated how one's religious beliefs influence in ethical decision-making by investigating the Five Precepts of Buddhism through researcher's introspection. Results suggest three precepts of Buddhism (i.e. abstain from taking life, abstain from stealing and abstain from false speech) have a strong impact towards ethical consumption behaviour while other two (i.e. abstain from sexual misconduct and abstain from intoxicants that cloud the mind) regulate general ethical behaviour and social wellbeing.

Although the study significantly contributes to advance the theory of ethical decision-making and have societal implications discussed above, there are limitations inherent to the nature of the research and the methodology employed. This study is exploratory in nature and therefore cannot derive at concrete conclusions. In particular, researcher introspection method used in the study is subjective and based only on the authors interpretation of the topic and therefore cannot be generalised in theory building.

However, there is a great potential to broaden this perspective in further research to advance the consumer behaviour theory by examining the impact of religion on ethical consumer

behaviour. To this end, other important principles of Buddhism and other religious beliefs can be investigated. To enhance the methodological rigor, in addition to researcher introspection, other data collection methods and analysis with other consumers can be utilised. A cautiously designed quantitative study or hypotheses testing may enhance the reliability and validity of findings related to the phenomenon.

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[11]

CARING FOR THE HISTORIC ENVIRONMENT – MEETING
A SOCIAL MARKETING CHALLENGE

Izabella Parowicz

Abstract

Architectural conservation which aims to preserve the historic environment of a town or a village is a manifold challenge for those in charge of this uneasy task. As far as any alterations of historical buildings are concerned, the respective freedom of their owners is restricted by the heritage-related legislation and by the principles of conservation ethics. Simultaneously, investors are often discontented with the fact that their planned cityscape investments may be impeded by those who aim to protect the existing, historical environment. Such freedom restrictions and any unpopular decisions of the conservators and heritage authorities are likely to be mentally rejected or even boycotted by owners, investors and, last but not least, by the general public, unless these reactions be mitigated by introducing social marketing tools. This paper aims to discuss the ways in which conservators, heritage authorities and other stakeholders involved can address and challenge the social reluctance of the aforesaid restrictions pertaining to preservation cultural heritage.

Keywords: Historic environment, conservation services, service marketing

Conservation of cultural heritage can be understood as the operations that together are intended to maintain the physical and cultural characteristics of an object by forestalling damage or remedying deterioration, so as to ensure that the value of this is not diminished and that it will outlive our limited time span (Viñas and Viñas 1988). As such, it is rarely the subject of an economist's interest. This partly results from the insufficient public interest in conservation that currently exists. Another problem is that conservators are, as a rule, not familiar enough with ways of effectively marketing their services and consequently, they might refrain from taking the initiative of reaching out to owners of artefacts and/or sites of historical value and significance. Apart from this, conservators rarely ever seek the assistance and advice of specialists in the fields of finance, management and marketing. At the same time their work is usually perceived by the general public (including potential customers) as a very sophisticated and specialised service, which appears to be unaffordable and not readily available to private, individual parties. In case of architectural heritage, the issue becomes more problematic and the reasons are the following:

1. The architectural heritage is difficult to be properly maintained due to a number of strict guidelines and regulations imposed by respective legal acts and by national, regional or local heritage preservation agencies. From the point of view of the owner of such a historical building, the cost-effectiveness of the appropriate maintenance thereof is very often questionable and the respective expensive are beyond capabilities of the person concerned;

2. The original function of a historical building in question may be not profitable enough for the owner or he might not be interested enough to maintain it in the current state. However, the restrictions imposed by the heritage authorities do not allow him to undertake any desired alterations on the object. This often leads to the situation in which the owner refuses to further bear the financial burden of maintaining his property which, as a result is endangered by a slow decay.

3. The architectural heritage is often located on a very expensive plot which attracts the attention of a potential investor who however is not necessarily interested in the historical building itself; the latter is perceived as a restriction in fulfilling plans of the investor who would rather demolish the uncomfortable historical building and erect a new, probably more profitable construction instead.

The aforementioned factors reflect negatively on the effectiveness of preservation of historic environment. On the one hand, the existing legal and administrative restrictions may discourage owners and investors from an active involvement in the maintenance of historical buildings and very often, they are given inadequate support or incentives for such an involvement. On the other hand, the general public seems to be insufficiently addressed in terms of raising their awareness regarding the importance of preserving architectural heritage. Even in some most developed countries in the world the society seems not to pay enough attention to the value that architectural heritage has for strengthening local, regional and national identity and unless some benefits be clearly communicated to it (whether tangible, such as tourism development or business opportunities, or intangible, such as enhancing or maintaining life quality in a city, town or village and preserving the historic environment for the generations to come), it may not be in a position to properly appreciate the existing architectural heritage. Which is more, the voice of the general public, if the latter is undereducated in the heritage preservation matters, will be too weak (or even nonexistent) to react and to possibly influence any decisions which would be unfavourable for the historic environment. Still too few measures are undertaken with the aim of raising social awareness for the importance of

heritage conservation as well as (more specifically) establishing and improving adequate communication with existing and prospective owners of historical buildings.

In view of the above, this paper aims to focus on exploring the issue of social marketing in the area of conservation of historic environment. After a literature overview, conservation services will be briefly characterised from the economic point of view and rationale for using social marketing tools in the heritage conservation context will be provided. Furthermore, selected results of the research carried out by the author of the paper regarding marketing tools the conservators worldwide use to i.e. influence social perception of heritage conservation will be presented.

LITERATURE OVERVIEW

Broadly speaking, social marketing refers to the application of marketing principles and exchange to social issues. (Domegan, 2008). The term *social marketing* appeared for the first time in 1971, in a pioneering article, "Social marketing: an approach to planned social change" co-authored by Kotler and Zaltman. Their view was that *social marketing* is the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behaviour for the benefit of individuals, groups, or society as a whole. Opel et al. (2009) defined social marketing as model for behaviour change; it is a process that applies traditional marketing principles and techniques to influence target audience behaviours that benefit society as well as the individual. As Sargeant (2005) suggested, a social marketer is concerned not only with the communication of a message; he must also attempt to make the adoption of a behavioural change relatively easy to achieve. Social marketing aims for aggregated behaviour change – it focuses on the population as a whole and not only on individuals, as this is the case with commercial marketing (Lefevbre 2011). Domegan (2008) explains this issue further stating that social marketing deals with the context which is, as a rule, overseen by marketing managers. By extending its focus beyond individual customers or even their segments, social marketing contributes to bridging a gap between the corporate sector and public welfare (Hastings and Saren, 2003, Brenkert, 2002) to help both worlds understand each other. Thus, while contemporary writers define social marketing as a method to influence the voluntary behaviour of target audiences (Andreasen, 1995; Donovan and Henley, 2003; Kotler and Lee, 2008), it is actually the society as a whole which is targeted by means of social marketing. Starting with needs and expectations of an individual customers, it goes far beyond it trying to address the whole population in order to enhance its level of wellbeing in a particular area. In view of the above, although some authors (i.e. Rotschild, 1999) suggest to draw a

clear demarcation line between social marketing and activities such as regulations or education, Peattie and Peattie (2003) and Donovan (2011) rightly suggest that broadening the scope of social marketing rather than limiting it should be considered a valuable approach. It seems namely more beneficial to accept that social marketing uses concepts and tactics from other disciplines and that the focus should be on improving the effectiveness of social marketing solutions.

Hastings and Saren (2003) argue that social marketing can contribute to broader social goals by: identifying how marketing practices influence behaviours for both individual and social harm and good; by analyzing the market forces in play, suggest solutions to improve benefits and reduce costs to both; and then lead efforts to harness the power of markets to benefit society. Thus social marketing distinguishes itself with four key issues (Stead et al. 2007): The first is *a focus on voluntary behaviour change:* social marketing is not about coercion or enforcement. The second is that *social marketers try to induce change by applying the principle of exchange* – they recognise that there must be a clear benefit for the customer if change is to occur (Houston and Gassenheimer, 1987). Third, *marketing techniques such as consumer oriented market research, segmentation and targeting, and the marketing mix should be used.* Lastly, the ultimate goal of social marketing is *to improve individual welfare and that of society, not to benefit the organisation doing the social marketing*; the latter is what distinguishes social marketing from other forms of marketing (MacFadyen et al., 2002). Donovan (2011) emphasises that the most important characteristics of marketing are its consumer orientation and the exchange process, since from those stem all other tools and principles.

The main aim of social marketing is therefore to:

- achieve social benefit by means of commercial marketing instruments,

- introduce an evolution of social awareness with regards to a particular field,

- influence related values, public opinion and people's behaviour and eventually,

- motivate people to a voluntary engagement in achieving, building or sustaining a social good (Kotler 1982).

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The reasons for such an engagement can be of an individualistic nature, wherever identification with such values concerned occurs. They can also have a social or altruistic background (regional or local identity, responsibility towards future generations etc.). The social marketing approach is relatively well developed in such fields as health care (smoking or obesity prevention, organ donation) or environmental protection. Both commercial and non-profit organisations alike are undertaking social marketing, especially in areas where educational and legal interventions have failed (Diamond and Oppenheim, 2004). By applying instruments borrowed from commerce, the parties dealing with social marketing try to influence and positively modify social behaviour in order to increase the benefit of the target audience rather than that of the marketer. Like its commercial equivalent, social marketing focuses on the consumer – on learning what his needs and wants are and on communicating with him accordingly in order to meet these expectations (Weinreich 2006). It is however important to stress that, whereas commercial marketing usually focuses on selected market segments, that is one particular groups of customers who for different reasons such as lifestyle, consumption preferences, age or level education, are more likely to positively respond to the market offer than any others, social marketing implies awareness-raising campaigns and is therefore addressed to an undifferentiated audience at large, including those who show no or little interest in the field concerned. As such, social marketing is obviously less, if at all, profitable than its commercial counterpart and it involves an inevitable wastage of resources, since all the costly actions taken are not focused on a carefully selected target group. On the contrary, they need to be widely dispersed and the expected rate of response is comparatively lower in this case. For this reason, social marketing is rarely undertaken by an individual company; it is rather subject to either collective activity of the whole sector, of lobbying groups, or of national or supranational institutions with significant support provided by mass media.

Characteristics of conservation services

From the economic point of view, conservation of cultural heritage can be defined as a particular type of professional service performed by highly skilled and knowledgeable conservators on behalf of owners of artefacts and/or sites of historical value and significance. In economic terms, conservators are consequently providers of saleable, intangible and immaterial goods (i.e. services) that can be subject to other people's interest and demand. As such, if they aim to become successful market players, they should obviously be interested in successfully reaching out to potential customers and directing their activities towards their customers' requirements, anticipating their

future needs in the process (and mitigating any dissatisfaction which may result from unrealistic expectations or insufficient knowledge of the field discussed).

The consumer-orientation of the supplier of any goods or services is always limited by various factors. To the most crucial constraints there belong existing capabilities and skills, workforce, location, company reputation, as well as its strengths and shortcomings. The existing environment must also be taken into account, that is the competitors, suppliers, distributors, subcontractors, shareholders on the one hand and, in the less immediate "macro" dimension, general economic, technological, social, political and legal factors (Kent 1993). The consumer-orientation of conservators is, in addition, considerably restricted by the rules of conservation ethics. For the sake of the preservation of cultural heritage no needs of customers can be met that would result in damaging the historic objects in question. That is why successful communication with customers should not only include standard marketing activities but, in addition, should naturally aim to raise awareness and to educate existing and potential customers to influence their attitude, to change their behaviour and to sustain these behaviour changes (Kipp and Callaway, 2002).

At this stage, it seems appropriate to consider what kind of application does the social marketing have for the architectural heritage. First and foremost it needs to be remembered that, as Hoek and Jones (2011) argue, the primary aim is to challenge the usual practices which can be considered risky or damaging for the historic environment. The intuitively "normal" behaviour of people which would push them to strive for new, modern solutions even if this be at the cost of the old ones which might be much more valuable, much more sustainable and much more beneficial, ought to be influenced and shaped by making people aware that, before any such idea be developed, the priority should be given to an attempt of getting the best out of what has been inherited from previous generations. In case of the historic environment, the following approaches are frequently observed by the particular stakeholders:

- heritage authorities and conservators – entities perceived as rigid and uncompromising, trying to make everyone's life difficult;

- existing owners – entities or individuals being frequently excessively burdened by unrealistic obligations imposed by the respective authorities or conservators;

- prospective owners or investors – entities or individuals not necessarily interested in preserving the historical buildings in their original condition, frequently not showing any sentimental attitude towards them but perceiving them (or their location) as a prospectively profitable investment;

- the general public – the audience in the broad sense of the world, e.g. the inhabitants of the town/district/street in question who may have a sentimental attitude towards their historic environment but who, due to their insufficient knowledge and to the lack of sensitivity training, can be viewed as inexpert, uncritical and passive consumers (Mason, 2004) who do not care enough about the fate of their historical surroundings.

Having said that, conservation marketing undoubtedly has a multiple impact potential. Its results can be beneficial not only for the direct market agents concerned that is for suppliers and customers of conservation services (such as current owners and investors/prospective owners of historical buildings). On the contrary, by raising public awareness they can have a significant influence on increasing sustainability of preservation of historic environment on a local, regional, national or even international level. This positive effect will depend on the scale, intensity and the type of marketing to be applied, bearing in mind in particular the social marketing approach.

It is evident that conservation services fulfil both functions. Specifically, they are capable of satisfying individual needs expressed by owners or caretakers of cultural assets and, at the same time, they aim to achieve a social benefit, which is preserving the common cultural heritage, although this very benefit is not always realised or appreciated by the general public and by the stakeholders directly involved. This would obviously require involving a significant financial contribution of the state or third parties. Such circumstances are very difficult to achieve by a private, small-scale company. Nonetheless, it is possible for a conservation company to amalgamate elements of both types of marketing in order to be able to improve and accomplish more effectively their commercial goals and simultaneously, help to raise social awareness with regards to cultural heritage preservation.

When considering the relatively low profit of conservation services, it is very unlikely that a conservation company will be in a position to allow a financial risk and, subsequently, to undertake a large-scale marketing campaign addressed to the general public. On the contrary, in order to

remain sustainable in its professional activity, a conservator must focus its marketing efforts upon a group of customers that will most likely and most positively respond to the actions taken. For this reason, conservation marketing will mostly have a commercial rather than social character, although in some cases the implementation of the social marketing approach could be possible. It is for instance advisable that a conservation company finds way of promoting and presenting the results of its work (i.e. public lectures or presentations, writing articles on newspapers, organising open educational courses for the potential customers etc.). Even though would directly addresses selected groups of recipients/customers, it may have a constructive impact on the whole society, as the satisfied customers are the best propagators of the quality of the services received. Thus, by word of mouth, they can best promote and help develop the new, positive tendencies and behaviours among the public at large. By establishing a good and fruitful relationship with their customers and by making sure that the results of their work are made known to the general public, they can achieve a significant social benefit. Furthermore, raising public awareness in the field of cultural heritage preservation would certainly result in an increased public interest in using conservation services which shall have positive commercial consequences for conservators. Needless to say, the range and extent of marketing activities must naturally be adjusted to the size and capabilities of the conservation company concerned. It is however to be expected that any good patterns of behaviour developed within a community can be successfully disseminated and adopted by the general public.\

Marketing conservation services –selected results of a research project
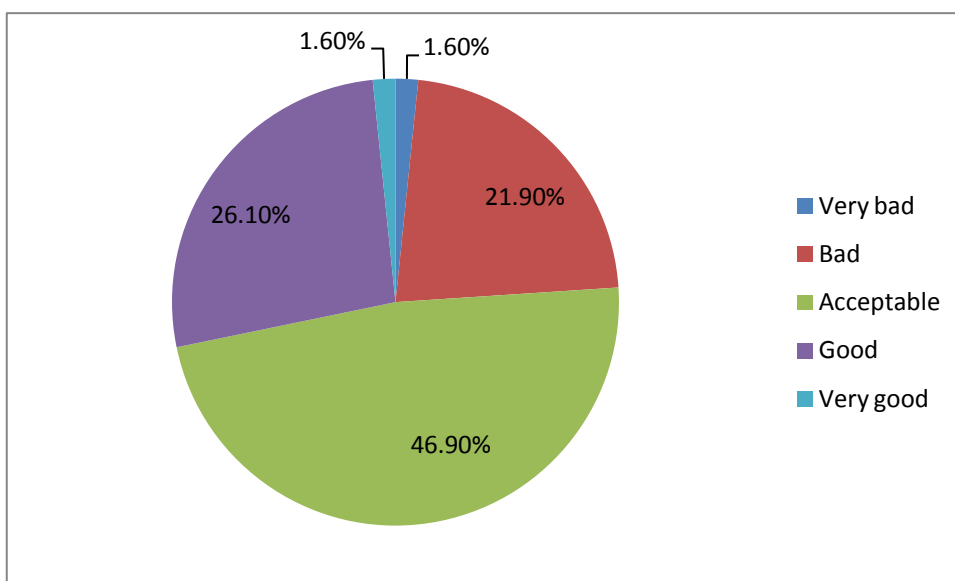
The author has been for a few years working on an EU- funded research project concerning marketing conservation services (6th and 7th Framework Programme of the EU). Within the framework of this research, an extensive questionnaire had been prepared, which has been answered by 486 conservators representing various countries worldwide. For the purpose of this research, mostly self-employed conservators working in their own studios/on site and freelance conservators have been approached in order to examine interactions occurring within the free market environment. The respondents represented various areas of expertise (paintings conservation, books and paper conservation, stone, ceramics, metal and glass conservation as well as wood conservation). Areas such as textiles (carpets and rugs, tapestries, costumes), accessories, jewellery and leather conservations were relatively least represented. Among the respondents, 64 conservation architects were represented.

The respondents were asked i.e. a number of questions concerning their view on the awareness of the general public with regard to the heritage preservation (Graph 1):
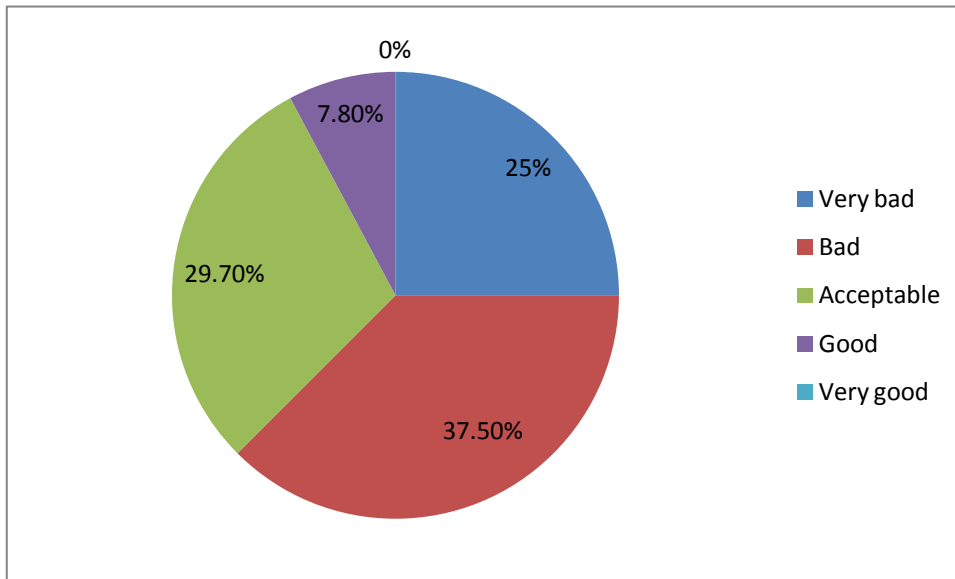

Graph 1. Level of general public's awareness regarding heritage conservation as perceived by conservation architects (Source: Author's own research).

From the above it is evident that over 60% of the respondents consider the public awareness with regard to heritage preservation to be less than acceptable. It is remarkable that none of the respondents described it as very good. It becomes evident that there is a significant field for improvement in this respect.

The Graph 2 shows that these proportions improve significantly when a person actually decides to use conservation services. Nearly half of the customers have an acceptable awareness of the heritage conservation, while over 27% of the customers have a good or even very good awareness thereof.
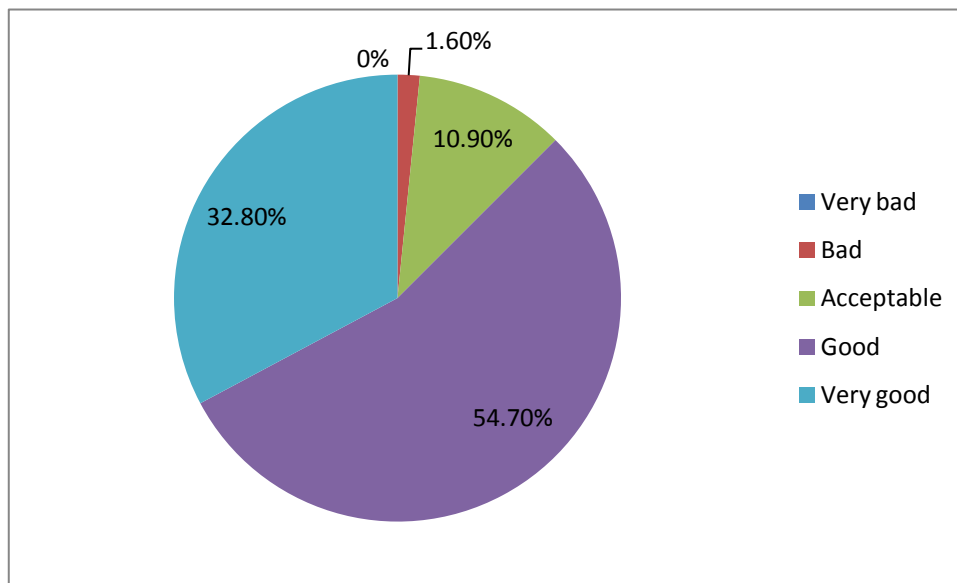
Graph 3: Level of the owners' awareness as perceived after using conservation services (Source: Author's own research)

From Graph 3. it becomes evident that the awareness derived from using conservation services increases even more. After such an experience have been made, only 1,6% of the customers have still bad level of awareness, whereas more than 87% percent of owners of historical buildings demonstrate good or even very good awareness of the importance of heritage conservation.

It appears that using conservation services is as such a powerful awareness-raising tool by means of which the individuals become more conscious of the importance of heritage preservation. It also shows that, since there are a number of people who will probably never have the chance to personally use the aforementioned services, simply because they do not own any historic properties , their respective sensibility and their "disinterested interest" has to be stimulated by means of other incentives. At the same time effort should be undertaken to draw both, the owners' and potential owners' attention to the importance of using the services discussed.

As for marketing activities undertaken by the conservation architects who took part in the survey, 35,5% of them said that there is no need to undertake any such activities since the quality of their work speaks for itself. 22,6% of the respondents admitted to be too busy to implement any marketing instruments. 8,1% of the respondents offer price discounts, whereas 6,5% thereof advertise their services in the media. 62,9% of the conservation architects interviewed invest a lot of effort in establishing good relationships with their customers and 67,7% of them rely on the good word of mouth. 16,1% of the respondents revealed that they would be willing to implement marketing tools but they do not know how to start.

As far as ways of reaching general public are concerned, 51,6% of the respondents said that they organise or take part in public lectures concerning architectural conservation. 33,9% of them write articles in magazines or newspapers; 19,4% of the respondents organise awareness-raising or educational courses for the general public and 12,9% thereof do not participate at all in any of such activities. It appears that although as a whole, conservation architects reveal certain activity aiming to increase the respective knowledge and sensibility of the general public, there still remains a lot to be done in this field seeing the awareness deficiencies which are still observed among the public at large. In view of the time- and energy consuming character of such an involvement, it seems obvious that other stakeholders than conservators themselves have to get actively involved in such awareness-raising actions in order to be able to effectively meet this social challenge.

SUMMARY

The public character of social marketing allows everyone to get acquainted with the issue concerned. At the same time, one has to be aware that there will always be certain groups of society that will not be properly approached by means of a social marketing activity. Unless provided with special funds, a private conservation company cannot and should not take on the full responsibility for the education of the general public. Nevertheless, in view of the company's commercial goals, it can contribute to promoting good practices in society at a relatively low cost. By undertaking activities of a composed, promotional-didactic character (such as writing articles or making public presentations of the accomplished conservation works), a conservation company would be in a position to attract and educate representatives of those social groups who would most likely use its services. It would be therefore recommended for a conservation company to, if necessary, redefine its mission and to more consciously and focus on both, commercial and social goals. Wherever possible, conservators should therefore reach out to prospective and existing customers with

essential knowledge in order to convince their clientele about the benefits of using professional conservation services.

Since social marketing implies awareness-raising campaigns and is therefore addressed to an undifferentiated audience at large, including those who show no or little interest in the field concerned. It has been noticed that, in the area of conservation, all the people, whether owners or non-owners of historical buildings, whether users or non-users of conservation services, ought to be exposed to campaigns promoting good practices and values so that public opinion be shaped accordingly. Whereas there is never enough awareness-raising, it is evident that those who have little knowledge of the issue in question but may potentially be interested in conservation, should be addressed with utmost intensity. A social marketing campaign should therefore primarily motivate the owners of historical buildings to look more carefully to the appropriate care of their belongings and to consider using to the maximum the potential thereof before ever thinking of their demolition or any irreversible alteration. Since social marketing – by definition – does not include any targeting methods, it can be expected that its effects will leave an imprint on those who are, on the one hand, presently not interested in conservation services (since they do not own historical objects) – to make them acquainted with how to proceed in case their situation changes and on those who, on the other hand, are familiar with conservation practices but perhaps need to be reminded about their benefits and the hazard pertaining to any negligence or attempt to economise on conservation intervention.

It is not easy to suggest particular actions or specific marketing tools that ought to be applied to ensure the effectiveness of a social marketing campaign with regards to conservation, as it obviously depends on the financial and human resources available, on the heritage preservation – related legislation adopted in the particular country, on the spatial range of such an undertaking etc. Among recommendable social marketing actions in the conservation field such means can be mentioned as television spots or billboards promoting good practices, a cycle of articles dedicated to this issue, juxtaposing good and bad examples of conservation-restoration treatment, organising open days within the institutions dealing with conservation, free assessment of the condition of artefacts, organising care of collection courses and any other activities that sensitise the general public and make them aware of their responsibilities towards the cultural heritage in view of its universal, timeless character and its value.

It ought to be considered what solution with regards to the involvement of marketing in the area of conservation would be optimal. In general, there seem to be three scenarios for actors of the conservation market:

- Providers of conservation services individually deal with social and commercial marketing – in this case, the costs involved may appear too high for an individual conservator or conservation company, and thus, such activity would be considered too work- and time-consuming; as a result, the idea of getting involved in these activities may be given up;

- Providers of conservation services join an association that shall aim to promote good practices among the general public – a joint effort allows lowering the costs of social marketing. At the same time, since conservators themselves would personally be involved in designing and implementing marketing tools for the whole industry, they would have a chance to establish individual contact with prospective clients, to better recognise their needs and expectations, they would also be able to influence the message that is addressed to the general public;

- The care of social marketing of conservation remains responsibility of the government or an entrusted agency which carries out a respective campaign on a national or regional level. Providers of conservation services concentrate on the commercial aspect of marketing only, in particular on the relationship marketing.

It is not straightforward to come up with a concept that would be most advantageous for a national conservation market, as there are many factors that need to be taken into consideration. Evidently however, it seems recommendable to promote a solution, according to which a bigger institution would deal with the social marketing, at a larger scale, a close collaboration with individual conservators or conservation companies is however strongly advised. As a conclusion, it ought to be remarked that any social marketing activities need to be accompanied by appropriate legal regulations and public financial tools; they form a triangle which is crucial for successfully meeting the social challenge of preserving the historic environment.

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[12]

CRM: THE EFFECTIVE TOOL FOR TOURISTS SATISFACTION

Dilip Shinde

Abstract

*The purpose of present work is to study CRM in tourism services implemented for tourists of Nashik city, Maharashtra, India. The Tour customers and travel agencies of Nashik have been chosen as sample. This research explains the objectives for CRM in tourism services and barriers of tourism services. From conducting this study some main findings have been found. CRM objectives divided into seven categories, which are decreasing cost, improving customer services, Customer retention, Acquiring new customer, increasing profits, maintain customer relations and Quality services. The barriers divided into five categories, gap between expected services and perceived services, improper services, and relationship management and lack of standardization. **CRM Services** can give effective solutions for Customer retention, customer profiling, targeted promotions, productive relationship and effective communication with tour customers.*

Key words: Tourists, Nashik, CRM, Tourists Satisfaction

CUSTOMER ACQUISITION

For most businesses, the primary means of growth involves the acquisition of new customers. Customers who in the past have bought from your competitors.

In the case of traditional direct marketing, customer acquisition is relatively similar to mass marketing. A marketing manager selects the demographics that they are interested in (which could very well be the same characteristics used for mass market advertising), and then works with a data vendor (sometimes known as a service bureau) to obtain lists of customers who meet those characteristics. The service bureaus have large databases containing millions of prospective customers that can be segmented based on specific demographic criteria (age, gender, interest in particular subjects, etc.). A key factor for the growth of any tourism business is the acquisition of new customers and the retention of existing clients (Ozgener.S and Iraz. R, 2005).

Companies, regardless of size and geography are looking to:

- Expand their customer base
- Minimize costs and customer acquisition lead times

- Improve customer relationships by creating effective loyalty programs

CUSTOMER RETENTION

Customer Retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A company's ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace. Customer retention is more than giving the customer what they expect; it's about exceeding their expectations so that they become loyal advocates for your brand. In today's challenging economy and competitive business world, retaining your customer base is critical to your success. If you don't give your customers some good reasons to stay, your competitors will give them a reason to leave. Customer retention and satisfaction drive profits. It's far less expensive to cultivate your existing customer base and sell more services to them than it is to seek new, single-transaction customers. Most surveys across industries show that keeping one existing customer is five to seven times more profitable than attracting one new one.

OBJECTIVES

The Research study would be carried with the following specific objectives –

1) To provide the quality tourism delivery for each customer.

2) Improve the process of communication with the right customers

3) Provide the right offer for each customs.

4) Acquiring the right customers based on knowledge or learned characteristics which drive

   Growth and increased margins.

5) To improve customer satisfaction by quicker response to requests.

6) Improve the service quality and established relationship with customers.

RESEARCH METHODOLOGY

A research study was undertaken to study the role of customer relationship management in the Tourism services in the Nashik city. Research Methodology is defined as a highly intellectual human activity used in the investigation of nature and mater and deals specifically with the manner in which data is collected, analyzed and interpreted.

The study has brought out varied aspects of CRM in tourism services. As lot has and is being discussed on this area, which makes it an important area to analyze for its scope and the possible impact it can have on the tourism. CRM has come as a boon of information technology, which when exploited will make the adopters competitive and cost effective (Sheth J, Parvatiya A and Shainesh G. 2008). As such the term 'Research' refers to the systematic method of consisting of enunciating the problem, formulating hypothesis, collection of data, analyzing he data   and reaching certain conclusion either in the form of solution towards the concerned problem in certain generalization for some theoretical formulation (Ryals L. and Knox S. 2001).

Research Strategy is a general plan of how to answer the research questions that have been set. The research strategy that employed as a Survey, usually associated with the deductive approach .It is a popular and common strategy in business research (Ramaswamy V.S. and Namakumari S. 1983). They allow the collection of a large amount of data from sizable population in highly economic way. Based most often on questionnaire, data are standardized and allow easy comparison.

Data collection

The gathering of data may range from a simple observation at one location to a grandiose survey of multinational corporations at sites in different parts of the world.

Primary and Secondary Data:

This study is conducted with the help of both primary and secondary data. The major sources of data are primary, where a structured questionnaire is designed and administered to the selected respondents. The sampling is random. Sample size is 600 respondents.The secondary data is collected mainly through articles, books, research studies, magazines, various documents and the internet.

Sampling:

I have selected a deliberate sampling method, which involves purposive or non-probability sampling. It is the deliberate selection of particular units or data. When population elements are selected for inclusion in the sample based on the sense of access, called convenience sampling (Kothari C.R., 2004). The population of Nashik city is 12 00000 plus. The numbers of traveling agencies are near about 60 in the city. Then by using convenience sampling, I choose six tourism agencies randomly .The proportion of tourism agencies and customers are 1:100. Therefore there are 600 customers questionnaires have fixed and distributed among tourists.

DATA ANALYSIS AND INTERPRETATION

The Table 1 gives the quantitative data of relation between the Income and the type of the tour. The income groups have been classified as 0 to 4 corresponding to no income, Less than 20000, between 20000 and 29000, Between 30000 to 39000 and 40000 and above respectively. Similarly the tour types have been classified from 0 to 3 corresponding to economical, deluxe, luxury or premium respectively. The noticeable outputs are:

- 56.44% of economic 'tour going customers' (28.5% of 'tour going customers') were from the income group ranging less than 20000; which formed 60.85% of the income group.

- On the other hand, 54.55% of premium 'tour going customers' (11% of 'tour going customers') were from the same economic group i.e. income ranging less than 20000; which formed 23.49% of the income group And 2.97% of economic 'tour going customers' (1.5% of 'tour going customers') were from the income group ranging more than 40000; which formed 24.32% of the income group. 23.1% of economic 'tour going customers' are from 'no income' group this % is 11.67% of the total sample.

- The reasons can be found slightly more than half of the samples (50.33% of total 600 samples) have seem to preferred economic tours while 29.33% of samples have seem to preferred deluxe tours and 20.34% of the samples have preferred premium tours out of which 6.61% are from income range 'more than 40000', 16.53% are from income range 'from 30000 to 39000',14.88% are from income range ' from 20000 to 29000',

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54.55% are from income range 'Less than 20000', 7.44% are from income range ' No income'.

Table 1:- Income, Type of tour

Tabulated statistics: Income, Type of Tour

Tour Types					
		Economy	Deluxe	Luxury/Premium	All
	No Earnings	70	19	9	98
		23.1	10.8	7.44	16.33
	Less than 20000	171	44	66	281
		56.44	25	54.55	46.83
	Between 20000 and 29000	41	60	18	119
		13.53	34.09	14.88	19.83
	Between 30000 and 39000	12	33	20	65
		3.96	18.75	16.53	10.83
	40000 and Onwards	9	20	8	37
		2.97	11.36	6.61	6.17
Income Types	All	303	176	121	600
		100	100	100	100

Pearson Chi-Square = 108.473, DF = 8, P-Value = 0.000

Likelihood Ratio Chi-Square = 111.978, DF = 8, P-Value = 0.000

The point of concentration diverts to following questions:

- How 1.5% of total samples (9 out of 600) though belonging to 'no income' group are able to go for premium tours?
- Only 1.33% (8 out of 600) is from highest income range considered for the research has opted for premium tours.
- How 54.55% of 'premium tour going' samples manage their expenses as they are from the income group "less than 20000".

Table 2:-Transport and Income groups

Table-2 . Tabulated statistics: Income, Mode of Transports

Mode of Transport				
	Bus	Rail	Air	All
No Earnings	82	5	11	98
	83.67	5.1	11.22	100
Less Than 20000	187	33	61	281
	66.55	11.74	21.71	100
Between 21000 to 29000	71	28	20	119
	59.66	23.53	16.81	100
Between 30000 to 39000	29	15	21	65
	44.62	23.08	32.31	100
Above 40,000	21	6	10	37
	56.76	16.22	27.03	100
All	390	87	123	600
	65	14.5	20.5	100

Income

Cell Contents: Count   % of Row

Pearson Chi-Square = 38.224, DF = 8, P-Value = 0.000

Likelihood Ratio Chi-Square = 38.989, DF = 8, P-Value = 0.000

The Table 2 gives the quantitative data of relation between the Income and the mode of transport. The income groups have been classified as 0 to 4 corresponding to no income, Less than 20000, between 20000 and 29000, Between 30000 to 39000 and 40000 and above respectively. Similarly the modes of transport have been classified from 0 to 2 corresponding to bus, rail / cool cab and air transport respectively.

The findings are listed below-

- 82 out of 98 prefer road transport.

- Out of 600, 390 preferred road transport.

- 65%, 14.50% and 20.5% respectively preferred road transport, rail / cool cab and air mode of transportation respectively. This shows the extremity of tourist or tour programs. Almost 57% of the income group preferred Rail / cool cab transportation.

The reasons for this behavior can be appended as given below:-

- Due to intra state tourism, the tourist might have preferred the road transportation.

- In road transportation the guides are always in touch with the tourists, but in air transport, to keep low cost the low freight services are used that is not at all focusing on CRM. Tourists from Nashik may prefer local or intrastate tourism on large scale as most of the population is working class.

Table 3. Traveling Agency and Satisfaction

Tabulated statistics: Are you Satisfied, Code of Trav.Agency

		Travel Agency						
		Kesari Tours	Chaudhari Yatra	Girikand	Durvankur	Prasanna Tours	Priya Tours	All
Are you Satisfied?	Not Satisfied	4	5	9	8	2	6	34
	Partially Satisfied	12	22	6	8	13	21	82
	Fully Satisfied	84	73	85	84	85	73	484
	All	100	100	100	100	100	100	600

Pearson Chi-Square = 23.983, DF = 10, P-Value = 0.008

Likelihood Ratio Chi-Square = 24.683, DF = 10, P-Value = 0.006

THE FINDINGS FROM THE DATA

From Table 3, 5.7%, 13.7% and 80.6% are the 'not satisfied', 'partially satisfied' and 'fully satisfied' from the samples.

- Prasanna Travels has exhibited the best ratio of "Fully satisfied to Not satisfied".

- On the same hand Girikand and kesari are following respectively.

- Except Chaudhari Yatra and Priya, % of fully satisfied tourists is great. i.e. 85% each For Prasanna and Girikand and 894% each for Kesari tours and Durvankur.

Chaudhari and Priya being low cost; concentration not on CRM during the tour or after the tour. The concentration is on the USP i.e. the low cost.

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Partially satisfied % of Priya and Chaudhari is more than any other travelling agency as the tourists / commuters were aware of the fact they are low cost operator in the industry. So the expected service and perceived service had very little gap.

The dissatisfaction may come out of the improper lodging, foods, services like tour guides, traveling comfort, and improper relationship management pre or post tour or in transit. The data as analyzed with the help of descriptive statistical methods such as Chi-Square method, percentage distribution method. Result has been represented in tabular form, bar charts, histograms and pie charts to give a clear picture (Singh Y K,1995).

SCOPE AND LIMITATIONS

1) CRM applications, often used in combination with data warehousing, E-commerce applications, and call centers, allow companies to gather and access information about customer's buying histories and complaint

2) Customer Relationship Management is about acquiring, developing and retaining satisfied loyal customers, achieving profitable growth, and creating economic value in a company's brand.

3) CRM provide information regarding customers, their needs and to build relationships with company customer database. CRMs are claimed to improve the customer service and helps to identify potential problems, before they occur.

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WHAT IS A MATTER TO LOYALTY? QUALITY OR SOCIABILITY: A PRACTICAL STUDY WITHIN THE UAE RETAIL BANKING CONTEXT

Mohammad A Al-hawari

Abstract

In this paper, two major drivers of customers loyalty were investigated; customer sociability and their services quality perception. The major objective is to clarify and compare the role of customer sociability and quality perception in determining of bank-customer relationship. A survey was used to collect information from respondents about their attitude and experiences with their primary bank as well as exploring the personality traits of the study respondents. Structural equation modelling using AMOS 18 was used to test for the hypothesised model as well as confirming the validity of the proposed conceptual model. The results of this study confirm the importance of managing service quality factors as a vital tool for encouraging customers to continue their relationship with their banks. One interesting finding in this research is the negative significant relationship between customer's sociability and loyalty

Key Words; *Service quality, Sociability, loyalty, banks*

INTRODUCTION

The development of customer loyalty has become increasingly important phenomena in the services marketing literature due to the benefits associated with retaining current customers (Wu, 2011).While the concept customer loyalty is still an important topic for marketers in marketing financial services, there is, as yet, little agreement on the major predictors of loyalty and the nature of their interrelationships (Baumann, Elliott and Hamin 2011). Many authors has asserted the idea that previous loyalty research has focused intensively on the "satisfaction leads to loyalty" paradigm (for example, Wu, 2011; Baumann, Elliott and Hamin 2011).

Previous research mainly used customer satisfaction, trust, commitment, and services quality as major predictors to customer loyalty in different services context (for example, Al-hawari, 2011). This study, however, moves away from the satisfaction-loyalty paradigm since the relationship has been proved relatively valid.

Customer loyalty might also influenced by customer personality doesn't a matter what marketing strategy bank might adopt. In this respect, some researchers have raised the issue to the need to consider the personal characteristics of customers as an important factor determining the nature of their relationship with the supplier. This argument was centered around the idea that customers might choose a particular product or service because it expresses their personality, social status, or to satisfy particular psychological needs (Va´ zquez-Carrasco and Foxall, 2006).

Some recent authors have proposed that this area is worth a second look (Yi Lin 2010). Up to the author knowledge, non-of those researchers who studied the relationship between consumer personal traits and loyalty was within the banking context.

The study of personality in the field of consumer behavior has become as vital area of research in the marketing field (Maehle and Shneor, 2010). This paper is not only studying the impact of customer personality traits _ mainly customer sociability_ on customers loyalty within the context of retail banks but also compare this relationships with the impact of employee service quality on customers loyalty. Customers' attitudes and behavior toward a particular organization should not only be established from customers' interaction and experiences with the organization, but also should be subject to personal standards, preferences, and traits (Ferguson, le Paulin, and Bergeron, 2010).

In this paper, two major drivers of customer's loyalty were investigated; customer sociability and their services quality perception (see figure.1). The major objective is to clarify and compare the role these traits and quality perception play in determining of bank-customer relationship, and the extent to which they should be considered in marketing bank product services. In the following sections, conceptual frame development, and the empirical result of the study will be introduced.

Figure 1 - Theoretical model
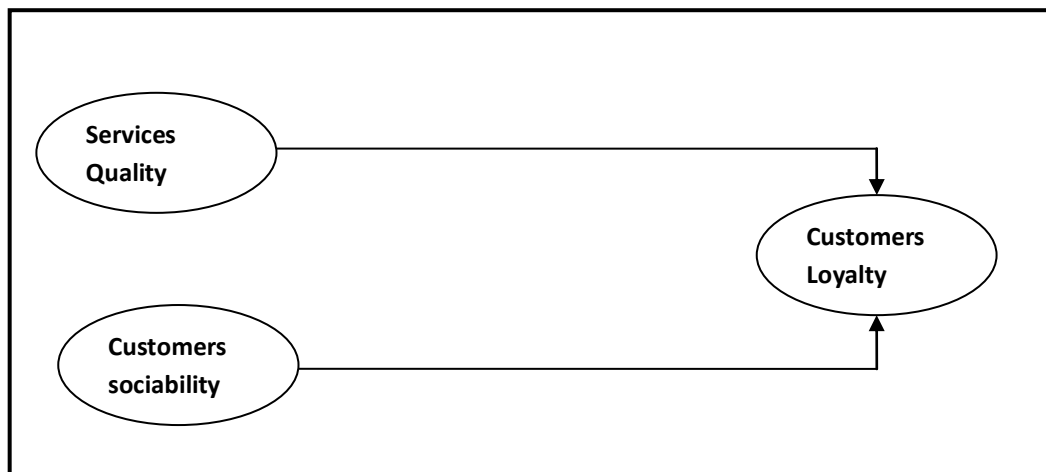
Customers' loyalty

In the financial services industry, the development of customer loyalty are increasingly becoming important in the recent years due the benefits associated with retaining existing customers (Licata and Chakraborty 2009) . Customers' loyalty was measured differently in the literature, although fundamentally can be measured by using both behavioral and attitudinal elements (Baumann, Elliott, and Hamin, 2011). Those two elements of loyalty are widely used in the literature and will be used in this study to operationalize customers' loyalty. Thus, retention was defined in this research as the degree to which a customer shows repeat purchasing behavior to a service provider, and, possesses a positive attitudinal character (Al-hawari, Ward and Newby 2009)

Customers' Sociability

Many different researchers have realized that it is significant to the organization to understand what types of customers are willing to be part of a retail relationship. Bove and Mitzifiris (2007) raised the issue of how can retailers identify those customers who have a relational orientation, and hence are more motivated to be part in a relationship. They further wonder what drives customers to involve in a relationship. According to Bove and Mitzifiris (2007) the researchers have determined theoretically two important factors, the first is the service context quality and the second is the customer's personality traits. Up the researcher knowledge, it was few studies who compared practically and simultaneously between the influence of service quality and consumers traits on loyalty, and none within the banking context. Thus, this paper aims to fill this gap in the literature and shows practically how the

bank services context as well as consumer traits interacts together to predict the loyalty level of customers.

Customers Sociability represents individual concerns of cooperation, social harmony, and general warm feeling towards others. It also signifies cheerfulness, and talkativeness. It typifies those persons who enjoy attention drawings and conversation. (Bove and Mitzifiris, 2007; Migliore, 2011)

Customer sociability as a predictor of customers' loyalty

It was overall indication on the relationship between personality traits and customers loyalty in the literature. Vaʹzquez-Carrasco and Foxall (2006) sees personality traits as systematically related to consumers behavior, thus it can contribute to explain the results of relational marketing, in particular customers loyalty. Personality traits overall are considered to be endogenous characteristics which serves as a guiding principles in life (Ferguson, le Paulin, and Bergeron 2010).

Sociability reflect the tendency of people to affiliate with others and prefer not being left alone (Ferguson, le Paulin, and Bergeron 2010). Matzler, Bidmon and Grabner-Kra̅uter (2006) indicated that customers with strong social elements are more likely to involve in a relationship with their retailer. Their open social skills would turn them both more willing and able to interact with retailer to establish and continue this relationship (Ferguson, le Paulin, and Bergeron 2010). High sociability people tend to seek relationships and to engage in a long-term relationships including retaining relationships, online relationships, and sport activities (Spake and Megehee, 2010). Thus, higher social people usually indicates a high level of interpersonal relationships and more willingness to give and receive social support. Sociability proved a positive association with word of Mouth, an important part of customers' loyalty, and indirectly with loyalty (Matzler, Bidmon, and Grabner-Kra̅uter (2006). Within the organizational context, Labatmediene, Endriulaitiene˙and Gustainiene˙(2007) indicated in their study of the relationship between employees personal traits and the organizational commitment that those people with high sociability traits are significantly related to continuance commitment. Thus, H1 were formalized as the following

H1: There is a positive influence of customers' sociability on customers' loyalty

Customer perception of services quality as a predictor of customer loyalty

Financial services industry is changing rapidly in the UAE due to the technology, governmental deregulation, and the increasing level of customers needs sophistications. Services quality has become a very important topic within the banking industry across the globe. Banks that offer a distinguished level of services quality can have a competitive edge. Many researchers proved a valid and strong link between the higher levels of service quality and desired marketing outcomes such as higher revenue, customers' satisfaction, and loyalty (Abdullah et al., 2011; Al-hawari, ward and Newby 2009).

Giving the increasing importance of service quality in the banking industry, service quality measurement issues have become widely investigated in the literature. There were many different examples of services quality measurement models in the literature in different services industry. However, the most used and popular model of services quality is the SERVQUAL developed by Parasuraman et al. (1985, 1988). Despite the popularity Of the SERVQUAL model, this model has been criticized widely in the literature.

In response to this criticism, cronin and taylor (1992) developed the SERVPERF model that uses the same five dimensions of the SERVQUAL but with the major focus on the service actual performance not customers expectations. According the Five dimensions of SERVPERF model will be used in this study to measure customers' perception of service quality.

The relationship between perceived services quality and customers loyalty has widely confirmed in the literature theoretically and practically within the services industry including banks (Al-hawari et al 2009). Most studies found direct as well as indirect link between quality and loyalty. Karapte et al (2005) found direct influence of quality as well as indirect affect (via satisfaction) on customers' loyalty within the banking industry. Al-hawari et al 2009 found also a direct link between quality and loyalty within the Australian banking context. Ladhari, Ladhari and Morales (2011) found indirect relationship between quality and loyalty within Canadian and Tunisian retail banking. Accordingly, H2 is

H2: there is a positive influence of service quality on customers' loyalty.

RESEARCH METHODOLOGY

A survey was used to collect information from respondents about their attitude and experiences with their primary bank. The same survey was also used to explore the personality traits of the study respondents. Research assistants were used to approach people from the public in the UAE major shopping Malls in the major cities of Abu Dhabi, Dubai, and Sharjah. The overall sample size was 124. The demographic profile of the sample was balanced well by gender, and reasonably spread over the age, education, and income variables.

Items from previous research were used to measure the major variables in the proposed conceptual model. All the major variables of the study were measured using the five point likert scale, where 1 reflected "strongly disagree" and 5 reflected "strongly agree". All services quality measures were adopted from Cronin and Taylor, 1992. Customers' loyalty measurement items were extracted from Al-hawari, Ward and Newby (2009). Items to measure customers' sociability were extracted from the International Personality Item Pool (IPIP) short version as given in Bove and Mitzifiris (2007) and Migliore (2011) studies.

DATA ANALYSIS

In order to confirm the validity of the proposed conceptual model, a structural equation modeling (SEM) was performed following two steps procedures as recommended by Anderson and Gerbing (1988). This procedure includes, first, analyzing the quality of the construct measurement items through confirmatory factor analysis, and second, to test the structural model that allow to gain information about the strength and the significance level of the relationships between the constructs in the proposed conceptual model.

In order to test for the quality of the measurement items, five tests were used (Holmes-Smith, 2001; Hair et al., 1995); Squared Multiple Correlations ($_R{}^2$) for each measurement item, composite reliability, variance extracted, discriminant validity for each factor, and Confirmatory factor analysis goodness-of-fit indices

The first run of the measurement model showed that the $_R{}^2$ for all of measurement items was greater than 0.5, which indicated a good reliability level (Holmes-Smith, 2001). The values of composite reliability, variance extracted (Fornell and Larker, 1981), exceeded the minimum acceptable values of, 0.7, 0.5 respectively (Holmes-Smith, 2001; Hair et al., 1995), indicating the reliability of measures and therefore yielded very consistent results (Zikmund, 2003).

To test for discriminant validity the procedures described by Fornell and Larker (1981) was used. The analysis showed that the average variance extracted for each pair of variables was greater than the squared correlation for the same pair, indicating that each construct was a distinct construct. The confirmatory factor analysis reveals that Chi-square for the whole model is 122 (df=32, p<0.05). Other fit indexes include the comparative fit index (CFI=0.86), root mean squareerror of approximation (RMSEA = 0.09.). All values were satisfactory and above the recommended values. Accordingly, the measurement model affords reasonable explanations of observed covariance among the proposed constructs.

Hypotheses Testing

Structural equation modelling using AMOS 18 was used to test for the hypothesised model. Overall, the results indicated a satisfactory fit of the model. The structural equation model chi-square was 122 (df=32 p=0.000), chi square $_X{}^2$/df ratio of 3.22, RMSEA of 0.09, CFI of 0. 86, TLI of 0.84, IFI of 0.83, RFI 0.82, and NFI of 0.82. Thus, overall the data indicate an excellent fit for our hypothesised model.

Having established the final structural equation model, I tested the hypotheses developed for this study by evaluating the path coefficients and significance levels of the constructs in the model. If the significance level for each relationship was below or equal to 0.05, the related hypothesis was accepted, otherwise it was rejected. In this study, two hypotheses were developed. Service quality has a direct and significant relationship with customer loyalty as the α value was 0.860 and P-values were less than 0.05, thus H1 was accepted. However, the influence of customer sociability on customer loyalty surprisingly was significantly negative as α value was -0.542 and significant at P-value 0.000.

DISCUSSION AND FINDINGS

The purpose of this study was to develop a model to investigate and compare how service quality and customers sociability affect customers loyalty in the retail banking industry context in the UAE. The results of this study confirm the importance of managing service quality factors as a vital tool for encouraging customers to continue their relationship with their banks. These results are consistent with other studies in the literature (e.g. Karapte et al 2005; Al-hawari et al 2009).

One interesting finding in this research is the negative significant relationship between customer's sociability and loyalty. This finding disconfirms the literature, which asserts that

customers with a high level of sociability tend to be more loyal toward their retailer (Matzler, Bidmon and Grabner-Kra¨uter 2006; Ferguson, le Paulin, and Bergeron 2010). One possible justification for this finding is that the literature indicated only that high social customers might be more likely to involve in a relationship with their retailer, however, with no indication on how long the social customers might be willing to involve in a relationship. Thus, social customers might have the skill to interact and build a relationship with their banks and the banks' employees, but, with no guarantee on the continuity of the relationship. Conversely, the social skills that those customers have might enable them to shop around in order for them to get the best banking facilities that fit exclusively their requirements. Less social customers could have no skills enable them to interact and adapt with a new bank with a new employees and new policies.

This research showed that service quality has a stronger and positive influence on customer loyalty in compare with customer sociability. Thus, banks should have as their first priority the improvement of the quality of the personal interaction with bank customers to minimise any risk or uncertainty; then they can move forward to the sociability issues of their customers. Maintaining a high level of services quality seems a strong indicator to establish long –term relationship with the bank customers; it has to be given extra care by bankers.

Customer sociability is also an important aspect which could be used to manage customer's loyalty. Bankers can use customer's sociability as one of the major variable in market segmentation in order to decide which segment is a good potential for long-term relationship. In the light of this research finding, bankers need to offer high service quality to all types of customers for the sake of the bank image and success, however, mainly to less social customers as a good potential candidate for long-term relationship. Bankers can determine the sociability level of their customers through surveys and direct observations.

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'RESPONSIBILITY IN-FOCUS': DECONSTRUCTING "CORPORATE SOCIAL RESPONSIBILITY" CONCEPT

Sabyasachi Dasgupta

Abstract

The term "Corporate Social Responsibility" has gained lot of momentum in the last few decades. Several scholars have tried to deconstruct what it actually means and the kind of responsibility corporate organizations have. Carroll's pyramidal model has made significant contribution to the debate by categorizing corporate social responsibility into four broad dimensions: Economic, Legal, Ethical and Philanthropic. While several scholars have emphasized these four dimensions in different perspectives, the debate seems to remain persistent. This paper looks into different dimensions of corporate social responsibility and tries to deconstruct its primary motive. Through the scanning of literatures available on the definitions of corporate social responsibility concept, this paper tries to understand the focus of such an attempt. It then takes the help of qualitative in-depth interview methodology to understand what the corporate managers in India across sectors feel about corporate social responsibility. This leads to convergence of literature review and in-depth interview findings benefiting both academic and corporate world. The findings suggest that although companies seem to accomplish such responsibility for societal purposes, the ultimate objective is an economically viable model which leads to the sustainability of a corporate organization. A model is suggested based on the above findings.

Keywords: *Corporate Social Responsibility (CSR) model, economic, Carroll's model, globalization, Triple Bottom Line (TBL)*

Corporate Social Responsibility (CSR) as a term has gained currency in the last few decades. However, the concept dates back to the industrial revolution when the employees forced the management to show concern about the working conditions in factories. Corporate houses, in the initial stages of its evolution, came into existence as a separate institution which looked into the needs of the society in an objective manner. Today, with the advent of a concept called "globalization" interconnectedness has crept in every institution existent in society. The result is a change in perspective of corporate institutions. Corporate houses are no longer considered as stand-alone institutions bereft of societal interventions. The change of perception is responsible partly due to governmental inefficiencies and partly due to skepticism about the legitimacy of Multi-National Corporations (MNCs) into a foreign country. From the time of the industrial revolution till date, the numbers of gatekeepers have increased in society. Simultaneously, different institutions playing the role of a watchdog have

also increased. Every organization today becomes responsible for the action that it accomplishes which affects society directly or indirectly. However, questions have been raised about genetically what responsibility does a corporate have? Is it doing something beyond what it is required to do for society? Is it doing for society or for itself? Will Corporate Social Responsibility be a sustainable model for Corporate's' long term existence?

The objective of this paper is to deconstruct the term 'Corporate Social Responsibility' and understand its different perspectives from the point of view of different scholars. This paper, through research findings, would try to understand where Corporate Social Responsibility is heading towards and whether it is benefitting the corporate or any of its stakeholders in any way.

LITERATURE REVIEW

The word "social" in Corporate Social Responsibility is an interesting linchpin of understanding. Society as defined in Oxford Dictionary (2012) relevant to this paper, is "the community of people living in a particular country or region and having shared customs, laws, and organizations". Usually the society of a corporate comprises of all the stakeholders who are directly or indirectly affected by the company's activities. According to Freeman (1984), "A stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievements of the organization's objectives." Taking a step further and understanding the constituents of stakeholder theory, a model developed by Werther and Chandler (2010: 35), suggests that there are three types of stakeholders which represent the 'society' of an organization: economic stakeholders, organizational stakeholders and societal stakeholders. All these stakeholders contribute to the 'social' part of Corporate Social Responsibility. The understanding of the concept of society would enable scholars to understand the environment in which both the corporate and the "society" of the corporate interact and affect each other.

The second part of the term is to understand the "social responsibility" aspect of Corporate Social Responsibility. Bowen (1953: 6) viewed social responsibility as "it (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society". Supporting Bowen partially, another veteran scholar, McGuire (1963) stated "the idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these

obligations." Again, Walton (1967) defines social responsibility as "in short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and the society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals". This definition of Walton indicates the interconnected nature of social responsibility that the corporate must undertake for their benefit and for the benefit of society at large.

Finally "Corporate Social Responsibility" has been perceived and defined by many scholars in a variety of ways. Theodor Levitt (1958) opined, "Corporate welfare makes good sense if it makes good economic sense- and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door". Milton Friedman (1970) looked upon corporate social responsibility from the point of view of an economist. He was of the view, "There is one and only one responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deceptions and fraud". This definition has been quoted immensely in different research papers, stating that Friedman was completely talking about the economic responsibility of the firm. But what majority of the scholars fail to realize is the last four words of his statement which said, "Without deceptions and fraud". These four words take the definition of Corporate Social Responsibility into the domain of legal and ethical responsibility. What Friedman implied was that the economic responsibility is the major responsibility and goal of a firm's operation but it should be within the ambit of legal and ethical responsibility.

However, there were other scholars who felt that economic responsibility should not be the point of emphasis in Corporate Social Responsibility. One such scholar, Davis (1960) referred to Corporate Social Responsibility as "Businessman's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interests" This line seems to be interesting, especially with the words, "at least partially". This line suggests that if only there are some partial diversions of activities beyond the economic interest of the firm, then it should be considered as the firm's Corporate Social Responsibility. Although these two definitions, one of Friedman and the other of Davis may seem to be different, yet there is a point of similarity. Both of them consider economic interest as important component of Corporate Social Responsibility. Whereas Friedman hints the diversion of economic interest to be legal and ethical, Davis leaves it open for the corporate to incorporate different components beyond the narrow economic interests. During Friedman's time, other scholars

like Heald (1970) & Steiner (1971) broadened Friedman's views and suggested that Corporate Social Responsibility should actually deal with subjects such as "philanthropy, employee improvements (working conditions, industrial relations, and personnel policies), customer relations and stockholder relations." Thus, the evolution of definitions exemplify an interesting pattern from Davis setting the tone yet not being precise on the components to Friedman defining different responsibility and ultimately Heald and Steiner who extended Friedman's boundaries further ahead. However, there were other scholars who tried to give concrete shape to Corporate Social Responsibility.

Johnson (1971) proposes a conventional wisdom definition of corporate social responsibility, "A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities and the nation." Johnson has talked about the integrative nature of social responsibility leading to economic benefits. Committee for Economic Development (CED, 1971) defined corporate social responsibility through three concentric circles, the inner one dealing with economic functions, the intermediate dealing with social values and priorities and the outer circle dealing with improving social environment. S. Prakash Sethi (1975: 62) argues that "social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectation of performance."

Underlying the huge debates and discussions about Corporate Social Responsibility, Carroll (1979) divided Corporate Social Responsibility into four components, naming them as social responsibility components. These components are economic responsibility, legal responsibility, ethical responsibility and discretionary responsibility. However, Carroll in 1991 gave a concrete shape to these four responsibilities through a pyramidal structure known as "The Pyramid of Corporate Social Responsibility" (See Figure 1)

Carroll's Pyramidal Model:

Economic responsibility: Carroll was of the opinion that economic responsibility is being profitable. He suggested that it is "the foundation upon which all others rest". Corporate should function as an economic institution by producing and selling goods to society at fair prices which the society feels to be its true value.

Legal responsibility: These are codified ethics. In Carroll's words, "Law is society's codification of right and wrong. Play by the rules of the game." Fair practice of business as developed by the lawmakers of society needs to be adhered to. Corporate laws are made for the safeguard of all stakeholders. Corporate has the option to oppose such law but it will come to effect only after the consent of the society. However, its limitation is that it is subjective and may be influenced or biased.

Ethical responsibility: Beyond the legal boundary, there are activities and practices which are either expected by society or prohibited by societal norms. Carroll felt that ethical responsibilities are "obligations to do what is right, just and fair. Avoid harm." Ethical responsibilities embody norms, values, standards, expectations that stakeholders consider as just, fair and consistent with their moral rights. Newly emerging values and norms are captured by ethics which are not present in law. Thus these are moral or principled performance yet to be coded as law.

Philanthropic responsibility: By Philanthropic responsibility, Carroll suggested that companies should "contribute resources to the community; improve quality of life." These are purely voluntary initiatives which the business desires to go into. Since it is not mandated, it can neither be called legal or ethical responsibility. This is a secret desire of the public from business and hence becomes a social contract between the company and the public. This leads the company to become a good corporate citizen. The simple differences between ethical and discretionary responsibilities are that for the latter, if the company does not do it, they will not be blamed thoroughly for their action. In this case, corporations can claim it is not their responsibility. So philanthropy is voluntary in nature. Carroll's model draws from the conceptual base set by his predecessors but an important part of the model is that its analysis has potentials to be transformed into quantitative study. According to scholars, "Carroll's conceptualization has multiple components that lend themselves to measurement and testing." (Aupperle et al. 1985)

It is interesting that the weightage Carroll had set for each of these responsibilities in the pyramid were later found to be valid through empirical evidences. One of the considerations to be taken into account is that all the four tiers together make up the Corporate Social Responsibility of a company and each of them are equally responsible as the other. So it should not be taken that the responsibilities are accomplished from the base in a sequential manner. Many scholars have mistaken this pyramidal model to be similar to Maslow's

hierarchy of needs. Carroll's model did resemble Maslow's model structurally, but not conceptually. Carroll further opined that, every component of the model represented a different set of stakeholder. The economic irresponsibility will affect the owners and the employees. Legal irresponsibility will affect owners but to a greater extent the employees and the customers. Ethical irresponsibility would affect employees, consumers and investors to some extent. Philanthropic responsibility would affect the community but according to Carroll (1991) "it could be reasoned that employees are the next affected because some research has suggested that a company's philanthropic performance significantly affects its employees' morale and their perceived work/life balance". An interesting take away from this note is the fact that employees are affected mostly in corporate social responsibility to the extent that some scholar suggested calling it corporate "stakeholder" responsibility. Carroll later on transformed this pyramid into a global perspective as globalization became pronounced in most of the developing countries of the world. However, Carroll's argument regarding Corporate Social Responsibility seems to validate his predecessors as he was also of the opinion that economic responsibility is the foundation or the major responsibility upon which all other responsibilities rest on. He also strongly proposed that even if a bit less influential, other responsibilities are also important for corporate to execute their social responsibility. According to Wood and Jones (1996), "Carroll's four domains have enjoyed wide popularity among SIM (social issues in management) scholars".

Carroll's Venn diagram Model:

However, there were difficulties and critiques in understanding Carroll's pyramidal model. One of the critiques was that different domains seem to look hierarchical in nature. Secondly, the model shows that there is no relationship between the four domains. However, in practice, there are overlaps between different responsibilities. Hence, there was a need to create a model which showed the overlapping criteria. Thirdly, there were critiques regarding whether there is a need to create separate ethical and philanthropic dimensions as they are almost interrelated. Keeping all these critiques into consideration, Carroll and his colleague Schwartz (2003) developed a Venn diagram which consisted of three dimensions. (See Figure 2)

This model completely removes philanthropy from the domain of responsibility suggesting that the ethical component encompasses the philanthropic component. However, review of literature has shown that philanthropy has been suggested by many scholars to be a major responsibility of the corporate. Even scholars like Althusser raised this issue whether ethics is

sufficient enough for handling both ethical and philanthropic responsibility. Althusser (2005) commented, "Although ethics is one of the ways in examining CSR, on its own it is insufficient, because it usually closes down the social and political nature of organizations which are embedded in practice."

The literature review gives a comprehensive understanding of Corporate Social Responsibility by deconstruction. It provides various perspectives and counter-arguments of Corporate Social Responsibility. However, the converging verdict seems to put economic responsibility as primary motive for Corporate Social Responsibility. But other responsibilities cannot also be undermined. This gives an opportunity to validate which responsibility is primary among corporate in the Indian scenario. Can a sustainable model be developed through the responsibilities suggested in the literature review with similar weightage given to each of them? Can the component of philanthropy be included in Carroll's Venn diagram? Would Corporate Social Responsibility in the long run provide value to society? An in-depth interview has conducted so that it validates the trends of Corporate Social Responsibility found in the literature review and to answer some questions raised in this paper.

METHODOLOGY

The literature review has indicated that economic responsibility should be the primary goal of a corporate. However, it should not be the only objective and should be supported by legal, ethical and philanthropic responsibilities. Carroll's Venn diagram model tried to answer many questions raised by previous scholars for Corporate Social Responsibility. But the Venn diagram left out the philanthropic responsibility as the logic was to incorporate philanthropy within the ethical responsibility. This paper tried to investigate the propositions through an in-depth interview methodology to understand broad themes that were emerging and to validate the findings of the literature review post deconstruction of Corporate Social Responsibility. The participants in the interview were taken from Indian corporate houses across category. The participants were all in the level of managers. The convenience and availability of managers were also crucial in choosing the participants. The participants represented a variety of sectors. A discussion guide was created to interview the participants (See Appendix A). Funneling methodology is used for the sequence of questioning. Each interview lasted for a period of 15-20 minutes. The number of participants was decided based on the saturation of answers. In total, 15 in-depth interviews were done over a span of one month. The techniques of the interviews were based on convergent in-depth interview with hidden issue questioning

and Delphi technique. The interviews were recorded either in Dictaphone or in mobile or through chat. Transcriptions of the interviews were done and themes were matched with the literature review themes through deductive method. (See Appendix B)

FINDINGS

The findings from the in-depth interview suggest some affirmation to the literature review and some interesting results in this study. Firstly, managers were of the opinion that Corporate Social Responsibility helps in the economic sustainability of a company in the long run. Although the benefits from Corporate Social Responsibility may not be evident in the short term profitability of the company, the long term profitable sustainability is something they would have to look out for. Secondly, most of the managers felt that Corporate Social Responsibility is disjoint from their Line of Business. Philanthropic activities are performed for the sake of doing Corporate Social Responsibilities. However, social values and corporate mileage in such situations are missed out. Thirdly, most managers related Corporate Social Responsibility with ethical and philanthropic responsibility although they felt that these responsibilities would lead to future profitable sustenance. This was different from Carroll's model where economic responsibility was given immediate attention and philanthropic component was missing. Although long-term economic gain was in sight, Indian managers choose to highlight their traditional value system and keep ethical and philanthropic responsibility on higher weightage. Fourthly, majority of the managers were of the opinion that philanthropy is one of the most important component of Corporate Social Responsibility and should not be associated with ethical responsibility. Ethical responsibility has more to do with the society encompassing the employees and immediate stakeholders of the company. Philanthropic responsibility deals with the larger society of community who is directly or indirectly associated with the company or may be associated in the future. Finally, most of the managers, when asked about their general perception about Corporate Social Responsibility said that it deals with their company giving back to the society. So, there is an inherent value addition to society which will help both the society and the company in the long run.

DISCUSSIONS

With the rapid spread of globalization, the dialogic nature of communication between different institutions and society is becoming more pronounced. The reason for this is the increase of interconnectivity, the increase of democracy and the increase of consciousness

about corporate's effect on its planet and people. The phrase "Triple Bottom Line" coined by John Elkington in 1994 (The Economist, 2009), speaks of Profit, People and Planet as three major concerns that a corporate has for its existence. Savitz (2006: xiii) commented, "The Triple Bottom Line (TBL) captures the essence of sustainability by measuring the impact of an organization's activities on the world." Hence, sustainability becomes an important result of Triple Bottom line. Various managers have spoken of sustainability which they want to achieve in the long run. In order to achieve sustainability, the Triple Bottom Line becomes an important concept to follow. However, another important addition to the Corporate Social Responsibility Venn diagram is the component of philanthropy. Indian corporate managers rely on ethics and philanthropy as a means to attain economic sustainability in the long run.
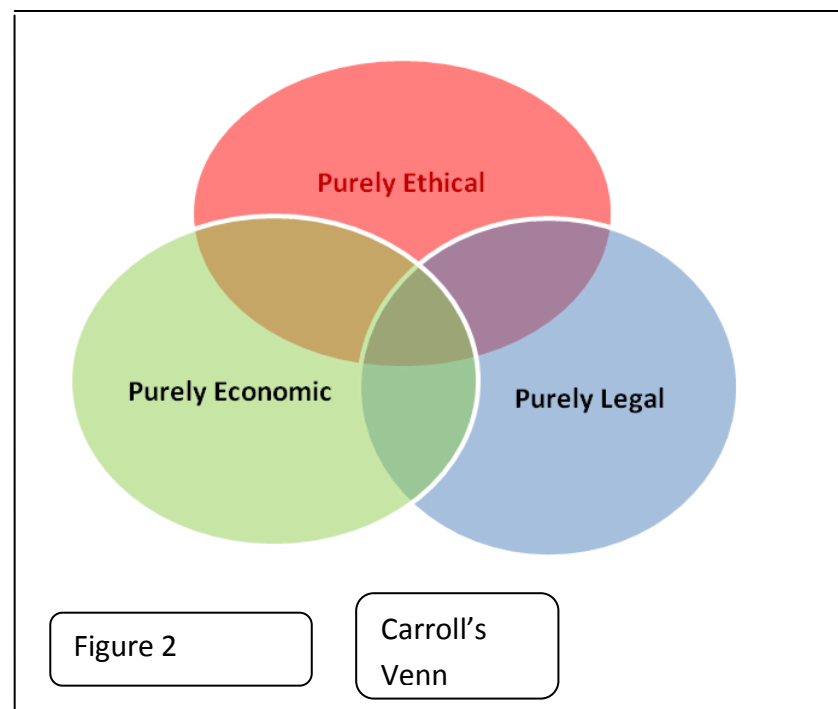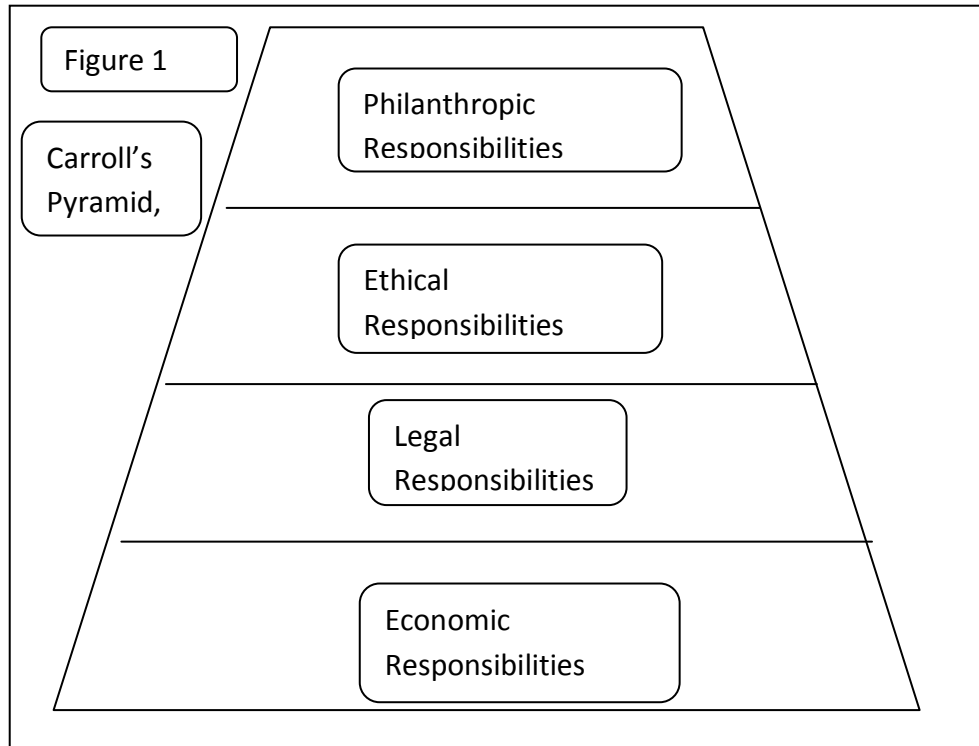
According to Porter and Kramer (2003), companies need to move to a more "context-focused philanthropy" although "Moving to context-focused philanthropy will require a far more rigorous approach than is prevalent today…….Context-focused philanthropy does not just address a company's self-interest, it benefits many through broad social change." The requirement is to move towards a focused, effective Corporate Social Responsibility for the proper functioning of Triple Bottom Line leading to economic sustainability of the corporate. The results in this study, point to understanding that the corporate should focus on the ethical and philanthropic responsibilities in the short run to add value to society. This will lead corporate organizations to economic sustainability in the long run. According to Savitz (2006: x) "A sustainable corporation is one that creates profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts". A model is created based on the above results. (See Figure 3)
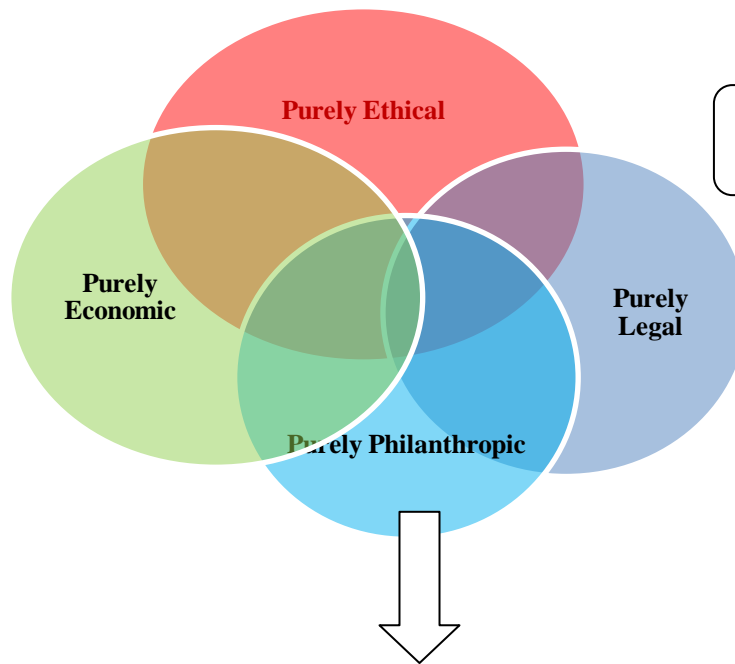
FUTURE RESEARCH DIRECTIONS

Corporate Social Responsibility is a much talked about topic in academic and business circles. This study took into account the existing conceptualization of Corporate Social Responsibility and tried to deconstruct its meaning. It then put this concept in the ambit of Indian corporate houses and tried to understand their point of view. However, due to non-availability of various managers, a lot more sector could not be tapped. The model is applicable for India. This could be a point of study for future research to venture into other sectors and countries. The model depicted in this study could be a point of reference to correlate Corporate Social Responsibility to other components of corporate sustainability like identity, image and reputation. There could be other research questions wanting to be answered in the future. This

model, in the era of globalization, would enable corporate to achieve sustainable business growth in the long run.

Figures

Figure 1

Carroll's Pyramid,

- Philanthropic Responsibilities
- Ethical Responsibilities
- Legal Responsibilities
- Economic Responsibilities

Purely Ethical

Purely Economic

Purely Legal

Figure 2

Carroll's Venn

Corporate Social Responsibility: Venn

Purely Ethical

Purely Economic

Purely Legal

Purely Philanthropic

Triple Bottom Line:

People
(Legal,Ethical, Philanthropic)

Equitab

Bearabl

Sustainable

Planet
(Legal,Ethical)

Viable

Profit
(Economic)
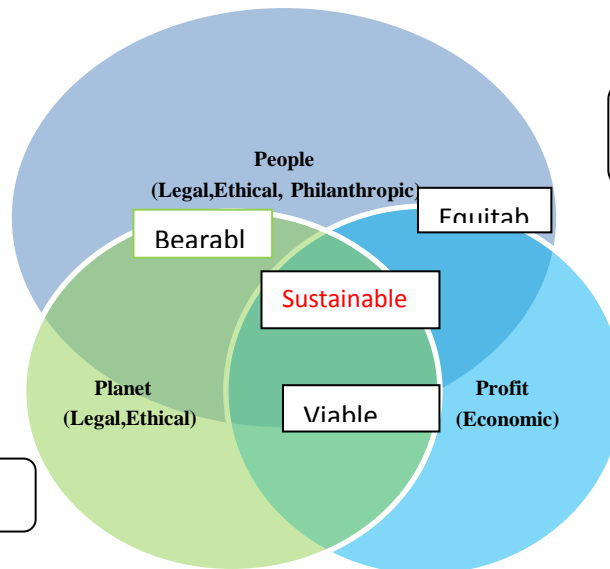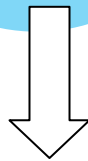
Figure 3

Source of Triple Bottom Line model:

http://en.wikipedia.org/wiki/Sustainable_development

APPENDIX A

DISCUSSION GUIDE (sectors include IT, Paints, natural gas, packaging, automobile, manufacturing, insurance, KPO and business school)

1. What do you mean by Corporate Social Responsibility?

2. Do you think Corporate Social Responsibility is needed in today's corporate environment? Why?

3. Do you think Corporate Social Responsibility adds value to your business or society or both?

4. How would corporate help in executing Corporate Social Responsibility?

5. Do you think corporate organizations have an economic responsibility? What kind of responsibilities are they?

6. Do you think corporate organizations have a legal responsibility? What kind of responsibilities are they?

7. Do you think corporate organizations have an ethical responsibility? What kind of responsibilities are they?

8. Do you think corporate organizations have a philanthropic responsibility? What kind of responsibilities are they?

9. Among these responsibilities, which responsibilities do you think would be more important than the others? Can you rank them in order?

10. Do you think managers do these Corporate Social Responsibility activities voluntarily or are there incentives to do it?

APPENDIX B

The variables that emerged out of the 4 components of Carroll's pyramid

Economic Responsibility	Legal Responsibility	Ethical Responsibility	Philanthropic Responsibility
Contribution to GDP, ROI, Mutual financial benefits, Marketing strategy, Profitability, Increase earnings per share, Increase sales and revenue, Ensure success of the business model, Decrease cost (production and merchandise), Increase in dividend, Increase production	2% of Profit After Tax, Policies of government, non-governmental international and MNCs, Laws specific to company and labour including irresponsible actions, Keeping promises of warrantees & guarantees and money backs, Possessing legal documents for selling goods, Human rights	Monitoring product effects, Safety & secure working environment, Employee benefits, up-gradation & facilities, Equal opportunity to all, Employees' celebration days, Facilities to employees' families, Company-employee rapport, Transparency, Executing fair practice In-house social awareness programs, Creating environmental friendly products, Usage of minimum and renewable sources of energy.	Creation of educational & communicational infrastructures, medical, hygiene and drinking water facilities, fund to poor for ceremonies, Rural employment & training, Creation of foundations, Awareness generation, General charity, Sponsoring poor children, Developing rural communities, ,Concern for sustainability & specially-able people, Micro finance facilities

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[15]

INVESTIGATING THE SURNAME PREFERENCES IN PERSONAL BRANDING
(THE CASE OF INDONESIAN NAME)

Chairy

Abstract

Name is one of the most important components in branding, including personal branding. Name will signal gender, country of origin, ethnicity, and individual characteristics. This research investigated the phenomena of surname preferences and explained why people prefer the surname to the first name in personal branding. This study found that surname was evaluated more positively by the name holders. They prefer surname and perceive that surname gives more opportunities to succeed in business. The research result provides guidance for professionals such as lawyer, lecturer, and dentist in personal branding design.

Keywords: surname preferences, personal branding, name evaluation.

INTRODUCTION

A name is a word or a combination of words by which a person, place, or thing, a body or class, or any object of thought is designated, called, or known. Name is one of the most important components of individual's self identity. Name can in many cases tell us the sex of the person, though there are names such us Hilarly, Leslie, and Vivian that can be used for either sex (Hargreaves, Colman, & Sluckin, 1983). In Indonesia, Budi, Amir, and Gatot, are commonly male names, whereas Tuti, Wati, and Tini must be females.

Name will also signal country of origin, ethnicity, and individual characteristics. Kasof (1993) explained that name activates a rich set of semantic information including intellectual competence, race, and social class, which impact impression formation and evaluation. Further, name can also affect the probability of being called to a job interview and get a better chance to present skills to employers (Arai & Thoursie, 2007). Bertrand and Mullainathan (2004) reported that resumes with distinctly African-American names had a significantly lower callback rate for employment interviews than those that were assigned a "White" name. The study of Wilson, Gahlout, Liu and Mouly (2005) on the effect of ethnicity and name on access to employment found that age, race, ethnicity and gender affect employment opportunities. Their research identified differential "ethnic penalties" for Chinese and Indian

applicants. Very ethnic sounding names almost never got a call for interview. The results of the study of Cotton, O'Neill and Griffin (2008) indicated that Common names were seen as least unique, best liked, and most likely to be hired. Unusual names were seen as most unique, least liked, and least likely to be hired. Russian and African-American names were intermediate in terms of uniqueness, likeability and being hired, significantly different from Common and Unique names, but not significantly different from each other. These researches prove that name does matter in attract others in any fields.

In the case of Indonesian name, Price (2007) insisted the importance to remember that Indonesia consists of more than 60 islands, many which have their own language, culture and naming system. Since Java is the most populated islands and Javanese is the most numerous and dominant of the ethnic groups in Indonesia, it is reasonable to focus on Javanese Indonesian name in studying Indonesian name.

In general, Indonesian will bear two parts of name, the first name and the surname or last name. In some region, it is still possible to find Indonesians with only one name. The surname is the name that a person has in common with other family members, as distinguished from a Christian name or given name. It can be just a last name or a family name. Budi Hartono for instance, Budi is the first name, and Hartono is the surname. Many Indonesian adopt their father's given name as a surname. So, probably, Hartono is the name of Budi's father. Usually, a name is also a hope of parents. In this case, probably the parents have a hope that their child will be a wise and rich person because Budi means wise and Harto means wealthy. Likewise, the bearers of the name have a wish that their names will affect their luck and future.

Commonly, Indonesian prefers to be called by their first name during their childhood. When they grow up and become adult people, they prefer to be called by their surname although usually the surname is longer and more difficult to pronounce than the first name. This phenomenon is against the premise that easy to pronounce names (and the bearers of those names) are judged more positively than difficult to pronounce names (Laham, Koval, & Alter, 2012). This phenomenon can also be seen in personal branding. Most Indonesian professionals prefer to highlight their surname to first name in branding. That's why, for instance, Mr. Budi Hartono prefers to come as Mr. B. Hartono to Mr. Budi H. As a lawyer, Mr. Budi Hartono has official signage as "Hartono Lawyer Office" and not "Budi Lawyer Office". This phenomenon is interesting to investigate.

The purpose of this article is to investigate *the surname preferences effect* and try to find the underlying explanation. Indonesian adult has a more positive evaluation on the surname than

the first name. They prefer surname to first name for their personal branding. It is predicted that this phenomenon occurred due to children habit to call their friends by their first name as well as to joke with their friends' first name. This situation makes the first name overexpose and decrease in liking. Surname usually sounds more mature and more salable than first name. Consequently, Indonesian prefers to use their surname in formal and business activities.

The Surname Preferences Effect: When a Surname is Evaluated More Positively

There can be no doubt that names are of considerable importance. Knowledge of a name can in many cases convey a good deal of information about the person possessing it (Hargreaves et al, 1983). Several researchers investigated the effect of name initials on academic success. The study of Einav and Yariv (2006) revealed that faculty with earlier surname initials are significantly more likely to receive tenure at top ten economics departments, are significantly more likely to become fellows of the Econometric Society, and, to a lesser extent, are more likely to receive the Clark Medal and the Nobel Prize. The recent study by Carlson and Conard (2011) found that individuals whose names early in the alphabet to be relatively lackadaisical in the face of queuing opportunities where expediency (not last name) determines queue order. At the same time, those late in the alphabet become relatively opportunistic in the face of queuing opportunities. These reactions to queuing opportunities develop into general response tendencies that persist into adulthood. The speed with which adults respond to acquisition opportunities is influenced by their childhood last name.

Almost all children get their first and surname from their parents. Despite people usually call someone by their first name, in the certain case, surname is more important than first name for several reasons. Güell, Mora, and Telmer (2007) found that surname can provide information about the wellbeing of individuals. Surname becomes important because it is inherited together with genes, wealth, beauty, and education which will affect the future of the bearers. Surname enables us to look at the relevance of family background.

Gueguen and Pascual (2011) said that surname has a patronymic dimension referring to an ancestor's name with the suffix "son": e.g., Jackson, or Johnston. Surname also has a toponymic dimension identifying. In the past, where a person comes from: e.g., Hill or Lake. Surname can also show the occupational information or social role: e.g., Baker or Smith. Physical characteristic is also associated with surname: e.g, Small or Barber. Their recent research investigated the symbolic connotation associated with surname and professional

function. They found that connotations associated with names have an influence on attractiveness or evaluation.

Hargreaves et al (1983) investigated the role of familiarity in the attractiveness of names. The found that liking of others' names is associated with familiarity which supported the "mere exposure" hypothesis. Common and frequent names receive higher, more positive evaluation than uncommon and infrequent names. Nevertheless, individuals whose names are either extremely uncommon or extremely common in terms of the objective frequency in the population turned out to be least satisfied, while those with names of intermediate frequency are more satisfied. There may be a curvilinear relationship between familiarity and liking, with names of intermediate familiarity being liked most.

This research tried to find out why professionals in Indonesia prefer to use surname in brand name selection in their personal branding. Does the surname preference in personal branding could be explained by the "mere exposure hypothesis" or there will be another explanation?

Personal Branding

A brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Kotler & Keller, 2012). This name could be also that of a corporate entity (corporate brand) or even an individual (personal brand). Personal brand is an individual brand, a personal identity that stimulates precise, meaningful perceptions in its audience about the values and qualities that person stands for. Everyone has a personal brand, but most people are not aware of this and do not manage it strategically, consistently, and effectively (Rampersad, 2008). Personal branding is about taking control of the process that affects how others perceive us and managing those processes strategically to help us achieve our goals (Montoya, n.d). Therefore, an individual should develop a personal brand.

Personal branding was popularized by Tom Peters through an article titled "The Brand Call You" in *Fast Company* in 1997. According to Peters (1997), regardless of age, regardless of position, regardless of the business we happen to be in, all of us need to understand the importance of branding. The key to personal branding is knowing how individuals are perceived by others. Just like companies brand their products to create some unique associations in the minds of the target consumers, personal branding also involves the creation of strong, unique and favorable associations in the minds of the people around. Therefore, one should play an active role in creating a brand for oneself because the success is not

determined by individuals' internal sets of skills, motivations, and interests but, rather, by how effectively they are arranged, crystallized, and labeled- in other words, branded (Lair, Sullivan, Cheney, 2005). Rampersad (2008) suggests that personal brand should be authentic, reflect true character, and be built based on one's values, strengths, uniqueness, and genius.

According to Bhalotia (n.d), creating personal brands is similar to creating any brand. We must decide the brand elements which consist of brand names, slogans, characters, URLs, logos, symbols. The next steps are, give meaning to them, position them, communicate the meaning and manage it over time. McNally and Speak (2011) acknowledged that the principles and ideas developed and successfully applied in business are readily adaptable to aiding the creation of a personal brand. In brand strategy decision, Kotler and Keller (2012) suggest four major steps which consist of brand positioning, brand name selection, brand sponsorship, and brand development.

This article dealt with brand name selection in personal branding. Since a good name can add greatly to a product's success, brand name selection should get a great attention. However, according to Kotler and Keller (2012), finding the best name is a difficult task. It begins with a careful review of the product and its benefits, the target, and proposed marketing strategy. In choosing a brand name, a person should considers many aspects as follows: (1) It should suggest something about the product's benefits and qualities. (2) It should be easy to pronounce, recognize, and remember. (3) The brand name should be distinctive. (4) It should be extensible. (5) The name should translate easily into foreign language. (6) It should be capable of registration and legal protection.

For professionals such as dentist, lawyer, medical doctor, and public accountant, they need to choose a brand name that usually their own name. This name is necessary to differ them from others professionals. The problem is which name they will choose for their brands, their first names or their surnames. This article will explore this phenomenon and try to uncover the reason for choosing personal brand name.

METHOD

This study was a qualitative study with ten participants. All of the participants are professionals with diverse profession such as lawyers, accountants, dentists, and consultants, who have to put and have put their last name as the name of their office or workshops. Using depth interview, this study tried to reveal the underlying reasons why these people expose their last name as their brand in their name card, signage, or letterhead. Participants were also asked why they do not put their first name as their brand.

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RESULTS AND DISCUSSION

The initial discussion through depth interview found the preference to use surname in any activities for most Indonesian professionals. They get their name from their parents and without any strong reasons will not change their name. In the case of name change, they will change their first name and almost never change their surname or family name. Most of participants expressed their pride of their family names, but this is not the reason why they choose their last names which mostly are their family names as their brand names. One of participants who is a public accountant gave his explanation as follows:

> Yes, I use my last name which is also my family name as my brand name. I love my family name and I think it is a good name which reflects the dignity of our family. But, I prefer to use my last name not because it is my family name …. (public accountant, 47 years old).

The typical Indonesian name consists of a first name and a surname. Only a few have first name, middle name, as well as family name. Usually, the first name is shorter than the surname. For instance, Budi Hartono, Andy Susanto, Sony Harsono, or Gatot Joyohadikusumo, etc. Theoretically, people should choose their first name as a brand name because it is shorter and easier to pronounce and remember, as well as more popular in their community. But this is not the case, they prefer to abbreviate their first name, so Andy Susanto will write his name as A. Susanto. One participant expressed his opinion as follows:

> My first name is shorter than my surname. Actually it is easier to call me by my first name, but I prefer to abbreviate my first name and write my surname in my name card. During my childhood, everybody called me by my first name. Most of my friends even do not know my surname. When I graduated from college and joined a lawyer office, my client used to call me by my surname. From that time, I prefer to be called by my last name (lawyer, 55 years old).

The reason why the participant does not want to be called by their first name, among others, is because the first name which is used since the childhood tends to sound a little bit childish. For instance, as lawyer, Mr. Budi Hartono does not want to be called Budi or Bud. It sounds like calling a little boy. He asked back the perception of the interviewer on his first name:

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You can imagine, is it good if people call me Mr. Bud…Mr. Bud…., when I am serving my client or when someone call me during the break in the court session? I am afraid it will degrade my reputation as a lawyer (lawyer, 55 years old)

So, what are the motivation and background of professionals to be called by their surname? As mentioned by the lawyer above, the first name is commonly used in day to day socialization of younger people. Oftentime, the name holder is called by his first name repeatedly and ridiculously. It seems that people feel more comfortable to be called by their surname. Surname is believed to be more influencing. Rarely, the surname is considered as something to joke with. One of participants whose job is dentist expressed his idea:

Of course, in business world, I like my surname more than my first name. I feel my surname could communicate my characteristics to my customers. My surname sounds more influencing than my first name. What do you think if my clients called me by my first name compare to if they call me by my surname. Sure, I feel more comfortable and I think my surname is more authoritative (dentist, 50 years old).

Another participant felt that name does matter in his business. By using his surname, he had a greater opportunity to get a job or an order. He thought that his surname is more salable than his first name. Surname has a business implication. My prospective client will be more impressed by my surname.

Considering the commercial aspect, I prefer to use my surname in my business card. I think people will be more impressed by surname than first name. People will perceive me as a professional consultant because most prominent consultants use their surname which is longer or has more characters. It seems that longer name is synonym to more professional (business consultant, 49 years old).

Contrary to first name which is common name during the childhood, the surname is considered more mature than first name. People are used to call others by their surname for grown up people. So, at last, surname is identical to maturity because it used to call mature people. A sound more mature name is needed in business. More mature name also implies a trustable name. People will only give a project to the trustable consultant.

After graduated from university, people start to call me by my surname. It is helpful because I need to be looked as a mature profile due to my job as a lawyer. I need

everybody to trust my argument. My surname really helps and supports me in this matter (lawyer, 55 years old).

The result of this qualitative study revealed that the major reasons that professionals prefer surname in band name choice is not because their surname are also their family names. The fact that their first names are more popular in their daily life does not make them choose their first name as brand name. The more popular name does not necessarily means more commercial name in business world. Moreover, the first name often used as a name to be joked with. So that's why professionals do not think that first name is an appropriate name for personal branding.

This study also found that professionals prefer surname as their brand name due to some reasons. They are more confident to expose their surname in business world. They feel that their surname could represent their dignity. Surname is equal to reputation and good image. Surname is respected because it represents social identity. It is associated with elderly or the name of the parents (usually the father) that should be respected, and not to be joked with. In most cases surname is more salable than first name. It is also more influencing than first name. Surname which is usually longer than first name implicitly represents trust. It is conducive for doing business. Shortly, the participants who are all professionals considered surname could help them succeed in their professional career. This research finding could be considered as a guidance for other professionals in personal branding design.

This study need to uncovered theoretical background that supports the use of surname in personal branding. The finding of this research, however, does not follow the findings of Colman, Hargreaves, and Sluckin (1981), Hargreaves et al (1983), or Sluckin, Colman, and Hargreaves (1980). There is no indication that there is an inverted-U familiarity-liking relationship for surname as suggested by Hargreaves et al (1983).

To get a more comprehensive explanation of the study of names, I will review first the research results of a group of researchers who have a great interest in the study of name. They are Andrew M. Colman, David J. Hargreaves, and Wladyslaw Sluckin. They explained, basically, there is a relationship between familiarity and liking in the study of names. It means people tend to like names in direct proportion to their familiarity with them. Familiar names being liked most and unfamiliar names being liked least. In other words, there is a positive monotonic relationship between familiarity and liking. This phenomenon is then widely known as the mere exposure effect (Hargreaves et al, 1983).

This group of researchers, however, reported different findings. In their sequence of studies, Sluckin et al (1980) found a non-monotonic inverted-U familiarity-liking relationship for a name, with maximum liking occurring at intermediate levels of familiarity. Sluckin, Hargreaves, and Colman (1982) suggest that the *mere exposure hypothesis* has important limitation. In some circumstances increased familiarity is associated with a decline in liking. Surprisingly, Colman et al (1981) found that the inverted-U familiarity-liking relationship did not exist in their study. In the case of Christian names, they found a monotonic familiarity-favorability relationship. They stated that in the case of certain stimuli, particularly those which are relatively complex and not very frequently exposed, the peak of the curve may never be reached because sufficiently high levels of familiarity are not attained. They called this phenomenon as a *preference-feedback hypothesis*. They explained, if widely Christian names begin to decline in popularity through overexpose, parents are free to avoid choosing it when naming new-borns, with the result that its frequency of exposure and thus its familiarity in the culture will decrease. Then, the popularity of the names may be expected to benefit from the decreased familiarity, and it may therefore return to fashion.

The quite similar study by Hargreaves et al (1983) found some interesting results. Their study on first name found a very strong positive relationship between liking and familiarity or a positive monotonic relationship between familiarity and liking. They explained that the inverted-U hypothesis does not exist for the first name. In choosing names for children, parents prefer intermediate familiarity names. These names would become more common and therefore more familiar thus causing parents to choose the less frequently. If a first name begins to decline in popularity through overexpose, parents will be more likely to avoid it when naming their newborns. This would cause the frequency of exposure and its familiarity will decrease. The names would once more tend a state of intermediate frequency, and a new cycle of popularity would begin. In sums, the case of Christian name of Colman et al (1981) is the same as the case of first name of Hargreaves et al (1983).

Further in their study, Hargreaves et al (1983) found that inverted-U familiarity-liking relationship does hold for surnames. The explained that although surnames share many characteristics in common with Christian names (fairly complex stimuli, occur naturally in both speech and writing, used primarily for identifying people, and so forth), their frequency of exposure is almost wholly independent of voluntary choice or beyond the control of people under normal circumstances, with the result that the frequency distribution of surnames remain remarkably stable over time within a given cultural group. This condition makes the surname with strong familiarity become less preferred.

Back to the result of this study, the most probable explanation is the "mere exposure effect". This phenomenon explains that people will like persons or things as a result of seeing them more frequently. If this is the case, the first name will get more credit point than the surname because the first name gets more exposure than surname and then will be preferred as a brand name. It means that the mere exposure phenomenon failed to explain the surname preference. For years during the childhood, people are called by their first name, but then how come when people are approaching their adulthood, the opposite is happen. The least familiar name (surname) becomes preferable. Unlike the finding of Hargreaves et al (1983), in this case, the inverted-U familiarity-liking relationship does hold for first name, not for the surname.

In their study, Hargreaves et al (1983) confirmed the inverted-U relationship for surname. In contrast, this study did not find this phenomenon for surname. Professionals prefer surname to first name for their brand names. For personal branding, professionals have full control on their brand names, including using their surname as a brand name. They do not use their first names as brand names because their first names have become too familiar in their daily life. In sum, in the case of brand name selection, there is an evidence for inverted-U relationship between familiarity-liking for first name which lead the professionals to choose surname as their brand name. It still needs further exploration to know whether the surname has a monotonic familiarity-liking relationship.

CONCLUSIONS AND FURTHER RESEARCH SUGGESTION

This study explored the surname preference in brand name selection for professionals. Some reasons account for this preference. The surname is considered more superior than first name because it is more influencing, respected, salable, and trusted. Surname is more promising for the success of a business. The theoretical explanation for not using the first name is the inverted-U relationship between familiarity and liking. The first name is too common and familiar because it is used as childhood name and to call other people until they become adults. This study contributes to the study of name by investigating the surname preference in the brand name selection context. Some further researches may be considered to get a broader understanding of the surname references in brand name selection. This qualitative research may be followed by quantitative research by comparing the liking scores for the first name to the surname based on professionals' opinion, as well as surname preference based on client's perception. The further research on familiarity of surname could explain whether the surname hold for monotonic familiarity-liking relationship.

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POSTGRADUATE STUDENTS' PERCEVIED E-LEARNING ACCEPTENCE: MODEL VALIDATION

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Abstract

In the project industry some companies are more successful at closing a deal with buyers than others. This study aims to explore the project actors' competence profile and its impact on their market and transaction uncertainty. First, qualitative data was collected. Construction were categorised as hard-type, whereas IT and other types of consulting, advertising, media and market research were considered as soft-type projects. The objective of this phase was to identify factors that make projects successful. Second, surveys have been conducted in three countries (Germany, USA, Hungary) in order to model the presumed capabilities of the suppliers and buyers and their impact on the actors' risk perception as well as choice. Processing quantitative data a four- and a seven-factor structure of expected project capabilities have been generated.

After analysing the survey data research aim was to validate the results by conducting a series of expert interviews (post-quantitative qualitative research) with respondents recruited according to the actors' level of involvement (high-low) and the level of tangibility of the project (high-low). The findings enable to enhance knowledge on competence-based risk perception of actors and create rules for selling of project-based capabilities and their impact on choice and risk across different project industries.

Keywords: *projects; capabilities; risk*

ICT has been used by many organizations as a tool of acquiring new knowledge and skills to compete and survive in the changing environment. With the inception of the 'information society' or 'knowledge based economy' no country would survive without absorbing the latest technological developments. A country could gain many advantages by diffusing ICT across the nation. According to the World Economic Forum Report (2009) "leading academics, global organizations and industry analysts agree that there is a direct correlation between the use of ICT and positive macroeconomic growth". When the economy is growing, ICT contributes a lot to the growth.

Education is one of the major factors that contribute to the development and the social wellbeing of a nation. It also acts as a resource which can gain competitive advantage (Cairncross, 2003). Education has been recognized as a right that every people in the world should get. According to the Article 26 of the Universal Declaration of Human Rights by the United Nations, "everyone has the right to education". To facilitate knowledge based economy it is fundamental to have a healthy human capital enriched with quality education.

Since it has been proved that as ICT diffusion has a great impact on social and economic well being of the society, it undoubtedly can be used to deliver a quality education to the people. To reach people with limited access to resources, technology is an outstanding tool in communication and learning (Siemens and Tittenberger, 2009). ICT enables people of all ages, ethnic groups, socio-economic levels, on campus or off, vocational institutions, fully or partly employed, geographically dispersed, and living in urban or rural areas to access education equally (William, 2004). Also using ICT for education, can make a choice of how, when, where and at what rate of study to persons of all levels and provide access to more remote parts of the world and encourage non-traditional learners to acquire the new knowledge (Jesus, 2003). Using ICT to deliver instructions helps students to get a deeper understanding of the content, build their own knowledge and to widen the complex analytical abilities (Mary and Margaret, 2004, Daniel, 2009). Further ICT can surpass the time and space where learner can access materials 24 hours a day and 7 days a week. Also it helps access materials from distant locations. Moreover ICT can increase the quality of education by increasing the motivation to learn with rich media contents (Victoria, 2003).

As a consequence of ICT in education, the term e-learning was coined in. E-learning is considered as a cost effective method of transferring knowledge as it can be used to deliver knowledge to a large number of people at once. With increased pressure from globalization, universities and other tertiary level institutes are forced to introduce e-learning initiatives as it can reach many individuals in the world.

The advantages of e-learning can be fully achieved with the postgraduate studies. Majority of postgraduate students are engaged in learning while they are working and thus physically appearing in a class room is rather difficult to them. Also it was found that working adults who entered higher education is from the most underserved niche and this group is the best group to be served by the educational institutes by electronics means (Veeramani, 2010). This is also supported by Lee (2001) that e-learning method is more popular among postgraduate students than undergraduates since they are matured and motivated enough to undertake self-study as necessitated in most online courses. Majority of the students who entered postgraduate education are matured students. Since they are adult learners, they need more independence in their studies as they are more committed towards their personal life, work life and social life beside the academic life. Engelbrecht (2003) found that the students enrolled for e-learning Master's programme in Taxation of the University of South Africa are full-time employees and many of them are in the process of building a career and family and students

indicated that work pressure and family commitment as reasons for not completing the studies.

In view of the fact that the postgraduate studies are mainly followed by the individuals who are working fulltime, geographically dispersed than undergraduates and with other obligations to fulfill such as commitment to families and social lives, and also as they possess a different set of characteristics, there is a requirement for more flexible postgraduate courses offering with the help of the technology to address the needs of that particular clientele which allow them to obtain necessary qualifications overcoming the barriers. Though many higher education institutions in Sri Lanka are now adopting e-learning mode, yet there is a problem of market them properly as the actual and potential users of e-learning facilities possesses different perceptions towards the acceptance of e-learning technology. Therefore in order to address the said target market of postgraduate students who like to follow e-learning mode, this study attempts to develop a measurement to acquire the prior knowledge on perception of students on e-learning mode.

LITERTURE REVIEW

Technology Acceptance Model and Diffusion of Innovation Theory

E-learning comprises with technology related techniques and tools, which the users of such system would have the likelihood of accepting. On the other hand accepting a new technology is a process of adapting to a new technological innovation for its users. Many researchers have been used Technology Acceptance Model (TAM) (Davis, 1989) and Diffusion of Innovation model (DOI) (Rogers, 2003a) to measure the acceptance and adoption to a new technology by its users.

The TAM model was first introduced by Davis in 1989 to support the increasing demand for identifying the technological system failures in 1970s. According to Davis (1989) the users accept or reject the information technology based on the perceived usefulness (PU) and the perceived ease of use (PEOU). Perceived usefulness is explained as "the degree to which a person believes that using a particular system would enhance his or her job performance". On the other hand perceived ease of use refers to "the degree to which a person believes that using a particular system would be free of effort"(Davis, 1989).

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Adapting to an e-learning system is always a new approach for its users. Therefore e-learning can be considered as an innovative method of learning.

Rogers Diffusion of Innovation theory (DOI) has been used in many fields such as agriculture, medicine and ICT to measure the adoption of new innovations. Therefore ICT adoption in the education field can be measured using DOI theory as it is a new innovation in the field of education (Usluel et al., 2008, Goktalay and Ocak, 2006, Li, 2004, Surry, 1997, Perkins, 2011).

According to Rogers (2003b) the innovation decision process contain five stages namely, knowledge, persuasion, decision, implementation and confirmation. In the second stage of innovation process, i.e in the persuasion stage an individual may build either a negative or a positive attitude towards the innovation. Since Rogers describes the innovation diffusion process as 'an uncertainty reduction process" the process attributes that are discussed under the persuasion stage help to decrease the uncertainty on innovation. The attributes that are discussed in this stage are relative advantage, compatibility, complexity, trialability and observability. Therefore, the innovation attributes that are discussed in the persuasion stage are mainly beneficial to ascertain the attitude of e-learning adoption of the students.

According to Liao & Lu (2008) perceived compatibility positively influences on the students' intention to use e-learning and trailability is negatively related with e-learning adoption. Further it found that perceived e-learning advantage, complexity and observability have no significant effect on students' intent of adoption of e-learning. As per Duan, et al.,(2010) only the perceived compatibility and trialability have a significant influence on e-learning adoption among the Chinese undergraduates. Another Chinese study done on e-learning adoption of undergraduates, found the most influential factors for e-learning adoption was pricing under relative advantage, education quality under compatibility, IT equipment under complexity and flexibility under relative advantage.(Zhang et al., 2010). Fu et al., (2010) found perceived e-learning relative advantage, compatibility, trialability and observability have a significant positive influence on students' e-learning adoption and that perceived level of complexity has no significant effect on students' e-learning acceptance. Similar findings were derived by Al-Gahatni (2003) where relative advantage, compatibility, trialability and observability shows a positive significant correlation with computer technology adoption in Saudi Arabian knowledge workers and complexity shows a negative relation with computer adoption.

The researchers were also made attempts to find out the correlation between innovation attributes and attitudes of using technologies. Because innovation attributes would have been an effect on changing the attitude of a person before altering the behavioral intention of the users. Therefore Folorunso (2010) concluded that relative advantage, complexity did not show a significant impact on attitude but compatibility, observability and trialability has a positive significant impact on attitude of using social network sites of the student sin Nigerian universities. It is also found that innovation attributes are significant determinants of internet banking attitude of the users. (Zolait, 2009).

With relation to demographic of the users a Turkish study on organizational e-learning readiness revealed that personal characteristics such as gender, age, educational level and computer experience of the managers have no significant effect on the e-learning readiness in organization wide. (Aydin and Tasci, 2005). However, contradictory findings were arrived by Islam et al (2011) where age, program study, level of education of students has a significant effect on the effectiveness of e-learning. Hence it was suggested that careful understanding of students' demographic factors is necessary when implementing e-learning programs.

The TAM model depicts the fact that PU and PEOU has an affect on the attitude of using the system and in same time it was found that PU and PEOU has an affect for behavioral intention as well. Incorporating both PU and PEOU towards the behavioral intention of adopt broadband in Malaysia it was found that PU is more dominant than PEOU towards the behavioral intention (Sim et al., 2011). A study done integrating compatibility as an independent variable with PEOU and PU, it was found that compatibility and PU significantly affected to behavioral intention of the mobile consumers in Taiwan.(Wua and Wanga, 2004). They also found that age has a significant relationship with both PU and PEOU as younger age group more attracted towards adopting broad band connection. Also gender has an influence towards the intention of using broadband connection as males and females possess different perceptions towards using broadband connection. The academic level has a significant influence only on PU where higher the level of education obtained had a higher level of adoption. A study done integrating compatibility as an independent variable with PEOU and PU, found that compatibility and PU significantly affected behavioral intention of the mobile consumers in Taiwan (Wua and Wanga, 2004).

Perceived Wellbeing affected for using technology

Organization for Economic Co-operation and Development (OECD) defines human wellbeing as "the necessity of congregate various human needs which are vital and same time to achieve the goals which leads to success and satisfied with the one's life".(OECD, 2011). The Well-Being Institute of University of Cambridge defines wellbeing as "positive and sustainable characteristics which enable individuals and organizations to thrive and flourish"(University of Cambridge).

Many studies were done on the electronic media usage ad psychological wellbeing of the users and the findings gain mixed results. Some studies found that using electronic media such as internet for various activities such as entertainment, communication decrease the psychological wellbeing (Coget et al., 2002, Mitchell et al., 2011) and some studies found it increase the psychological wellbeing (Neustadtl and Robionson, 2002, Shaw and Gant, 2002, Kiesler et al., 2002, Campbell et al., 2006, Carpenter and Buday, 2007).

In a way that using electronic media for various purposes lead to increase and decrease the psychological wellbeing of the users it is also vital to investigate due to what psychological aspects would form the attitudes and intention of using technology. It was found in many researches that certain psychological phenomenon of the people shape the attitude and intention of using technology for their day-to-day activities. People who feel lonely, depressed and lack of social skills are found to be more users of internet (Hamburger and Artzi, 2002, Kim et al., 2009, Caplan, 2003). A study done in Israel students' wellbeing and e-learning attitude it was found that high self-esteem students shows a positive attitude towards e-learning an no correlation between loneliness and attitude towards learning.(Kurtz and Hamburger, 2008).

Since majority of the postgraduate students are considered as young adults or adults their psychological status would greatly affect for choosing the mode of learning as e-learning. Therefore it is immensely important to find out the postgraduate students psychological status of accepting e-learning as the mode of getting knowledge.

Social Influence on Changing Attitude in e-learning

When choosing a media as a form of communication, the attitude of using such media has an influence on social factors perceived by the individuals (Kelman, 1958). Kelman (1958)

introduced the theory of social influence and he explained three processes namely compliance, identification and internalization that shape the attitude and behavior of an individual. According to Kelman (1958) compliance is an individual's adoption of a particular behavior that depends on the reward that he gains from it. Identification is one's acceptance of behavior because it establishes and maintains relationships with others. Internalization is individual's behavior which is congruent to his value system. This theory has been used in many researchers afterwards to investigate the adoption of a certain behavior by the individual.

A study carried out by Ghane et al (2011) using 190 paddy famers on social influence and innovation characteristics on adopting pest management practices by the farmers in Iran found that social influence, compatibility and trailability have a significant positive relationship towards the farmers' adoption of pest management practices. A study done on online consumers in a community on changes in attitudes towards the products was found that internalization has a great impact for the attitude change followed by compliances. The identification found to be indirect effect via compliances and internalization (Kate, 2010). Zhou (2011) found that identification and internalization has a significant impact on online community user participation intention and compliance was found to be insignificant towards the participation intention. A study done by Malhotra & Galletta (1999) in implementing organizational wide communication technology was found that social influences play a major role in the usage behavior of the employers. A study done on innovation adoption by teachers, found that females are more affected by the social influences than by males (Mazman et al., 2009). A study done on patients' perception on home telecare management system, found that internalization and identification have a direct effect on behavioral intention of usage of the system (Chen and Chou, 2010).

Social influence mainly impacts on the individual's advantage, ease of use and suited with the life style etc. Therefore while social influence directly influences attitude and the intention of using the technology it affects innovation attributes as well. After a comprehensive analysis done on past studies Sarlan et al(2010) developed a conceptual framework which illustrates that social influence namely compliance, identification and internalization act as external variables and has an impact on PU and PEOU. Further a study done on innovation adoption by teachers, found that females are more affected by the social influences than by males (Mazman et al., 2009).

Extended Technology Acceptance Model

According to the TAM model, the attitude of using information technology is depend on the PU and PEOU. However many studies found that the attributes of innovation in Diffusion of Innovation theory also describes the similar variables of PU and peou under relative advantage and complexity respectively (Oh et al., 2003, Karahanna et al., 1999, Wua and Wang, 2005). In addition to PU and PEOU compatibility, trialability and observability also affect the attitude of using a new technology (Folorunso et al., 2010, Zolait, 2009). Wua & Wang (2005) argued if TAM and DOI theory have integrated it could provide a stronger model than standing alone. Therefore the TAM model could be extended with replacing relative advantage and complexity in the place of PU and PEOU and adding new attributes of compatibility, trialability and observability as many literatures revealed that attributes of innovation affect for the attitude of acceptance of technological innovation.

Similarly Students' subjective wellbeing impact both the attitude towards using the e-learning (Kurtz and Hamburger, 2008) and behavioral intention of using e-learning. (Hamburger and Artzi, 2002, Kim et al., 2009). (Caplan, 2003). Further social influence towards accepting the technology influence both attitude towards using the technology (Kate, 2010) and behavioral intention of using the technology (Ghane et al., 2011, Zhou, 2011, Malhotra and Galletta, 1999, Chen and Chou, 2010). Therefore social influence towards the technology and psychological wellbeing of the students are also been added as attributes of innovation.

Accordingly the following extended TAM model can be developed based on the analysis done above. Although the literature suggests that social influence has an effect on PU and PEOU (Sarlan et al., 2010) as an external variable and thus relative advantage and complexity were replaced with PEOU and PU. Also it is vital to examine the impact of social influence on compatibility, observability and trialability as well.

The demographic factors act as a moderator between attributes of innovation and attitude of using e-learning as well as attitude of e-learning.

The extended version of the technology acceptance model is shown in figure 1.

Validation of ETAM Model

In order to validate the above model the researcher was carried out a pilot study in Sri Lankan national universities which come under the University Grants Commission (UGC) in Sri Lanka. According to the statistics published by UGC in 2010 the highest postgraduate enrollment is recorded in the Western province. As suggested by Johnson & Brooks (2010) the minimum recommended sample size for a pilot study of preliminary survey or scale development is 30. Therefore to conduct the pilot study 30 postgraduate students were selected.

The reliability of each variable is measured using Cronbach's Alpha using SPSS. George & Muller (2003) suggested a rule of thumb for the levels of Conbach's alpha which should be considered as follows.

>.9 excellent,>.8 good,>.7 acceptable,>.6 questionable,>.5 poor,>.5 unacceptable

According to the table 1, the sub variable of trialability shows a Cronbach's alpha of .609 which is questionable. Therefore item-total statistics is derived to investigate the item or items which should be deleted to increase the alpha co-efficient of the sub variable trialability. Accordingly the lowest correlated item was deleted from trialability hence the Cronbach's alpha is increased to .682 which is approximately .7.

CONCLUSION AND FUTURE RESEARCH

The extended TAM model developed above depicts that innovation attributes of relative advantage, complexity, trialability, compatibility observability, and students' perception on social influence on e-learning and psychological wellbeing of the students' impact on both the attitude using e-learning and behavioral intention of e-learning of the students. Social influence acts as the external variable and has an impact to relative advantage, complexity, trialability, compatibility and observability. Demographic factors act as a moderator between both attributes of innovation and attitude of using e-learning and attributes of innovation and behavioral intention of using e-learning.

As the above model is validated, it can be used in the future empirical researches to examine the perceived e-learning acceptance of postgraduate students and also this model can be further expanded by integrating other aspects of e-learning acceptance. Hence this model can

be use by the researchers and institutions to acquire the knowledge on the target market before implementing e-learning mode.

Figure 1: Extended Technology Acceptance Model
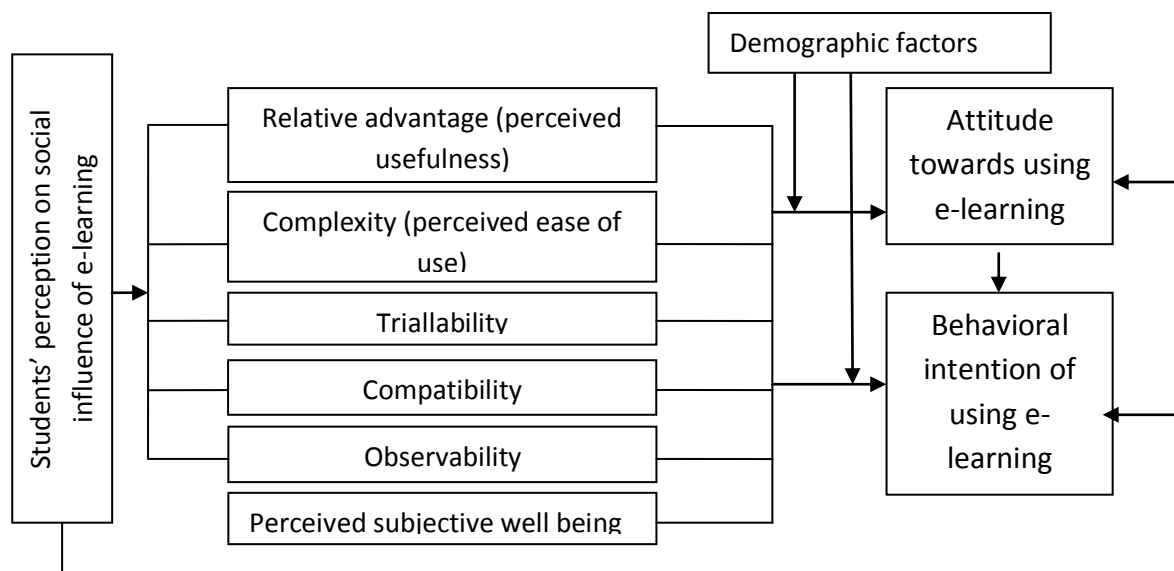
Table 1: Results of Reliability test of each Variable

Source where items taken	Main variable	Sub variable	Cronbach's Alpha	Revised Cronbach's Alpha
Kraut et al(1998).	**Psychological aspects**	Community involvement	.722	-
		Loneliness	.754	-
		Depression	.801	-
		Self esteem	.698	-
		Life satisfaction	.701	-
Duan, et al.,(2010)	**Innovation attributes**	Relative advantage	.806	-
		Compatibility	.844	-
		Complexity	.785	-
		Observability	.767	-
		Trialability	.609	.682
Malhotra & Galletta (1999)	**Social influence**	Internalization	.732	-
		Identification	.742	-
		Compliance	.711	-
Chen & Chou (2010)	**Intention**	-	.903	-
Zoliat (2009)	**Attitude**	-	.923	-

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[17]

ATTRACTING INTERNATIONAL POSTGRADUATE STUDENTS: THE PULLING FACTORS

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Abstract

A university has to carry out various marketing strategies and efforts to recruit international students as many as possible in order to fulfil one of the criteria for a world–class university status. However, to attract quality candidates with the desirable profile is becoming increasingly difficult especially when the university has to compete internationally and nationally with the existing and new emerging universities. This paper discusses the findings of a study carried out to establish the factors considered by international students before they decided to come to Universiti Teknologi Malaysia for their postgraduate studies. A total sample of 896 international students from various fields of studies for three different intakes was used in the study. The result shows that the main factors considered by them are the availability of the programme, reputation, the conduciveness of the campus environment for teaching and learning, and the location of the university. Most of them agreed that internet and education fairs or expositions are effective marketing medium for the recruitment of international students. This study provides an evidence–based framework to be considered by the University in formulating strategies and efforts to become a global player in higher education.

Keywords: international students, pulling factors, marketing

INTRODUCTION

Malaysia has targeted an enrolment of over 200,000 postgraduate students in its higher education system in the year of 2020. Among the outlined strategies includes the idea of bringing in influx of international students into Malaysia. The task has become easier since the aftermath of Sept 11, 2001 since Middle Eastern students have been facing visa restrictions to enter countries of a more favourable destination in higher education, such as the United States of America (Yeager and Kargbo, 2007). In year 2010, according to the statistics released by the Ministry of higher Education Malaysia (MOHE), more than 24,000 students from countries around the world have enrolled in Malaysian Public Higher Education. Beside that, more than 58,000 have also enrolled in the Malaysian Private Higher Education Institutions (MOHE, 2010). Currently, Malaysia has also achieved a world ranking of 11th place in terms of total international students population around the world. However, the higher education population's number is still below the targeted number proposed by the

MOHE. Thus, universities are urged to double the initiatives needed in order to attract more students to fill the vacant in various programs offered in different fields.

As a Malaysian premier Research University (RU), UTM has also involved in attracting international students population especially in the field of higher education. So far the number of international students at UTM is considerably high as compared to its rival from other Research Universities. If compared to private and newly developed government funded universities, the number is sufficient enough to support the nation's target in higher education, as well as generating income for the university..

Nevertheless, the demanding task now is to recruit quality students from a diverse population from around the world and not concentrating on certain nation and region for its prospect students. Right now, more than half of the students come from countries like Iran, Indonesia, Libya, etc. From higher education perspective, the ideal is that post graduate education should encompass a diverse background of students to support the multicultural growth of its student body, and to lessen the domination of certain nation or region in the student population strata. Because of these two main reasons, UTM Marketing Unit has employed various strategies such as (1) doubling the promotion to abroad region and countries (2) working with international promoters in their expos and marketing efforts (3) organize visits to foreign universities, and (4) using students body to help promote UTM.

The Current Statistics of UTM Post Graduate Students

In 2012, UTM was the first Research University in Malaysia where the postgraduate student population surpassed 50% of its total students' enrolment. In the same year, UTM also became the most populated university with international students in Malaysia, where 80% of them (5,043 students) were postgraduate students. UTM had also contributed for the highest number (33 percent) of nation's engineering and technology students' enrolment, with all Malaysian universities combined. UTM also recorded the highest number in term of enrolment of doctoral students (4,455 students) in Malaysia, even high if compared with prominent universities like Harvard, MIT, and Imperial College of London (Zaini, 2012). For the next agenda, UTM is focusing on the number and quality of Ph.D. students to boost research and publications especially in the field of engineering, science and technology.

In UTM, local students make up less than a third of the total number of full-time Ph.D. students' enrolment due to their professional commitment. And in academia, the students' full

time status has great influence on the publications and research activities in a university. These full-time students are heavily relied on especially for their research and publications. In other words, it is almost impossible for a university to reach the research and publication targets if it solely relies on the part-timers. The same scenario with UTM, quality research and the impact factor journals' publication are significantly contributed by full-time students, where international students significantly make up a majority of them, therefore the quest for attracting a larger and of higher quality international students population is really an endeavour.

METHODOLOGY OF THE STUDY

In 2011, the Universiti Teknologi Malaysia (UTM) Promotion Unit had started a study to investigate the factors that might influence the applicants' choice of universities. A total sample of 896 international students from various fields of studies from three different intakes, were involved in the study. These students were voluntarily involved through questionnaires sent through their emails. The questionnaire was constructed focusing on three main issues (1) the reasons for choosing UTM (2) the factors that lead them to choose a university, and (3) the medium through which they know UTM. Within three weeks, all responses were collected and data analysis was conducted to reveal the results of the study. The data were analyzed for significant findings which could help the Promotion Unit of UTM finds the best way to refine its strategy and activities.

RESULTS OF THE STUDY

Generally, the cumulative data analyzed from three post graduate students' intakes (Semester II 2010/201, Semester 1 2011/2012, and Semester II 2011/2012) showed that there were three main reasons (scored 80% and above) of why international students had chosen UTM for their postgraduate study (1) the programmes offered (2) UTM reputation, and (3) the conduciveness of UTM campus. As shown in *Figure 1*, the results revealed that 90.5% agreed that the UTM reputation, 92.53% respondents agreed that the programmes offered, and 80.55% agreed that the campus conduciveness were their reasons for choosing UTM for their post graduate studies. Other reasons selected were the family encouragement (76.96% responses), the location of UTM (79.36% responses), and friends' recommendation (70.98% responses).
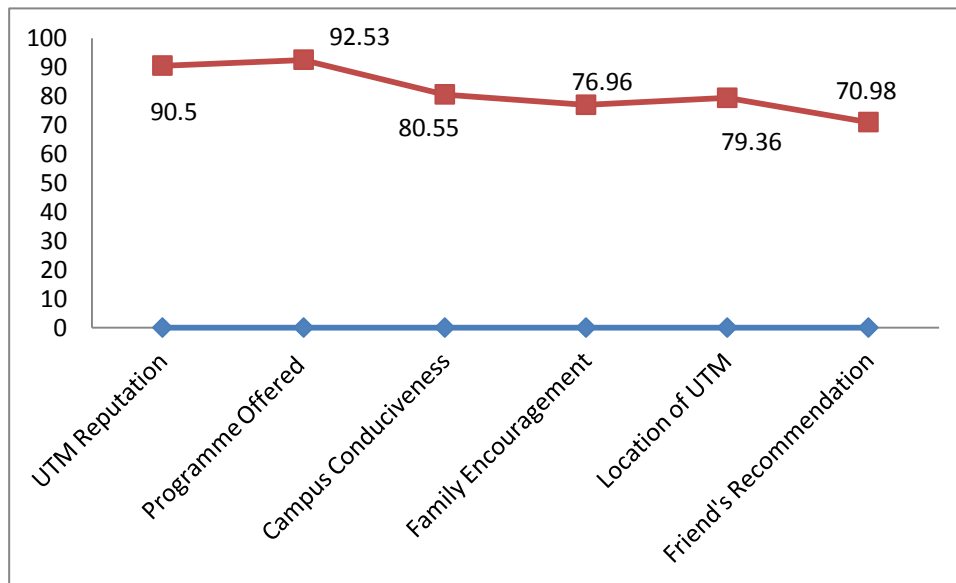
Figure 1: Reasons for Choosing UTM

Further data analysis revealed that for three consecutive intakes, there were three factors topping the list of reasons for choosing UTM, as agreed by the respondents. As shown in *Figure 2*, 91.17%, 90.57%, and 89.76% agreed that the reputation of UTM, 93.65%, 92.63%, and 91.31% agreed that the programme offered, and 80.26%, 80.55%, and 80.83% agreed that the conduciveness of UTM campus as the reasons for choosing UTM, for semester II 2010/2011, semester I 2011/2012, and semester II 2011/2012 intakes respectively.
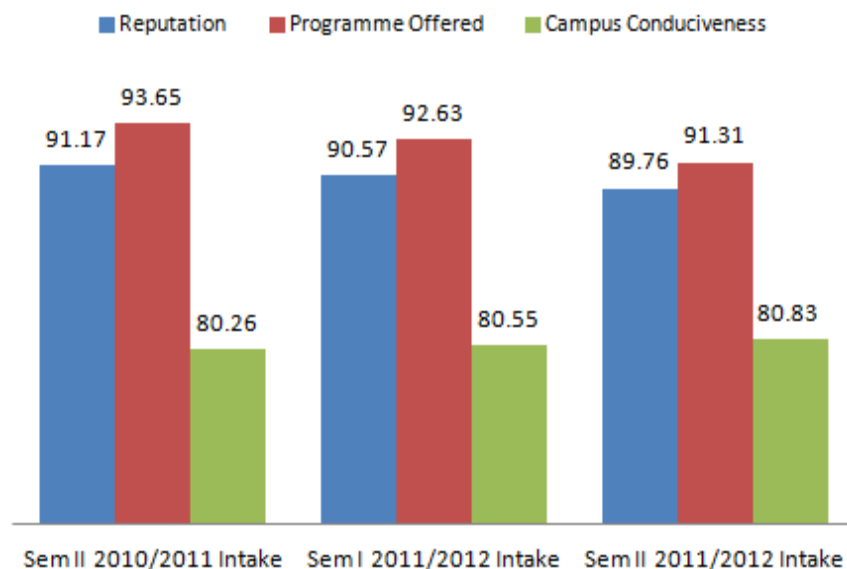
Figure 2: Top Three Reasons for Choosing UTM

Responses gained from respondents as shown above, were consistent with data gathered for another general question asked in the survey, i.e. "factors that lead you to choose a university,

in which the results showed that (1) programmes offered (2) career after graduation (3) reputation of university, and (4) the location of university, as four main reasons of choosing a university (*Figure 2*). In three consecutive semesters, 93.55%, 92.58%, and 91.51% agreed that the programmes offered, 93.55%, 92.54%, and 91.31% agreed that the career after graduation, 90.68%, 89.33%, and 87.62% agreed that the reputation of university, and 80.06%, 79.85%, and 79.53% agreed that the location of university, were the leading factors in choosing their university of choice, for the semester II 2010/2011, semester I 2011/2012, and semester II 2011/2012 intakes, respectively (**Figure 3**).

Figure 3: Leading Factors in Choosing a University

Regarding the medium, through which they know UTM, the results showed that (1) web-based advertising (2) education fairs, and (3) the printed mass media, were the three main mediums through which respondents knew about UTM. About 87.20%, 87.65%, and 88.10% agreed that the web-based ads, 59.82, 61.49%, 63.45%, agreed that the education fairs, and 59.32%, 60.57%, and 62.02% agreed that the printed mass media had helped them to know UTM, for the semester II 2010/2011, semester I 2011/2012, and semester II 2011/2012 intakes, respectively (**Figure 4**). Other reasons given by respondents were the brochures, career talks, and UTM alumni.
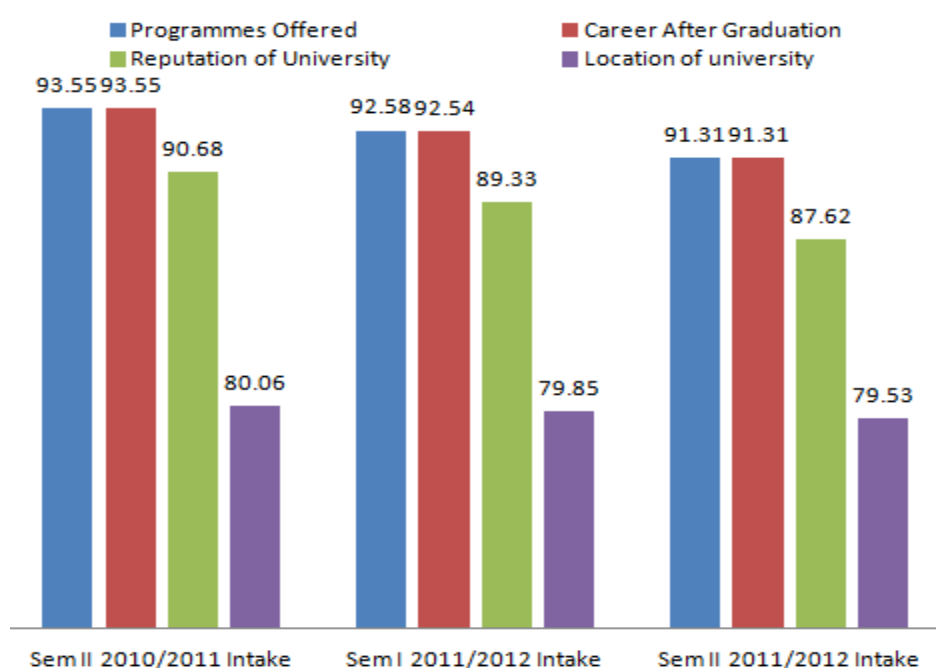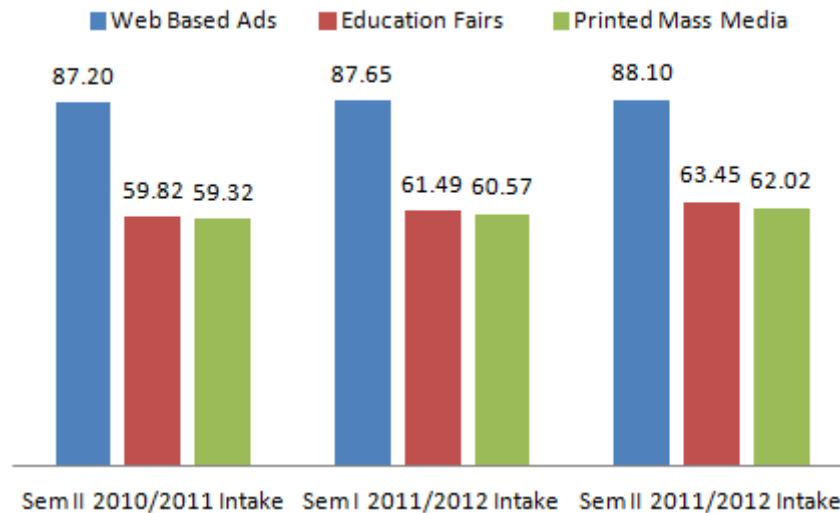
Figure 3: Medium through Which Respondents Know UTM

The Pulling Factors: What Can UTM Learn From the Study?

At least three main ideas came in light regarding what UTM should focus on when it comes to attracting international students into the university. Firstly, the attractiveness of the program is very important in attracting international students to the university. In the case of UTM, our programmes are very strong in terms of curriculum since the curriculum have been implemented for many years and renewed, as well as recognized by professional bodies, and the Malaysian Qualification Agencies. The varieties of programmes available in the fields of engineering, science and technology, as well as social sciences have made an array of programs available for prospective international applicants.

Secondly, the university reputation has also emerged as one important factor regarded by the respondents, similar to a study conducted by Beneke and Human (2010). As usually highlighted and inquired by visitors of our booth, the ranking of UTM world wide, has given an additional strength for the program as deemed by prospect students. Since UTM had involved in the ranking list, a leap in the amount of international student enrolment is noticeable, despite increment in the study fees, giving us the clue that monetary issue is not a pulling factor among the international students, as Malaysian higher education system charges cheap, and affordable study fees, as compared to neighbouring countries and the world.

Thirdly, in terms of the conduciveness of learning, UTM has long been regarded as a very pleasant place to be especially for international students. The warmth and hospitality of the lecturers and local students toward international students are among the important aspects credited by international students. Another remarkable point, which is always highlighted by

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visitors and students, is the greenish tropical surrounding of UTM which is noticeable especially by students from the Middle East. Support system for family such as schools in the surrounding area, as well as other amenities available for students, especially for those who are couple or married, has also contributed to this factor. UTM has also provided several financial schemes for international students to help them with their financials. Last but not least, credit to the economic and political stability of Malaysia, which has made the safety issue not an area of concern for international students.

CONCLUSION

The findings of the study suggest that UTM has to make every effort to improve its reputation globally. UTM should maintain the current quality of education that it has to offer and in the mean time, gives special focus to areas which can be improvised further. Among the aspects, which can be enhanced include the administration of the post graduate programs, creating more financial schemes for international, and building more state of the art facilities for its students including the classroom, hostel, and other amenities. In addition, the marketing strategy has to focus more on using web–marketing approach and direct meeting with the potential student candidates to outreach the candidates from various parts of the world. Social media for example is an emerging channel that is becoming indispensible in recruiting international students (Choudaha and Chang, 2012). This is in line with a study conducted by Moogan (2011), which pointed out that the details of the program of study being the most important, but prospect students would have preferred greater use of electronic sources. Through the media, candidates gain information needed to make up their decision of their university of choice. This information will influence their attitude and help facilitate their decision making when selecting their university and the courses they intend to study (Veloutsou, Lewis, and Paton, 2004). In short, this study provides an evidence–based framework to be considered by the University in formulating strategies and efforts to become a global player in higher education.

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[18]

INTERNET USER'S ATTITUDE TOWARDS AN ONLINE ADVERTISING ON HOTEL BOOKING, AND ITS IMPACT ON PURCHASE INTENTION

A.M.G.S.Priyankara

Abstract

Since the explosion of the Web as a business medium, one of its primary uses has been for marketing. Soon, the Web will become a critical distribution channel for the majority of successful enterprises. Many have speculated about the current state of Internet advertising (IA) or Online advertising (OA), how it affect to the purchase intention. Although many estimates exist regarding who uses the Internet as well as guidelines about how best to design IA, little is known about Internet users' attitudes toward IA, much less what characterizes these attitudes. To test this, a sample of 150 participants with exposure to the Internet was surveyed. The results exposed greater part opinion of IA: agree to neither agree nor disagree level in significant at the 95% confidence level, A regression analysis and correlations indicated that satisfaction of looking at Internet advertisements, it's useful, and it's utility for making purchase intention.

Key words: *Online Advertising, Internet Advertising, Online Hotel Reservation*

INTRODUCTION

The rapid developments in Information and Communication Technology (ICT) have greatly contributed in enhancing human living standards worldwide a s the advanced capability of the technology facilitates with extremely efficient collaboration and access to correct, consistent and effective information, which is fundamental to manage the quality in total. In successful world, most of the key economically effective environments are increasingly ICT dominant and therefore, investing on ICT developments in the 21st century has become a compulsory requirement for a country to survive. For justification and proper direction of the investments, continuous progress monitoring, again with timely and accurate information on ICT achievements itself is also essential (Computer Literacy Survey - 2009 Department of Census and Statistics). One of the most important things in ICT is internet. The Internet as a marketing medium offers many unique challenges to marketers. To assist marketers in their business enterprise on-line, comparisons and contrasts to existing marketing theory have been used to build a conceptual understanding of the current state of the Internet and its implications for consumer transactions (cf., Hoffman and Novak, 1996a; Hoffman, Novak and

Chatterjee, 1995; Schlosser and Kanfer, forthcoming). To further understand the commercial possibilities of the Internet, several internet usage surveys have been conducted to document consumers' behavior online (the most notable being GVU, 1999 and the HERMES project by Gupta, 1995; see Hoffman, Kalsbeek, and Novak, 1996, for a review). Yet, in terms of assessing the commercial effectiveness of the Internet and the value of Internet advertising, most research has determined upon the company's rather than consumers' point of view (Berthon, Pitt, and Watson, 1996). As a result, many decisions regarding Internet advertising (IA) or online advertising (OA) are being made with relatively little specific knowledge about consumers' attitudes toward OA and how the structure of these OA attitudes compare to the structure of attitudes toward advertising in traditional media. Consumers' attitudes toward advertising have been considered important to track because they likely influence consumers' exposure, attention, and reaction to individual ads (cf. Alwitt and Prabhakar, 1992) through a variety of cognitive and affective processes (Lutz, 1985).

The company may request the consumers' attention (e.g., through banner ads on others' Web sites or through hyperlinks), but it is up to the consumer to seek additional commercial content. Consumers can select whether, when, and how much commercial content they wish to view. That is, consumers "pull" for electronic advertising content. Because OA exposure is mainly under the consumer's decision, it is particularly important to understand the structure of one important driver of advertising exposure: attitudes toward OA. Tourism is one of main developing industry in Sri Lanka; it's including both foreign and local tourist. In rapidly developing this sector, travel agents, and hotels are highly utilize OA. Because it has many benefits like cost effectiveness, time is saving, information sharing facility and etc. Tourists want to plan their tour, for that they want to book or reserve room, bungalow, hotel or any place to relax. In that purpose they are going to search information using internet. At that moment, business use to improve their revenue through OA. So in this research proposal I'm going to keep in touch "Internet user's attitude towards an online advertising on hotel booking, and its impact on purchase intention".

Country	Population	Internet usage	Percentage of Population (%)	Percentage of world (%)	Growth rate (2000/2007)
Sri Lanka	19,796,874	280,000	1.4%	0.1%	130.5%

(Source: Vijaya computer magazine 2007 March page 8, 9)

Research problem identified as;

Internet user's attitude towards internet advertising on hotel booking, and its impact on purchase intention. That mean as a promotional tool internet advertising success or fail.

The objectives of the present research are address to,

To identify consumers' attitudes toward online advertising

> ➢ To identify internet habit
> ➢ To identify how important the online advertising as information deliver

LITERATURE REVIEW

According to Ann E. Schlosser (1999) most of the direct-response measures administered to consumers have assessed consumers' perceptions and usage of the Internet and its services. Mehta and Sivadas (1995) assessed Internet user's attitudes toward advertising on newsgroups and through e-mail. They found that consumers held negative attitudes toward newsgroup and e-mail advertising, even when the message was directly relevant to the special interests of the group. However, their sample was limited to those who posted messages to the group. Those who merely read messages were not included in the sample. As a result, it is possible that these unfavorable attitudes are due to this verbal sample's perception that they are competing with electronic advertisements for the group's attention. Another notable exception is research conducted by Ducoffe (1996) studying the experience of consumer's attitudes toward Web advertising. It was found that a sample of 318 business executives in New York City perceived Web advertising to be generally informative and entertaining, although more informative than entertaining. Furthermore, Mehta and Sivadas, (1995) said that they, interviewed executives found Web advertising to be useful, valuable and important. Although these previous findings on attitudes toward e-mail and Web advertising shed light upon the Internet population's attitudes toward specific types of IA, a larger and more representative sample as well as an examination of IA in general would be useful. Therefore understanding the above factors that motivate IA attitudes would also be important for both theory development and apply goals. The idea that affective (entertainment, irritation) and cognitive (informativeness) experiences with Web advertising contribute to people's judgments of Web advertising is steady with tricomponent attitude model.
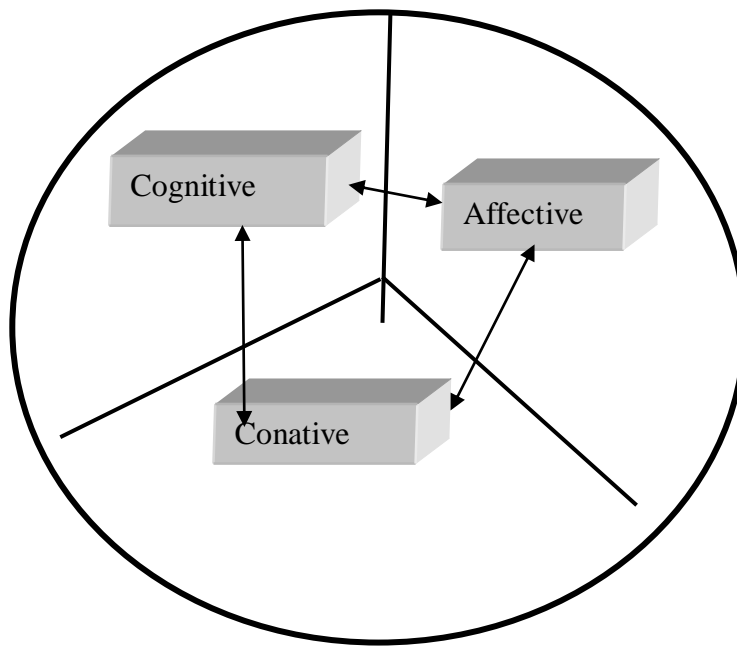
Cognitive component

Tricomponents attitude model consists of a person's cognitions, that is the knowledge and perceptions that are acquired by a combinations of direct experience with the attitude object and related information from various source. This knowledge and resulting perceptions commonly take the form of beliefs. That the attitude object possesses various attributes and that specific behavior will lead to specific outcomes.

Knowledge

According to Alba and Hutchinson (1999), Consumers vary in their knowledge about products and brands, depending on their personal experiences. For example, an individual might be highly knowledgeable about computers but not dishwashers, or about pet grooming but not broker services. These differences in knowledge have important implications for consumers' pre-purchase information search activities.

Perception

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world.

Affective component

A consumer's emotions or feelings about a particular product or brand constitute the affective component of an attitude. These emotions and feelings are frequently treated by consumer researchers as primary evaluative nature; that is, they capture an individual's direct or global assessment of the attitude object. The emotional status may enhance or amplify positive or negative experience and that later recollection of such experience may impact what comes to mind and how individuals acts.

Conative component

This concerned with the like hood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. According to some interpretations, the conative component may include the actual behavior itself. This is frequently treated as an expansion of consumer's intention to purchase.

Intention to purchase

According to Authors Carole, attitude is described as the psychological tendency of a person to respond, or behave, in a consistently positive or negative manner with respect to a stimulus as a result of their attitude toward the stimulus.

Internet Advertising

IA is described broadly as any form of commercial content available on the Internet that is designed by businesses to inform consumers about a product or service. Hence, IA can be delivered via any channel (e.g., video clip, print or audio), in any form (e.g., an e-mail message or an interactive game), and provide information at any degree of depth (e.g. a corporate logo or an official Web site). According to researchers, Studies of consumers' reactions to IA typically have quantified customers' judgments of Web sites in terms of consumers' behavioral traces at the site (i.e. counting the number of "clicks" and "hits" (Berthon, Pitt, and Watson, 1996). These measures have been shown to both overestimate and underestimate the number of visitors and exposures (Riphagen and Kanfer, 1997).

Another important exception is research conducted by Ducoffe (1996) studying the antecedents of consumer's attitudes toward Web advertising. It was found that a sample of 318 business executives in New York City perceived Web advertising to be generally informative and entertaining, although more informative than entertaining. This is consistent

with findings regarding people's perceptions of the Web in general (Diaz et al., 1996). Furthermore, in contrast to attitudinal findings toward e-mail advertising (Mehta and Sivadas, 1995), the interviewed executives found Web advertising to be useful, valuable and important. Although these previous findings on attitudes toward e-mail and Web advertising shed light upon the Internet population's attitudes toward specific types of IA, a larger and more representative sample as well as an examination of IA in general would be useful.

Abbreviations & Definitions

HTML - Hyper Text Mark-up Language

IA – Internet Advertising

ISP - Internet Service Provider

Link(s) - Hyperlink (Method of navigating to content)

Click-through rate - The number of hyperlinks accessed from a campaign

Image link - Hyperlinks accessed from a campaign.

Pay-per click (PPC) – Per click ads has to pay

SEO – Search Engine Optimization

METHODOLOGY

Most of the Sri Lankan are very close to the globalize environment and market. As a result of internet usage, the environmental process also highly improved. In current situation Sri Lanka has rapidly growth in the internet literature, during 2000- 2007. Also recent research found out that 13 percent of the population aged 5 to 69 years has used the Internet facility at least once during the last twelve months. This chapter gives a clear picture on the methodology used in the study specifically the sample selection and data collection.

Independent variable

The dependent variable of this study was cognitive factors and affective factors affect purchase intention on online hotel booking. Twenty questions measuring internet user's

cognitive factors and affective factors affect purchase intention on online hotel booking were included in the survey.

Dependent variables

Independent variables of this study is conative factor (purchase intention)

Types of the study

This study is a descriptive study. To using this descriptive study Tricomponent attitude model is analysis according to objectives. Major objectives of the descriptive research is to describe something usually market characteristics or functions. So my research is describe cognitive (knowledge, perception), affective (feelings), conative (purchase intention).

Theoretical framework

Based on the proceeding literature and research question, the conceptual model for this study is shown follows. It was conducted based on casual relationship of some variables. Initially it has described the relationship between Internet user's attitudes to regarding hotel booking through internet advertising and their purchase intention.

Conceptual frame work

S	**BBB**	**R**
Marketing stimuli	Buyer characteristics	Buyer decision

Psychological (Attitude)

- Cognitive
- Affective
- Conative

(Internet user's attitudes to hotel booking on internet advertising)

Promotion → Psychological (Attitude) → Consumer purchase intention (Conative)
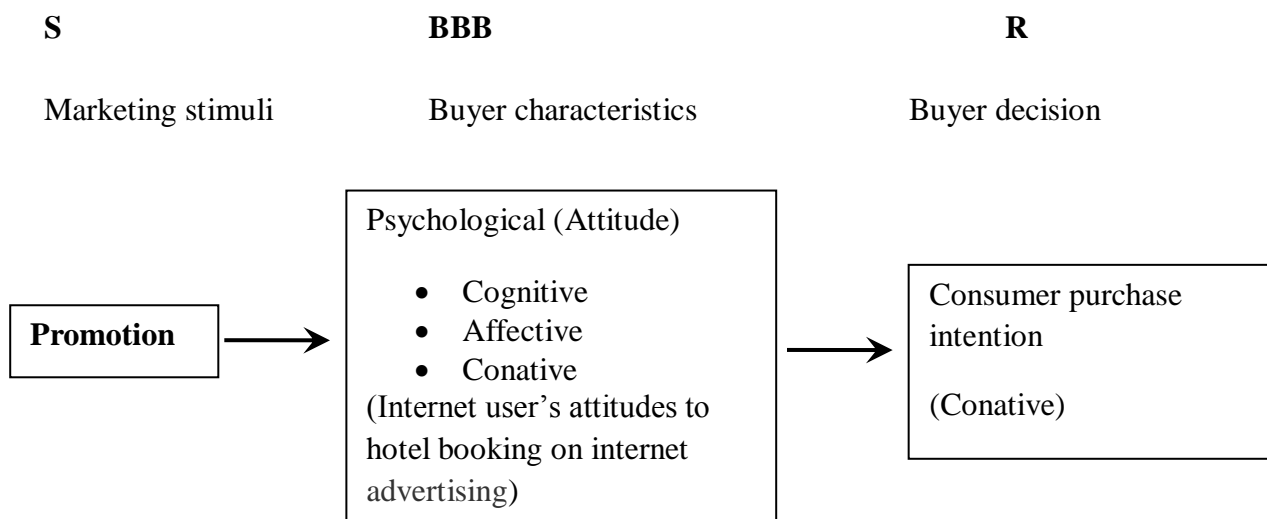
(Source: Page 67 MAR2301 cause manual and CB shiffman &kanuk)

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Approach

The main approach is online survey research method for data collection.

Time horizon

A cross sectional research design used to collect information from respondents. A cross-sectional or one shot study has followed to gather the data from sample of internet users who are dealing with internet. The data was gathering through a 5 days from them.

Population and sampling

Population is internet usage customers.

Total Sample size is 150. Random sampling method was used to collect required data. Respondents are meeting from e mail campaign that design from Google form / free online survey.

Data collection

- Primary Data

The major part of the study is primary data. Primary data is collect by using an online market survey for internet and email users.

- Secondary Data

Number of related research articles, books, newspapers, trade journals industry portals, government agencies, trade associations and the information related to the topic.

Data analysis method

The data will be analyzed by using the SPSS Statistical package as well as Microsoft Excel. Methods used for analyzing this, Likert Scale, and data will be analysis through mean, standard deviation, ANOVA test, correlation and T-test.

DATA ANALYSIS AND FINDINGS

Analysis of the Sample

Selected sample consists with 150 respondents and questions consist with cognative, affective and conative variables. Hence firstly this chapter was attempting to identify the reliability of the respondents by scale test. The sample reliability was 0.877 (Table 01 appendixes).

Model was accept, because 0.05 < 0.6, model relationship;

$$Y = \hat{\beta}_0 + \hat{\beta}_1$$

Table 02 Model Summary

Model Summary

Model	R	R Square
1	.774[a]	.600

a. Predictors: (Constant), Purchase Intention

Y= Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

$$\hat{\beta}_0 = 0.05$$

$$\hat{\beta}_1 = \text{Cognative and Affective question including question number one to twenty.}$$

Model regression presented 0.774 so it said strong positive relationship.

Table 03 Anova

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.948	1	46.948	221.812	.000[a]

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Residual	31.325	148	.212			
Total	78.273	149				

a. Predictors: (Constant), Purchase Inten

b. Dependent Variable: Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

Table 04 Coefficients

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.381	.187		-2.032	.044
Purchase-Intention	1.234	.083	.774	14.893	.000

a. Dependent Variable: Internet advertising that regarding hotel room / bungalow booking is creating purchase intention

In above table researcher had identified cognative and affective components as a significant factor of purchase intention. In following table indicate relationship between cognative and affective with regard to Purchase-Intention. According to that there is significant relationship between purchase intention and cognative and affective factors (Table 04, 06, 07, 08 appendixes).

As same as the cognative part respondents attitude towards online advertising were significant at the 95% confidence level. So there can be identified some difference between cognative and purchase intention, 0.041<0.05 (Table 06 appendixes). As the affective part respondent's attitude towards online advertising were significant at the 95% confidence level, (Table 08 appendixes).

Descriptive analysis

Table 09 Descriptive analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
cognitive	150	1.64	3.73	2.2491	.46610	.217
affective	150	1.44	4.00	2.1756	.54086	.293
Purchase Intention	150	1.60	3.70	2.2160	.45496	.207
Valid N (list wise)	150					

According to the above table overall mean value of the cognative is 2.2491. It can be varying from 0.46610 (2.2491 ± .46610). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes.

+0.46610   -0.46610

| 1 | 2 | 3 | 4 | 5 |

2.2491
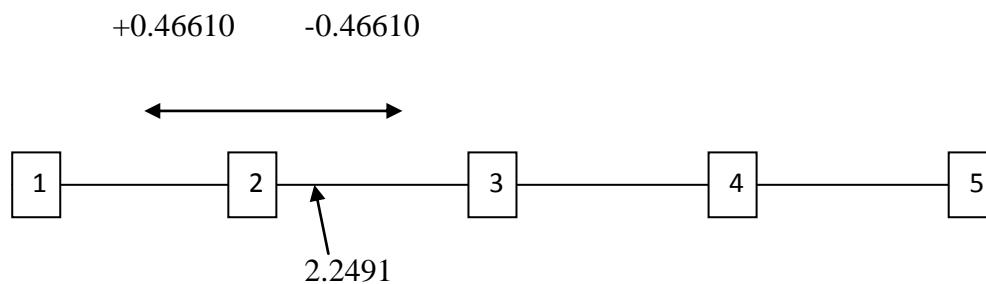
According to the above table overall mean value of the affective is 2.1756. It can be varying from 0.54086 (2.1756 ± .54086). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes.

+0.54086   -0.54086

| 1 | 2 | 3 | 4 | 5 |

2.1756
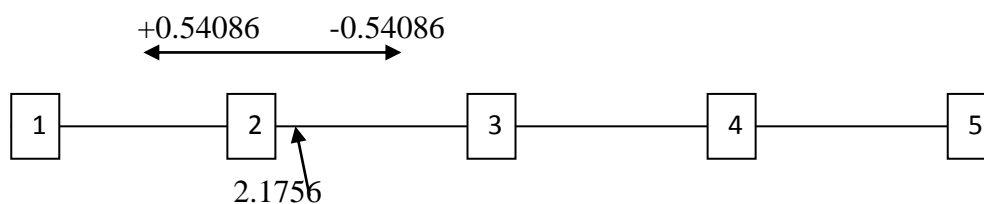
According to the above table overall mean value of the conative (purchase intention) is 2.2160. It can be varying from 0.45496 (2.2160 ± .45496). According to the decision criteria this mean value close to agree to neither agree nor disagree fallen level of attitudes. Higher level of attitudes towards online advertising is significant at the 0.05 significance level.

Correlations

Table 10 correlation of cognitive and affective to purchase intention

Correlations

		Internet advertising that regarding hotel room / bungalow booking is creating purchase intention	Purchase Intention	cognitive	affective
Spearman's rho	Internet advertising that regarding hotel room / bungalow booking is creating purchase intention	Correlation Coefficient	1.000	.731**	.537**	.693**
		Sig. (2-tailed)	.	.000	.000	.000
		N	150	150	150	150
	Purchase Intention	Correlation Coefficient	.731**	1.000	.794**	.836**
		Sig. (2-tailed)	.000	.	.000	.000
		N	150	150	150	150
	cognitive	Correlation Coefficient	.537**	.794**	1.000	.379**
		Sig. (2-tailed)	.000	.000	.	.000
		N	150	150	150	150

affective	Correlation Coefficient	.693**	.836**	.379**	1.000
	Sig. (2-tailed)	.000	.000	.000	.
	N	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

Moderate positive correlation (0.537) between cognative and purchase intention that, question number 21 said; Internet advertising that regarding hotel room / bungalow booking is creating purchase intention. Also moderate positive correlation (0.693) between affective and purchase intention

CONCLUSION & RECOMMENDATION

Conclusion

This chapter is present Final Conclusion and Recommendation of the data from the Survey. This chapter consists with two sections and in first section is reserved to present finding of the study. Second part was given some recommendation relating to the finding of the study. According to the findings of the research following conclusions can be done.

Generally Sri Lankan internet users were developing an internet purchasing behavior. Cognative and affective factors affect the online advertising on hotel booking which represent were moderate positive relation. That mean those factors could be impact on purchase intention on online hotel booking. Sri Lanka is rapidly developing country; so many internet users were around 60% of respondents said online advertising was benefit to hotel booking. In addition to the fact that all the scales used in the study showed high reliability, those of shopping enjoyment, perceived usefulness, involvement, challenges, and skills also affect the online booking. From a substantive point of view, examined how emotional and cognitive responses to the Web advertising could be influence online consumer behavior.

Recommendations

- To use Web site investment effectively, however, managers should identify the reason most consumers visit their site. Above results indicate that web site investment is effective in boosting online purchase intentions when visitors are searchers. Also

online marketers should establish more invest in web site design to establish trust online.

- Consumers appear to gather that a firm with a well-designed site can be trusted privacy / security statement would have if its exposure was allowed to vary. Perhaps the first hurdle is to establish trust in the firm's ability.

- Sometimes customers have giant requests to book hotel online, but they have some extent to fear to do it, because relevant details may not be provide by advertisement. So when hotel or bungalow advertises online the campaign should be improve the relevancy that they can gain more advantage through online advertising. As example; when we advertise facebook.com they give us to respondents summary sheet. That sheet can be present our web site as relevancy copy.

- This type of customer and market is opportunity to the companies. Multimedia format is much considers respondents. Because multimedia advertisement can be give more details regarding products. Ex: shape, color, etc. It helps to express their feelings regarding product at that moments. Ex; video massage, blink ads, slide show etc.

- Online advertising always targeted the audience and this helps in making campaign more profitable and getting more relevant leads.

- Blogs are the latest internet advertising trend. It's too soon to tell just how much money and business can be generated from a blog but early reports indicate that blogs are becoming an important part of online advertising.

- Link exchanges still work. At one time, link exchanges were a big deal. People have since moved on to other methods but link exchanges can still help improve rankings if done in appropriate quantities with relevant sites. If companies have little on cash, find a link exchange program or approach some webmasters and ask to exchange links.

- Create affiliate advertisement programme and answering machines of the internet also sponsor a chat room.

LIMITATION

The main limitation of the study is that the use of an online survey may result in some problems regarding the generalizing of the results. It is possible that certain types of respondents may be more likely to participate in an online survey. This limitation is common to many online surveys.

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[19]

ACCEPTANCE OF ELECTRIC VEHICLES IN GERMANY AND CHINA: EXPERIMENTAL STUDIES WITH TEST DRIVES

Kathrin Dudenhoeffer

Abstract

To promote the transition to green growth many developed as well as emerging countries pin their hopes on electric vehicles (EVs). The benefits seem tempting: reduction of local air pollution, curb of greenhouse gas emissions and declining dependency to oil. China sought to exploit the prospective benefits of electric powertrain technology to increase the competitiveness of its home-grown automotive industry. In Germany, the government plans to have one million rechargeable EVs on the roads by 2020. But reality shows a different picture: In 2011 only 2,000 pure EVs have been sold in Germany and roughly 8,000 units in China, mostly for government fleets.

The proposed study seeks to analyze the acceptance and market potential of electric vehicles in Germany and China to give marketing implications based on cultural differences. This is done by experimental studies (Germany: n=226, China: n=40). In contrast to traditional survey approaches the probands were informed via 30 minutes test drives and interviewed before and afterwards. The results show high interest and enthusiasm of the test group in Beijing for battery electric vehicles, whereas the Germans preferred plug-in-hybrid or range-extender vehicles. In both countries the acceptance could be enhanced by the test drives.

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Beijing for battery electric vehicles, whereas the Germans preferred plug-in-hybrid or range-extender vehicles. In both countries the acceptance could be enhanced by the test drives.

The Hype about Electric Vehicles

In the automotive industry a paradigm shift is going to occur. After combustion engines served as a driving source of automobiles for more than a century, the electric drive spreads out. From a technical point of view the electric drive has several advantages. Electric vehicles do not produce local emissions, and are therefore ideally suited for metropolitan regions such as Peking, China. Electric motors convert almost 95% of the energy into forward motion, while internal combustion engines waste over 65% of the energy due to friction and heat and use only 35% of the energy for propulsion. In addition to energy efficiency, pure electric drives are much easier and less expensive to produce. The main problem with the electric drive is the storage of energy. By means of modern lithium-ion batteries, it was possible to make electric motors more usable. However, disadvantages remain, such as high cost of energy storage, longer recharging times and shorter ranges of the pure electric vehicles.

There are three developments emerging in electric and partially electric drives. First, hybrids with larger batteries, which can be charged at sockets or charging stations. These concepts are called plug-in hybrid electric vehicles (PHEV) and in a technical modified design as range extended electric vehicles (REEV). Plug-in hybrids and range extender vehicles allow travelling up to 80 miles in electric mode depending on their battery size. If the battery is empty, the vehicle is driven by an internal combustion engine. Secondly, there are pure battery-electric vehicles (BEV) with ranges up to 150 kilometers and third, fuel cell vehicles, which produce electricity on board by using hydrogen fuel cells. Fuel cell vehicles thus differ from the battery-electric vehicle only in the energy storage technology.

Many European and Asian countries as well as the United States and Canada try to pull electric vehicles into the market to benefit from their advantages. So for example China, which is the second largest consumer of oil in the world since 2003. To reduce the dependency on oil imports and to make the Chinese automotive industry more competitive by leap-frogging, the Chinese central government has supported electric mobility with large research funds, direct investment and buyer's premiums already at an early stage. Despite of this, the number of sales of electric cars has been disappointing up to now in China, but also in Europe and the United States. Thus, the question arises, why the consumers do not want to

buy electric vehicles. To examine this, the acceptance of electric vehicles was measured in China and in Germany by means of two experimental studies with test drives.

The reminder of this manuscript is organized as follows: First, the diffusion and promotion of electric vehicles in Germany and China is discussed. Then, the method of the studies, the experimental design, is presented. Afterwards, the results of both studies are outlined and compared. Finally, a conclusion is drawn.

Diffusion and Promotion of Electric Vehicles in Germany

The automotive industry is a mature industry with over one hundred years of tradition. Nevertheless, the question of state technology funding is opportune. From a business perspective the risk high to invest in electric vehicles, from an economic perspective it can make sense to bear the risk. So it needs promotion. The promotion must by no means be a direct financial support, but may exist in regulatory requirements, e.g., after a certain period of time only electric vehicles are allowed to drive in large cities. China showed this direction and also the EU Commission stated in its Roadmap 2050 that by 2050 no more vehicles with internal combustion engine will be allowed in cities. The higher energy efficiency of the electric drive and the significantly improved environmental performance are important arguments for the promotion of electric cars.

In order to guarantee competitiveness of Germany's automobile industry with at least 730,000 workers at car manufacturers and suppliers in the future technology, the four federal ministries of environment, transport, industry, and research presented in a joint press statement the goal on 25 November 2008: 'Germany should become the leading market for electric vehicles'. This is a very high standard compared to competitor countries like China, France, Japan or the United States. In a 'National Strategy Conference on Electric Mobility' it was decided: 'Electric vehicles are the future. They soon will become part of everyday life, especially in city traffic. By the year 2020, over a million rechargeable electric vehicles and so-called plug-in hybrid vehicles should drive on German roads', it was told the joint press statement. To implement the goals, the 'National Development Plan for Electric Mobility of the Federal Government' was presented in August 2009.

The first major project was the promotion of eight model regions with 190 projects that are supported under the auspices of the Ministry of Transport with a budget of 115 million EUR

(153 million USD). In an average project, funding accounted for 605,000 EUR (806,000 USD). The National Platform for Electric Mobility criticized the wide, little focused actions. Therefore, a more specific set of measures was decided in May 2011 in another 'Government Program, Electric Mobility'. One aim is the popularization of electric mobility via demonstration effects, instead of purchase incentives for electric vehicles. For these projects the federal government has planned a budget of 180 million EUR (240 million USD) over a period of three years.

As Table 1 shows electric vehicles are not registered in large numbers in the German market so far. Only 2.610 pure battery electric vehicles and in total 6.780 electric vehicles (including REEVs, PHEVs and quads like Renault Twizy) have been registered in 2012. This equals to 0.2% from the total 2.1 million registrations. The big part was registered by car manufacturers and dealers. Only 15% of the electric vehicles were registered by private persons in 2012.

Diffusion of Electric Vehicles in China

Clearly before Germany and other western countries, the People's Republic of China initiated the support of electric mobility in 2001. With a government-aided leap-frogging approach, China should reach the top of automotive technology and become more independent from oil imports at the same time. The support concept is based on three vertical (三纵) and three horizontal (三横) categories. On the vertical base it is planned to anticipate development and production of purely electric vehicles as well as of hybrid and fuel cell vehicles with the help of governmental support. On the horizontal base multi energy systems, i.e. components like electric engines and batteries shall be developed further. In 2004, the Chinese government determined with the decisions concerning the 'Automotive Industry Development Policy' to lead the branch into the direction of energy saving, environmental protection and sustainability. One year later, aims for shares of electric cars in total car-sales were communicated in the so called '863 Program' first. It was stated that by 2010, at least 5% and by 2030, more than 50% of all vehicles should be driven electrically. Beijing, Wuhan, Tianjin, Zhuzhou, Weihai and Hangzhou were chosen as test cities. Additionally, in 2006 the Ministry of Finance (MOF) adopted tax advantages for purchase and management of electric cars. At the beginning of the year 2009, the government confirmed the 'Automotive Industry Development Policy' of 2004 and added further goals for supporting energy-saving and environment-friendly cars. Especially, it was planned to promote the industrialization of electric cars and their major components with 10 billion CYN (1.61 billion USD) from the

central government. On 23 January 2009, the Ministry of Finance as well as the Ministry of Science and Technology (MOST) chose the cities Beijing, Shanghai, Chongqing, Changchun, Dalian, Hangzhou, Jinan, Wuhan, Shenzhen, Hefei, Changsha, Kunming and Nanchang to be pilot cities. In these pilot cities the usage of 'new energy vehicles' (NEV) should be demonstrated. Focus of attention was among others the local public transport and the public administration (MOF and MOST, 2009). The same year in February, the two ministries launched the program '10 cities 1000 vehicles'. The objective of this program was to have 1000 'new-energy-vehicles' running in public administration in 10 Chinese cities within three years (MOST and MOF 2009). In May 2009, the government decided to support the technological development of electric cars with further 20 billion CNY (3.22 billion USD).

Three years later, electric mobility was grounded in the twelfth five-year plan. Focus was the development of hybrid cars, purely electric cars and new mobility models. The aim is to sell one million BEV and PHEV by 2015 and five million by 2020 (Tian, 2012). Accompanying, a guideline for the detailed design of the loading infrastructure was passed on 28 June, 2012. This plan contemplates technical improvement of NEV, building a loading infrastructure and promoting pilot demonstrations (State Council, 2012).

In China, governmental purchase incentives are used to fasten the diffusion of electric cars. Since 1st of June 2010, the MOF promotes the private purchase of an electric car uniquely with maximally 60,000 CNY (9,660 USD) for a purely electric car, respectively 50,000 CNY (8,050 USD) for plug-in hybrids. At first, the subsidy was for the pilot cities Shanghai, Shenzhen, Hangzhou, Changchun and Hefei only, later, Peking was adopted (NDRC 2010). Beyond the central government's promotion, there are also benefits from the city government (see table 2**Error! Reference source not found.**). Altogether, the buyer of an electric car gets a subvention up to 120,000 CNY (19,320 USD). With this subvention the electric car e6 of the Chinese manufacturer BYD with a list price of 369,800 RMB (59,538 USD) is available for 249,800 RMB (40,218 USD). Thus, the manufacturer gets the highest possible benefit of 120,000 CNY (19,320 USD) per car. Moreover, purely electric cars, fuel cell cars and plug-in hybrids are exempt from car tax since January 2012. For hybrids, tax saving amounts 50%. Furthermore, electric cars are also exempt from registration lottery (Peking, Guiyang) or registration auctions (Shanghai).

Despite these high subventions, sales numbers of electric cars in China are as disappointing as in Germany. According to the China Association of Automobile Manufacturers (CAAM), 8,159 EVs have already been sold in 2011, and 8,368 EVs have been produced. 5,579 of the

cars sold were purely electric, 2,580 were hybrids. From January to August 2012 there were additional 6,019 sales. The share of electric cars in China is only 0.06% of all sales. The Chinese manufacturers Chery and JAC have the biggest share of purely battery-electric vehicles (Chengxian, 2012a and 2012b).

It is apparent that the programs for promoting electric vehicles in China as well as in Germany have had little effect yet. Present economic incentives for spreading electric vehicles do not lead to sustainable growth. This corresponds with the results of studies that attest that tax and purchase incentives for a new technology do not lead to a higher acceptance. A survey of Chandra, Gulati and Kandlikar (2010) shows, that only 2% of hybrid cars that have been sold between 2000 and 2005 in six Canadian provinces can be attributed to tax incentives. Saldarriaga-Isaza and Vergara (2009) came to a similar result. Thus, governmental incentives in the form of tax or purchase incentives are not the best option to support electric mobility.

Technological Leaps Require Experiments to Determine Demand

Theoretical surveys can be biased, if the product is not known well and the experience level is low. Since electric vehicles are technology leap products, which are not yet sold large numbers, most of their features are unknown in society. Important characteristics like driving pleasure, innovativeness and social status cannot be evaluated. For this reason this study includes personal experience with the product by means of test drives and test of the charging procedure. Market potential estimations are thus closer to reality.

In the German experiment, 226 out of 878 interested applicants were selected via quota procedure. The sample is representative for car drivers in Germany in gender and age. The subjects took part in a three-stage experiment in Duisburg, Germany, which took about two hours in total. At the first stage, the acceptance and willingness to buy electric cars was interrogated without informing before. In the second stage, each test person drove three different electric vehicles. The trips lasted 20 to 30 minutes and included a drive on a highway and the practice of the charging procedure. Afterwards the test persons were again asked to fill in a questionnaire at the third stage of the experiment.

Six series-production vehicles were available for the test drives (see table 3), including battery electric vehicles, a plug-in hybrid and an electric car with range extender. In addition, two ICE cars that have been converted to electric drive were available. As electric vehicles are

also conceivable as electric bikes, electric scooters, or as electric two-seater like Opel Rak e or VW Nils, a concept vehicle (SAM II), an e-bike and a hybrid scooter were included into the test fleet.

The experimental design in China was similar to the German study. The study was conducted in Peking, China. The test drives took about 30 to 40 minutes. A total of 40 persons attended the study in Peking. The sample represents innovators, who are young, high educated and interested in technical innovations.

Range Extender Vehicles Dominate the Demand for Electric Compact Cars in Germany

The results of the German experiment show a high interest in range extended electric vehicles. Figure 1 summarizes the main results. 14% of the participants voted for the pure battery electric vehicle (BEV). 24% choose range extenders like Opel Ampera and plug-in hybrids like the Toyota Prius plug-in. In total, 38% of the test persons showed positive purchase intentions for electric vehicles after the intensive test drives. The purchase intentions are explained in detail in Table 4. The results indicate that the Germans are not interested in two-seater BEVs with low safety standards like the Renault Twizy. The interest in micro cars like the Smart is also marginal. Only 2% of the representative test group prefer a micro car as BEV or REEV/PHEV with 20 km electric range.

12% of the test persons can imagine buying a small car with electric drive. In the category of small cars the BEV with 110 km range, which 7% of the probands would buy, is most important. The vehicle is primarily designed as a second car for the city. 5% would prefer a small electric car with range extender and an electric range of 50 km. Everyday use without limited range is the main argument here. The small car then serves mainly as a first car.

23% of the German respondents choose an electrically operated compact car such as Opel Ampera, Nissan Leaf, Mercedes A-Class or VW Golf. Particularly important in the compact car segment is the REEV/PHEV with 50 km electric range. Offering a plug-in hybrid or electric car with range extender covers the mobility needs of at least 13% of all test persons.

The purchase intention corresponds to the vehicle's price. Table 5 shows the price structure of the conjoint analysis used in the study. The prices are estimations for the year 2015. The study shows that the participants accept a price premium of 6,650 USD for a BEV and 13,300 to

21,280 USD for an REEV/PHEV. The electric cars, which are available today, cost about 40,000 USD (Nissan Leaf, Mitsubishi i-MiEV). This is clearly above the accepted price premium.

The results indicate that range is not the decisive parameter. Half of the test persons accept the range, which is appropriate for their daily distance. It is important that the range is given in summer and winter. 20% of the potential buyers would reduce their range about 30 kilometers for a discount of 4,000 USD. 20% would buy an extra range of 30 km for an additional fee of 4,000 USD and 10% would buy 60 kilometers extra range for 8,000 USD. So, the car manufacturers should enter the market with smaller battery sizes and ranges. A surcharge list can then cover customers' needs for greater ranges.

As it has been noted in previous studies, this experiment shows that the charging infrastructure is important, but often overestimated in its importance. Two thirds of the participants in Germany have a private parking lot. Under the assumption that a charging possibility can easily be installed, electric cars can be brought in the market without having to establish a nationwide recharging infrastructure.

High Demand for Pure Battery Electric Vehicles in China

The acceptance of electric vehicles after the test drives was even higher in China. 53% of the participants chose a purely electric vehicle and 16% a range-extended electric car or a plug-in hybrid. Only 31% preferred a car with a conventional combustion engine or did not want to buy a car at all (see Figure). This proves that Chinese car drivers show much more enthusiasm for the new technology than the Germans. While 69% would chose an (partly) electric car in China, only 21% would do so in the German reference group (see

Figure). The comparison is based on a small subsample (n=34) of the German experiment, which corresponds to the characteristics of the Chinese sample (young, high income, test drive with Smart electric drive).

The biggest part of the Chinese sample (59%) would choose the battery-leasing model. In Germany only 31% would do the same. Here, the sample rather wants to buy the car completely (53%). Most manufacturers offer battery-leasing options already, like for example

Smart or Renault. According to the study's results, this should especially be offered in China as well.

The experiment shows that a test drive with an electric car can improve the attitude towards EVs significantly. Driving enjoyment for example was rated higher after the tests. In total, the Chinese reacted much more emotional on electric cars than the Germans. In addition, the loading procedure was estimated to be simpler after the test drives. The long loading time and the limited range were rated less negative afterwards. This shows how important personal experience is for spreading electric mobility. The electric car has too many unknown features that can only be experienced by driving.

In contrast to Germany, knowledge about electric cars is small in China. While 38% of the Chinese sample had a concrete idea about the technology of an electric car, these were 84% in Germany. In China 63% stated never to have heard about an electric car at all, compared to 7% in Germany. The low level of knowledge causes a high uncertainty concerning the new technology. 97% of the persons asked in Peking stated to be afraid of an electric shock while charging an electric car. In Germany, only 58% were concerned about that. Accidents like the explosion of an electric car of the type BYD e6 in May 2011 strengthen this fear. Another reason for buyer's uncertainty is the low safety standards in China. Thus, it is important for manufacturers to communicate the safety of their vehicles. German automakers have a leap of faith on the Chinese market. Only roughly one third of the sample in Peking would choose a Chinese car for a price reduction of 5,300 USD. The great majority would prefer a German manufacturer. The preference for a German automaker was even increased by the test drive with the Smart electric drive (from 64% to 74%).

One advantage in China is that electric bikes are widely spread. 50% of the sample in Peking stated to have driven an e-bike already. The stock of e-bikes in China is valued at about 33 to 45 million (Weinert, Ogden, Sperling and Burke, 2008). In this case the intervention of the government was helpful. The change to electric bikes was enforced by a restraint of gas-operating bikes in many cities. Therewith, you can find a fundamental level of experience with electric cars in China, which can support the diffusion of electric cars.

The strongest motive for the use of an electric car in China is the environmental protection. According to the test persons, an electric car allows to make a contribution to environmental protection and to avoid local emissions. Especially in Chinese metropolises like Peking, this is

meaningful because of huge air pollution. The desire to change something about the current situation was much higher than in Germany. But environmental protection was rated less useful after the individual experience. Reason for this is the origin of electricity in China. 67.3% of the local power-mix consists of coal. Regenerative energies only total up to 0.5%. In contrast to Germany, in China there is no possibility to receive electricity from renewable energies. For loading an electric car with the current power-mix in China, CO_2-emissions would lie beyond the emissions of a conventional ICE car.

Another motive for the use of an electric car was supporting technological progress. In contrast to the German test group the Chinese were more open to new products in general. While only 56% of the German sample had an innovative product, these were 90% in China. Also green technologies were spread wider among the Asian participants (62%) than among the German ones (12%).

Beside this intrinsic motivation to use an electric car, the objective usability is rather given in China than in Germany. 69% of the participants have a private parking lot at home. Thus, the car could be charges over night. In Germany, Opel offers to install a domestic charging possibility in case of a purchase of the Opel Ampera. This model could also work in China.

The limited range of an electric car is no problem in Peking. All the participants stated not to drive more than 100 km on a weekday. A Smart electric drive of the third generation already has a range of 150 km. The Nissan Leaf even manages to reach 160 km according to the manufacturer. The majority of the sample (87%) does not drive more than 50 km a day. Also on weekends the range of current models would be enough: 94% drive up to 100 km, 6% 100-150 km. However, 60% of the participants would increase the range recommended in the conjoint analysis, even if this would cost 4.000 USD for 30 additional km. This extra is equal to the range which is psychologically comfortable, even if it is not necessarily needed every day. To avoid the fear to run out of energy while driving, the Indian manufacturer Mahindra Reva developed an interesting model. The electric cars are fitted with an emergency range of a few kilometers that can be activated by calling a hotline. Hereby, the drivers do not have to be afraid anymore, without having to buy a larger battery that would be more expensive (Mahindra, 2010).

Those, who live in Peking, mostly drive with a speed around 50 km/h within the city or use a highway, where 80 km/h are allowed. That is why a high maximum speed is less important in

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China than in Germany. 75% of the participants in Peking accept a maximum speed of 120 km/h. In Germany, these are only 18% of the sample. This maximum speed is reached by most of the electric cars available. It can be concluded that altogether EVs are better suitable for the driving profiles in metropolises in China than in Germany.

CONCLUSION

The conducted experiment has shown that the participants in Germany and China responded very enthusiastically to the test drives with electric vehicles. In China the acceptance was even higher than in the German sample of comparison. Especially in megacities, such as Peking, the EV possesses a high latent customer acceptance and allows a sustainable improvement of living conditions. The key to electric vehicles is the curiosity of motorists to learn new things without obligation. Therefore it was possible to reach so many interested persons via regional media and social networks in the Internet in a short time. To implement electric mobility, possibilities to easy familiarize car drivers with the new technology are needed.

The current political efforts to promote electric vehicles have not succeeded so far. With a protectionist supply policy that should make the domestic industry gain the top in 'leap-frogging manner' internationally with the help of high subventions, the Chinese government tried to enforce electric mobility in the country. In public reactions the Chinese central government backs away from their former objectives in the meantime. The supply of Chinese EVs was much later available on the market than originally planned and domestic cars are rather seen as 'second' choice by the Chinese which is also shown by the experiment implemented. But the unsatisfying supply of Chinese automakers is no sufficient explanation for the failure in China because Western manufacturers like Mitsubishi, Citroën, Nissan or General Motors offer EVs like Mitsubishi i-MiEV, Citroën C-Zero, Nissan Leaf or Chevrolet Volt for two years now.

To help establish the diffusion of electric cars in Germany, China or any other country, new ways of support must be found. A person, who does not know the new technology and is skeptical towards it, will not reduce her buying restraint because of purchase or tax incentives. Purchase incentives can only expand demand, if there is a positive sentiment against these products. The level of knowledge about electric cars is low in the Chinese population and the uncertainty about the quality of the cars is high. Both factors are big obstacles on the demand side. Therefore, it is necessary for the consumers to gain experience with EVs in an easy way.

Individual experience can be collected by test drives at the trader, in studies or projects, by short-time-leasing or car sharing offers. In addition, it is needful to make it as easy as possible for interested persons to integrate the EV into everyday life. Many potential customers have a private parking lot for their car. It is easy to provide these parking areas with safe charging facilities. Thus, long charging duration and limited range are no longer a problem.

The insights about China and Germany can be transferred to countries like France or the U.S. as well. The electric car has no technical problem and no problem in price, but a problem in comprehension. Multi-billion amounts have been invested, but in the wrong way. The government programs have not managed to exploit this latent willingness to buy so far. This study proved that a basic acceptance of electric vehicles exists. The people only have to get familiar to the new technology.

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Table 1*: Registrations of electric vehicles in Germany

Model	2009	2010	2011	2012
Renault Twizy[a][b]	0 (0)[e]	0 (0)	0 (0)	2.174 (Jan-Oct)
Toyota Prius Plug-in[c]	0 (0)	0 (0)	0 (0)	1.168 (434)
Opel Ampera[d]	0 (0)	0 (0)	241 (0)	828 (125)
Smart Fortwo e.d.[b]	14 (0)	150 (0)	328 (0)	734 (128)
Citroën C-Zero[b]	0 (0)	1 (0)	201 (17)	454 (83)
Nissan Leaf[b]	0 (0)	0 (0)	23 (2)	454 (33)
Peugoet iOn[b]	0 (0)	1 (0)	208 (0)	263 (14)
Renault Fluence[b]	0 (0)	0 (0)	14 (0)	213 (34)
Mitsubishi i-MiEV[b]	0 (0)	12 (0)	683 (56)	96 (66)
Mercedes A-Class E-Cell[b]	0 (0)	0 (0)	138 (0)	78 (0)
Tesla Roadster[b]	0 (0)	23 (3)	59 (19)	67 (53)
VW Golf[b]	0 (0)	0 (0)	80 (0)	61 (0)
Chevrolet Volt[d]	0 (0)	0 (0)	9 (0)	25 (8)
Mia Mia[b]	0 (0)	0 (0)	0 (0)	13 (0)
Mercedes Vito[b]	0 (0)	0 (0)	0 (0)	13 (0)
Volvo C30[b]	0 (0)	0 (0)	6 (0)	12 (0)
Others[b]	66 (15)	120 (12)	53 (7)	127 (50)
Total BEV	80 (15)	309 (15)	1.803 (101)	2.610 (469)
Total EVs incl. PHEV, Twizy	80 (15)	309 (15)	2.044 (101)	6.780 (1.028)
Total market	3.807.175	2.916.260	3.173.634	3.082.504
a – Quad, not included in total registrations; b – Battery electric vehicle (BEV); c – Plug-in Hybrid (PHEV); d – Range Extender (REEV); e – private registrations in brackets				

Source: KBA/ CAR, University Duisburg-Essen

Table 2: Governmental Subvention for Private Purchase of an EV

In CNY	Subsidies of City Governments		Subsidies of Central Governments	
	BEV	**PHEV**	**BEV**	**PHEV**
Peking	60,000	50,000	3,000 per KW max. 60,000	3,000 per KW max. 50,000
Shanghai	40,000	20,000		
Changchun	45,000	40,000		
Hangzhou	60,000	30,000		
Shenzhen	60,000	30,000		
Hefei	20,000	15,000		

Source: SAT, ACEA, Chair of East Asian Economics/China, University Duisburg-Essen

Table 3: Test vehicles in Germany

Manu-facturer	Model	Type	Battery (in kWh)	Range (in km)	Max. speed (in km/h)	Seats
Nissan	Leaf	BEV (serial)	24.0	175	140	5
Citroën	C-Zero	BEV (serial)	16.0	100-150	130	4
Smart	Electric Drive	BEV (serial)	15.8	110	110	2
Mercedes	A-Class E-Cell	BEV (small series)	36.0	150-200	150	5
Opel	Ampera	REEV (serial)	16.0	40-80	161	4
Toyota	Prius Pplug-in	PHEV (serial)	5.2	20	180	5
e-Wolf	Delta 2	BEV (converted)	24.0	150	110	7
e-Wolf	Delta 1	BEV (converted)	13.8	130	110	4
SAM II	Elektro	BEV (concept,	8.7	80-100	90	2

		three-wheeler)				
Piaggio	MP3 Hybrid LT 300 ie	Hybrid Scooter (serial)	1.4	20	100	2
Elmoto	HR-2	E-Bike (serial)	1.5	65	45	1

Figure 1: Purchase intentions in Germany
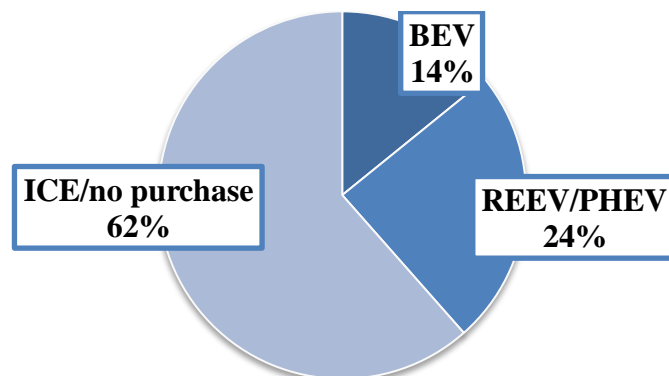
Table 4: Purchase intention after test drives in Germany

	Two-seater (safety like motorbike)	Micro-Car (two-seater, safety like small car)	Small car	Compact car	Total
BEV 110 km*	0%	1%	7%	6%	**14%**
REEV/PHEV 20 km*	0%	1%	0%	3%	**4%**
REEV/PHEV 50 km*	0%	0%	5%	13%	**19%**
REEV/PHEV 80 km*	0%	0%	0%	1%	**2%**
ICE/no purchase	1%	5%	22%	34%	**62%**
Total	**1%**	**7%**	**34%**	**57%**	**100%**

*) electric range

Table 5: Price calculation for conjoint analysis

	Two-seater (safety like motorbike)	Micro car (two-seater, safety like small car)	Small car	Compact car
BEV 110 km*	20,000 USD	27,000 USD	27,000 USD	34,000 USD
REEV/PHEV 20 km*	27,000 USD	34,000 USD	34,000 USD	41,000 USD
REEV/PHEV 50 km*	31,000 USD	38,000 USD	38,000 USD	48,000 USD
REEV/PHEV 80 km*	35,000 USD	42,000 USD	42,000 USD	55,000 USD
ICE	13,000 USD	20,000 USD	20,000 USD	27,000 USD

*) electric range

Figure 2: Purchase intentions in China
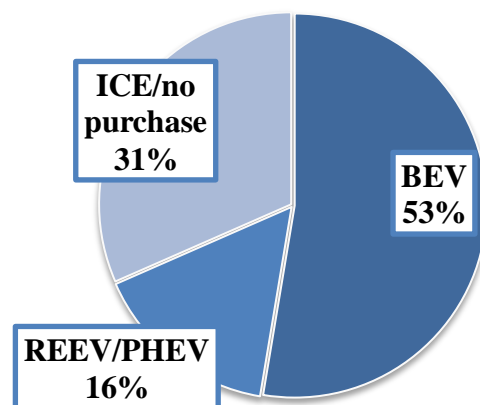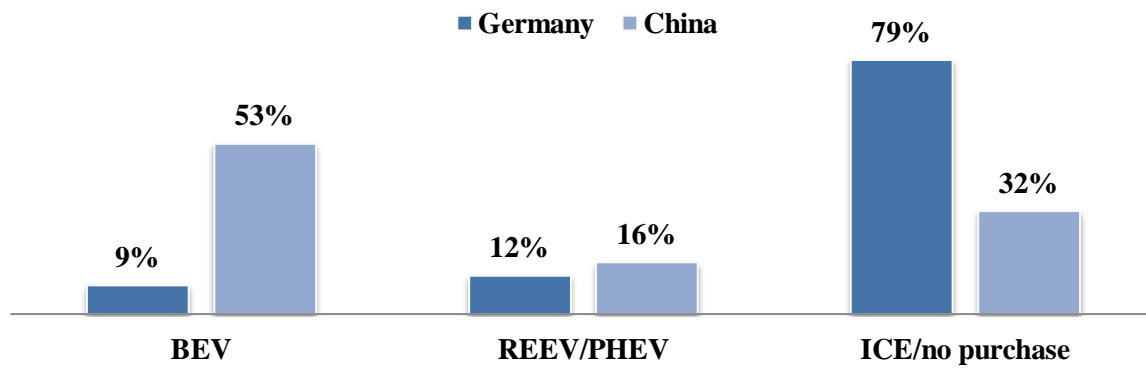
Figure 3: Purchase intentions in China and Germany

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POTENTIAL POSITIVE IMPACT OF ECOTOURISM ON LOCAL COMMUNITY OF JORDAN

Majeda Howaidee

Abstract

The objective of this study was to offer an integrated approach to understanding the impact of ecotourism on the local community in Feynan site by examining the theoretical and empirical evidence on the causal relationships among the components of ecotourism and overall local community development. The empirical data was collected in a major tourism destination in Feynan Ecolodge rests in Wadi Feynan desert in Jordan. Ecotourists are distinguished from mass tourists due to their unique behavior towards nature and host community. Possession of an environmental ethic, willingness not to degrade the resource, focus on intrinsic rather than extrinsic motivation., biocentric rather than anthropocentric in orientation, aiming to benefit wildlife and the environment, striving for firsthand experience with the natural environment, and possessing an expectation of education and appreciation. In recent years, conservationists have come to recognize the crucial role rural and coastal communities play in conserving biodiversity; many protected area managers have developed mechanisms to incorporate these communities as stakeholders into the planning and management process. At the same time, the growing interest by tourists in learning from and experiencing different cultures has led the tourism industry to incorporate communities into its activities. Ecotourism and nature tourism can provide jobs and economic independence to host communities. Empowerment the local communities achieved by seeking to give local people greater control over their resources and the decisions relating to the use of such resources that affect their lives.

Keywords: Ecotourism; Environmental education; employment creation

INTRODUCTION

Ecotourism, under whatever definition, is an instigator of change. It is inevitable that the introduction of tourists to areas seldom visited by outsiders will place demands upon the environment associated with new actors, activities, and facilities. Ecotourism will forge new relationship between people and environment, and between peoples with different lifestyles. It will create forces for both change and stability. These forces act at a diversity of scales from global to local (Wall, 1999).

Ecotourism is growing at a rate of 10-15% annually, as estimated by the World Travel and Tourism Council. Martha Honey has proposed an excellent, more detailed version: Ecotourism is travel to fragile, pristine and usually protected areas that strives to be low impact and (usually) small scale. It helps educate the traveler; provides funds for

conservation; directly benefits the economic development and political empowerment of local communities; and fosters respect for different cultures and for human rights (Honey, 1999). Ecotourism covers ecological, economic and community issues, the ecological aspect means that ecotourism contributes positively to the conservation of nature. The economic aspect means it is a tool for a sustainable economy. Community opinion requires ecotourism to empower the community, in an economic sense by giving roles in ecotourism to local people, and by improving their participation in conservation (Sudarto, 1999).

The study aimed to measure the impact of ecotourism on the local community through the answering of the following questions:

- What's the impact of ecotourism's revenue generation on improving local community situations?
- What's the impact of ecotourism's employment creation on improving the local community situations?
- What's the impact of ecotourism's environmental education on improving the local community situations?

DEFINITION OF ECOTOURISM

The International Ecotourism Society (TIES) defines ecotourism as responsible travel to natural areas that preserve the environment and support the well-being of local populations (McLaren, 2003). Or it defined as responsible tourism focused on the natural world, has emerged as a concept that unites the interests of environmentalists and developers (Lindsay, 2003). Of course, not all tourism to natural areas is ecotourism. Nature tourism, as opposed to ecotourism, may lack mechanisms for mitigating impacts on the environment and fail to demonstrate respect for local culture. Because of their ecological value, protected areas, especially those found in the tropics and in less-developed countries, contain many of the world's greatest ecotourism attractions. These attractions may consist of one or a combination of rare or endemic species of flora or fauna, abundant wildlife, high indices of species diversity, unusual or spectacular geomorphological formations, or unique historic or contemporary cultural manifestations in a natural context (Drumm and Moore, 2002). Ecotourism should satisfy three core criteria i.e (1) attractions should be predominantly nature-based (2) visitor interactions with those attractions should be focused on learning or education and (3) experience and product management should follow principles and practices

associated with ecological, socio-cultural and economic sustainability (Blamey, 1997). Their criteria were established to determine a visitor's status as an 'ecotourist' and encompass three dimensions: the social motive (educational component); the desire to visit 'wilderness/undisturbed areas'; and a temporal commitment (Blamey, 2001).

Components of Ecotourism

1. Natural resource base:

- Topography (adventure tourism).

- Biodiversity (endemics, threatened plant – animal interactions).

- Culture (village life, traditions, indigenous knowledge).

2. Learning experience for the visitor and visitor facilities (communication ability knowledge merchants).

3. Executed by small locally owned enterprise.

4. Low consumption of non renewable resources.

5. Sustain/uplift/benefit the livelihood of local people.

6. Local participation, ownership, business opportunities for local people (Dodds, 2005).

LITERATURE REVIEW

A review of ecotourism definitions confirms that many make some mention of conservation, education, local ownership, small -scale, economic benefit for local communities, the relevance of cultural resources, minimum impacts and sustainability. Most definitions encompass key aspects, such as 'host community participation', 'natural areas', 'low impact', 'culture', and 'small-scale'. These points justify a critical evaluation of the plausibility of developing ecotourism operations in accordance with definition.

Ecotourism's Economic Impact

Studies conducted during the 1990 began showing that ecotourism could provide more goods and services through increased income and jobs to local residents than agriculture or cattle grazing in developing countries, particularly in arid and semiarid lands (Honey, 2008). With

tourism offering a means for earning foreign exchange in less developed countries with unspoiled national areas, funding institutions viewed ecotourism as a means toward achieving economic development combines with poverty alleviation (Honey, 2008). The most important motivations for travel by ecotourists around the world are to enjoy the natural environment, have an "experiential" vacation, and learn while traveling. There is a particularly high interest in admiring scenery, viewing wildlife, hiking and walking, taking guided interpretive tours, and visiting parks and protected areas. According to the study's regional experts, activity preferences vary from destination to destination. For example, diving and other marine activities are rated highly in the Pacific, while jungle/rainforest trekking and bird watching are rated highly in Latin America and Southeast Asia, and game viewing is popular in Africa (Kyte, 2004).

Captures $77 billion of the global market and experiencing double-digit gains that are likely to accelerate as concern about global warming rises (The Kiplinger Letter, 2007). The United Nations World Travel Organization (UNWTO) estimates that in 2007 ecotourism captured 7 percent of the international market (The Globe and Mail, 2007). According to Travel Weekly, sustainable tourism could grow to 25% of the world's travel market by 2012, taking the value of the sector to approximately $473 billion a year (Lohas, 2007).

In 2009, international tourism receipts reached US $852 billion (UNWTO, 2010). In 2010, travel & tourism is projected to account for 9.2%, US $5,751 billion, of world GDP and provide a total of 235 million jobs (World Travel and Tourism Council, 2010). In 4 out of 5 countries (over 150) tourism is one of five top export earners (World Tourism Organization, 2004). In 60 countries tourism is the number one export (World Travel and Tourism Council, 2010).

Global Growth in Tourism

1950:   25 million tourist arrivals

2004:   760 million tourist arrivals

2007:   903 million tourist arrivals

2020 Forecast: 1.6 billion intl. arrivals (CREST, 2008)

Tourism has long been considered as a potential means for socio-economic development and regeneration of rural areas (Kiper, Ozdemir and Saglam, 2011: 4009), in particular those affected by the decline of traditional agrarian activities. Tourism development was seen by all those involved as having the potential to utilize local natural resources to diversify the local economy and tourism can be a powerful tool for successful economic development on local and national scale (Horn and Tahi, 2009). Peripheral rural areas are also considered to be repositories of older ways life and cultures that respond to the postmodern tourists' quest for authenticity (Urry, 2002). Tourism is not only a powerful social and economic force but also a factor in the physical environment as well. (Okech, 2009) says it has the power to improve the environment, provide funds for conservation, preserve cultural and history, to test sustainable use limits and to protect natural attractions. Ecotourism potentially provides a sustainable approach to development.

Environmental Education

Ecotourism offers benefits for local residents, conservation support, low-scale development, low visitor numbers and educational experience (Nepal, 2002). Ecotourism has attracted increasing attention in recent years, not only as an alternative to mass tourism, but as a means of economic development and environmental conservation (Schaller, 2010). Researchers have considered ecotourism as a solution for decreasing environmental and socio-economic problems and as a sustainable development tool in ecologically sensitive areas. Ecotourism is an important instrument used for contribution to preservation of the natural landscape and offers a solution to the poverty problem commonplace in underdeveloped regions. In addition, it produces a structure utility for the economic development and political progress of the local population, providing a resource for training of the visitors and for preservation (Robert and Santos, 2005).

Ecotourism in Jordan

Jordan is rich in its natural, cultural, and historical heritage. Although it is a small country, it has a biodiversity in a confined space, which means it has lots of attractions as well as ecotourism sites. The map in figure 1 shows tourism sites throughout Jordan, some of which already designated as an ecotourism sites

Figure 1

Map of Tourism Sites and Reserves in Jordan

Dana Biosphere Reserve

Dana Biosphere Reserve is the largest nature reservein Jordan, covering over 300 square kilometers and all four different bio-geographical zones of the Kingdom. In the east, elevations reach 1500 meters before descending through canyons and gorges to the low elevations of Wadi Araba. Dana is one of the most biologically and historically rich areas in Jordan. The area is one of the oldest continuously inhabited areas in the world and boasts Neolithic villages, ancient copper mines, Roman aqueducts and Byzantine churches. The diverse landscapes, wildlife and cultures offer a micro-paradise for adventurers, history buffs, archaeologists, hikers, and nature lovers. Perched atop the cliffs of Dana Village, visitors can enjoy panoramic views from Dana Guesthouse, where they may even be able to spot the illusive Nubian Ibex. Another option for accommodation is the Rummana Campsite, set in a rare and exceptionally beautiful location inside the Reserve. On the other side of Dana, where the mountains meet the desert, is the enchanting solar-powered and candlelit Feynan Ecolodge, an award winning property.

Figure 2

Dana Reserve, Wadi Araba, Jordan

Dana is an area of staggering beauty, history, and biodiversity. The only reserve in Jordan that encompasses the four different bio-geographical zones of the country (Mediterranean, Irano-Turanian, Saharo-Arabian and Sudanian), it is a melting pot of species from Europe, Africa and Asia. Such a combination of natural communities in a single area is unique in Jordan and many of Dana's animals and plants are very rare. So far, a total of 800 plant speciesand 449 animal species have been recorded in the Reserve, of which 25 are known to be endangered, including the Sand Cat, the Syrian Wolf, the Lesser Kestrel and the Spiny Tailed Lizard.

Wadi Fyenan Ecolodge

Wadi Feynan Ecolodge is located in the western gateway of Dana Nature Reserve. It was built as one of the income generation alternatives to encourage the local Bedouins to decrease the overgrazing of their cattle, which is affecting the local vegetation. Construction of the ecolodge generated more job opportunities for local residents as the materials used in the

ecolodge were produced by the local communities. The ecolodge accommodates people who want to explore the area by foot or mountain bike. It represents a new concept in environment friendly design since it is isolated from roads and electricity and is powered by solar energy during the day time and totally lit by candles at night. These candles are made by local women. It is run by local Bedouins and all the employees are Bedouins. Part of the money generated from this lodge is used to support the preservation of the Dana Nature Reserve.

Activities

Such a complex and diverse environment provides a wide range of adventurous and relaxing activities. Visitors can leave their vehicles behind and escape into the beauty and remoteness of the Reserve along one of the many canyons and hiking trails. Local Bedouin guides are available for longer excursions (hiking, canyoning, and mountain biking), while many shorter trails can be explored unguided. Activities at Dana Guesthouse include tours of the Ottoman-era Dana Village, a gorgeous hike through the entire Reserve to Feynan Ecolodge, visits to Nabatean tombs, and relaxing on your very own cliff-perched balcony, surrounded by Dana's magnificent views.Activities available from Rummana Campsite include hikes with beautiful vistas and bird watching, excursions to a Roman well, and a challenging 5 kilometer trail to Dana Village that involves scrambling over rock faces. From Feynan Ecolodge, guests can hike or mountain bike on one of the many hikes ranging in length from 2 hours to a full day. Canyoning adventures include a trip to Wadi Ghwayr and its spectacular narrow gorge and stream. At Feynan, guests can also uncover the area's archaeological treasures with visits to ancient copper mines, Byzantine churches, Neolithic villages and a Roman aqueduct. In the early mornings guests challenge themselves on the Sunrise Hike, a great start to any day at Feynan. At sunset, guests are offered a complimentary sunset hike.By night, guests can be found wandering the enchanting candlelit lodge or stargazing on the rooftop terrace.

ECOTOURISM AND LOCAL COMMUNITIES IN DANA RESERVE

Definition of Community

Community refers to a heterogeneous group of people who share residence in the same geographic area and access a set of local natural resources. The degree of social cohesion and differentiation, strength of common beliefs and institutions, cultural diversity and other factors vary widely within and among communities (Schmink, 1999).

The Role of the Community in Ecotourism

Jordan developed a national tourism strategy in (2004) with its goal to double Jordan's economy by 2010. the strategy divided tourism into cultural, religious, natural/ecotourism heritage, health and wellness (Mughrabi, 2007). The strategy focuses mainly on social equity and economic development. Supporting local communities' projects generates income and reduces poverty, thus achieving a better level of social equity. Also, providing skill development training introduces local residents to better employment opportunities and improves the human resources services. Local communities' involvement in the tourism industry should be inclusive to achieve this social equity.

In recent years, conservationists have come to recognize the crucial role rural and coastal communities play in conserving biodiversity; many protected area managers have developed mechanisms to incorporate these communities as stakeholders into the planning and management process. At the same time, the growing interest by tourists in learning from and experiencing different cultures has led the tourism industry to incorporate communities into its activities. This has led to a growing awareness by communities of the opportunities tourism presents. Where communities are well organized and have title to traditional lands they have been more successful in capturing a greater share of tourism spending in natural areas. In the 1990s, numerous indigenous and other local groups adopted ecotourism as part of their development strategy (Wesche, 1996). Cater (1994) highlights the need for local community involvement in planning and managing ecotourism, particularly in the context of developing countries, although she does not make entirely clear the difference between 'involvement' and 'participation'. The former term may simply imply gaining the co-operation of local people to enhance the feasibility of the implementation plan or, more often, simply ensuring that local people are provided with alternative means of employment should existing livelihoods be compromised by the development of ecotourism in their local area. The latter term clearly implies a much greater level of collaboration in the decision-making processes by which ecotourism planning and management take place; in effect, a 'participatory' approach to the development of tourism (Timothy, 1999).

Not all communities or community members will wish to be involved in tourism activities, and planners and developers should respect this. For those that do seek involvement, they may choose from a range of degrees of participation, including:

- renting land to an operator to develop while simply monitoring impacts;

- working as occasional, part-time or full-time staff for private tour operators;

- providing services to private operators such as food preparation, guiding, transport or accommodation, or a combination of the above;

- forming joint ventures with private tour operators where the community provides most services while the private sector partner manages marketing, logistics and possibly bilingual guides; and

- operating as independent community-based programs (Drumm and Moore, 2002).

POTENTIAL POSITIVE IMPACTS

Sustainable Income

As an effort of improving the economic development of the local community, RSCN installed a reliable water supply to increase fruit production. The fruit is locally prepared into jams which are sold at the Reserve Shop as well as the soap that is prepared from the local olive oil by local residents. The artisans' workshops from which art work are sold at the shop also. In addition, medicinal herbs are grown at the reserve and are sold in the shop also. The guided tours are of the local communities. The tourism revenue is used for conservation of the reserve.

Ecotourism and nature tourism can provide jobs and economic independence to host communities. In areas of chronic unemployment, even a few new jobs can have significance (Lindberg and McKercher, 1997). Economic benefits, including entry fees, licenses and concessions, often generate substantial funds to support conservation and management of natural environments. In a number of countries, tourist expenditure on lodging, transportation, food, guides, and souvenirs is an important source of income for local communities. Employment generated by ecotourism-related jobs is sometimes one of the most significant benefits for local communities, providing supplementary income to rural farmers, women and young people. The multiplier effect of tourism can be substantial. It is estimated that for every hotel room, one to two jobs are created directly or indirectly (Evans and Ortiz, 2012).

Improved Services

To the degree that the community as a whole receives new income from, for example, fees paid to a community fund, there is the potential for improving health service. These fees can have the longterm effect of improving conservation consciousness within the community and reducing threats. Better health services can improve the overall attractiveness of a community and give it the upper hand in attracting tourism (Drumm and Moore, 2002). Other important elements are: improved education, improved access to information, improvements in protected area management and increased economic opportunities other than ecotourism (Brandon, 1996).

Cultural / Local Empowerment

Visits with traditional and indigenous communities are often the highlights of a trip to a natural area. Natural attractions take on an added level of interest for tourists if they can relate to them through the eyes and words of people who live with them. The opportunity to learn from a traditional culture is increasingly valued by travelers, and community participation adds considerable value to an ecotourism program. At the same time, traditional communities can feel greater self-esteem as a result of the respectful interest shown by visitors, especially if outside attitudes have tended to belittle them (Drumm and Moore, 2002). Local participation in the planning and management of ecotourism can nevertheless be viewed from at least two contrasting perspectives: local participation in the decision-making process and local involvement in the benefits of ecotourism development. The former implies empowering local people to identify their own objectives and the means by which they hope to achieve them. The approach involves the proactive encouragement of local participation not only by local residents, but also by other stakeholders such as tourism providers, business in the tourism supply chain, and various local, regional, national and international interest groups (Garrod, 2003), empowerment the local communities achieved by seeking to give local people greater control over their resources and the decisions relating to the use of such resources that affect their lives (this means ensuring that local people receive the benefits associated with the use of those resources) (Drake, 1991).

Proposed Model and Hypothesis
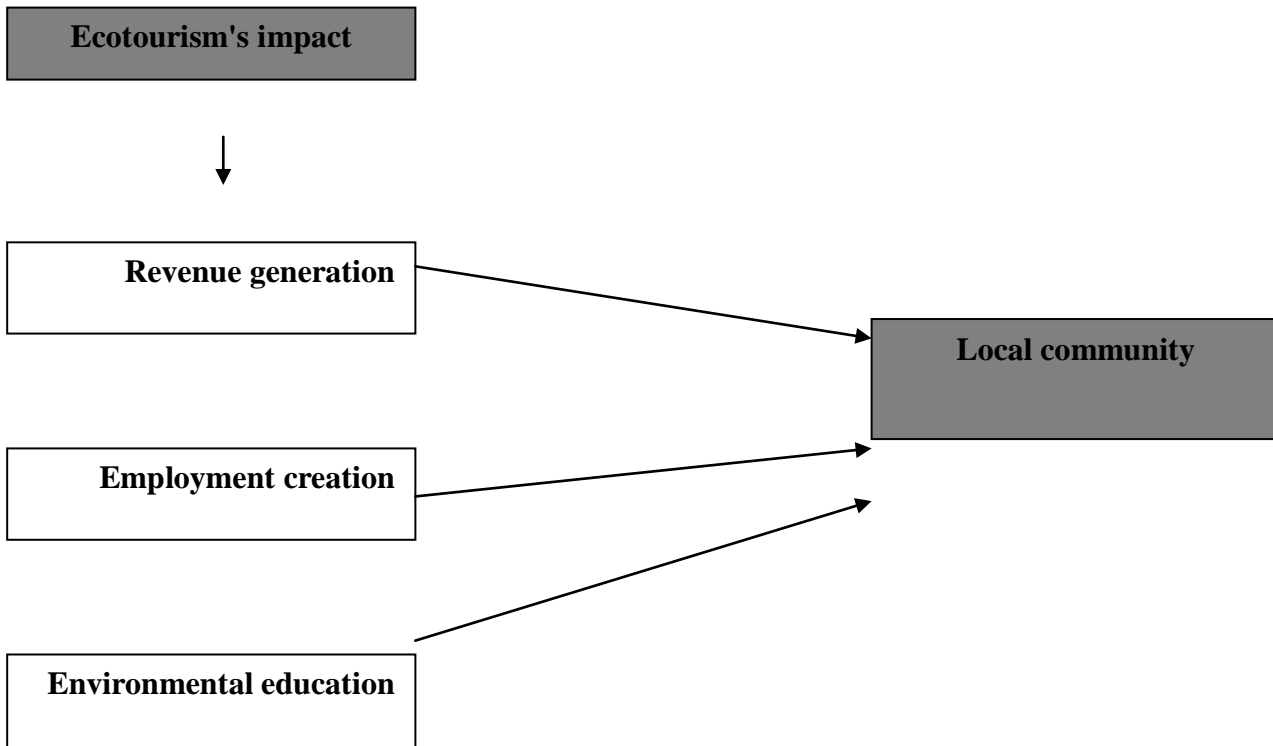
Main Hypothesis

H0: There is no significant impact of the ecotourism on improving local community's situation.

Subsidiary- Hypotheses

H$_{01}$: There is no significant impact of the revenue generation on improving the local community's situation.

H$_{02}$: There is no significant impact of the employment creation on improving the local community's situation.

H$_{03}$: There is no significant impact of the environmental education on improving the local community's situation.

METHODS AND MATERIALS

Sample

A self-report questionnaire was distributed to the local community at Dana site, the data were collected from the site itself during the period from November until the middle of January. The questionnaire based on the components of the overall ecotourism's impact model. Collected data were processed in the statistical software package of SPSS-15 used to prove the hypothetical model and checked various goodness of fit indexes shows the model fit.

Using 5-point Likert-type scales, the survey employed validated scales from the existing literature, adapted as follows:

- Revenue generation was measured with 3 items.
- Employment creation was measured with 3 items.
- Environmental education 5 items.

Results of Hypothesis testing

H_0: Table (1) simple linear regression analysis to test the impact of ecotourism

Variable	R	R^2	F	Sig ()	t	Sig(t)	A	B	Null hypothesis decision
	0.778	0.606	64.60	0.000	8.03	0.000	-1.294	1.324	reject

Table (1) indicates the results of simple linear regression analysis to test the impact of the ecotourism on the local community. The correlation coefficients was (0.778) suggest a strong positive relationship to the local community. The f value (64.60) indicate that there is a relationship to local community as the value of the significance level (0.000) related to f value was less than 0.05 suggesting the presence of the relationship. The value of R^2 shows how much the independent variable explain to the variance of the dependent variable. The t value (8.03) reflects the importance of this variable as the value of the significance level was (0.000) less than 0.05 indicating the linear relation ship

As a result the null hypothesis is rejected and the alternative hypothesis was accepted

H$_{01}$: **Table (2)** simple linear regression analysis to test the impact of revenue generation

Variable	R	R^2	F	Sig ()	t	Sig(t)	A	B	Null hypothesis decision
Revenue generation	0.711	0.506	43.03	0.000	6.56	0.000	1.391	0.703	reject

As a result the null hypothesis is rejected and the alternative hypothesis was accepted

H$_{02}$: **Table (3)** simple linear regression analysis to test the impact of employment creation

Variable	R	R^2	F	Sig ()	t	Sig(t)	A	B	Null hypothesis decision
Employment creation	0.694	0.481	38.94	0.000	6.24	0.000	0.395	0.967	reject

As a result the null hypothesis is rejected and the alternative hypothesis was accepted

H$_{03}$: **Table (4)** simple linear regression analysis to test the impact of environmental education

Variable	R	R^2	F	Sig ()	t	Sig(t)	A	β	Null hypothesis decision
Environmental education	0.404	0.163	8.18	0.007	2.86	0.007	2.66	0.436	reject

As a result the null hypothesis is rejected and the alternative hypothesis was accepted

LIMITATIONS

Implications drawn here are subject to a limitation. This study encompassed only Dana Reserve. Therefore, it should be replicated among other ecotourism sites in Jordan.

CONCLUSIONS

It is hoped that these survey results will be valuable to tourism organizations and business in Jordan in evaluating their existing performance levels and designing their future management and marketing strategies. These findings can be used as a benchmark element to make a comparison with other research studies to be undertaken during the summer season. Depending on the positive or negative direction of results, destination management can be advised to take further actions.

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EVALUATING A MARKETING THEORY FROM A CRITICAL THEORY APPROACH: MOVING BEYOND POLITICAL MARKETING TO THE REALM OF CRITICAL MARKETING

Vasupradha Srikrishna

Abstract

This paper explores how marketing theories can be evaluated using a 'critical theory' approach. The paper is an attempt to read the marketing theory by 'Aaker' on 'Brand Personality Dimensions' using concepts and theoretical parameters given in the 'critical tradition of communication'.

The paper establishes the nature of the marketing discipline, justifies debates broadening the marketing principle and argues for using critical lens to evaluate a marketing theory. Successive sections explain the methodology and evaluation for Aaker's 'brand personality dimensions'. Evaluating a 'marketing theory' using critical theory also gives 'rich insights' into how the two fields can be integrated to develop 'holistic theories' or to critique them.

Like political marketing, a new dimension in interdisciplinary marketing has been explored in this paper. The point of departure is that marketing discipline, like many other disciplines, has an 'inherent conflict' between the 'classical theorists' and the 'contemporary theorists' with a 'relativist' belief. In the pursuit of integrating other approaches, the existing rules of the marketing paradigm should not be forgotten in totality. This argument made stating 'paradigm rules needs to be embraced into the theory development processes' too. This paper attempts a fresh look at marketing theory through a critical lens.

Keywords: paradigm, critical theory, marketing theory

INTRODUCTION

This reflective paper explores how marketing theories can be evaluated using a critical theory lens. This paper is an attempt to read the marketing theory by Aaker on Brand Personality Dimensions using concepts and theoretical parameters given by the critical tradition of communication. The paper begins by establishing the nature of the marketing discipline and an argument for and against broadening the marketing principle. This is followed by an argument for using critical lens to evaluate a marketing theory and the subsequent sections delineate the methodology and evaluation for Aaker's 'brand personality dimensions'.

NATURE OF MARKETING DISCIPLINE

The marketing discipline is broad and has been fragmented into a number of sub-disciplines like exchange, pricing, consumer behavior, branding, micro-marketing, macro-marketing,

advertising and marketing management to name a few. The common strand uniting the sub-disciplines is the dominant nature of marketing and marketing theory.

The dominant nature of the discipline can be understood through how a marketing theory is generally developed in the discipline and by understanding the norms that every marketing theory ideally needs to embrace. Hunt (1991) in his book quotes, Richard S Rudner's definition on 'marketing theory': "A theory is a systematically related set of statements, including some law like generalizations that is empirically testable. The purpose of the theory is to increase scientific understanding through a systematized structure capable of both explaining and predicting phenomena" (Hunt, 1991). Hunt also proposes 'three criteria of a theory', which are, 'it is systematically related', 'it includes law like generalizations' and finally 'it is empirically testable'.

The argument for and against broadening marketing discipline & for using a critical evaluative lens

When applying a critical approach while evaluating a marketing theory, we are essentially broadening the discipline and making it multi-disciplinary.

While broadening any discipline, it lends itself to a further rich analysis and interesting applications; however in the process ambiguity is unavoidable. Shaw and Jones (2005) in a seminal work on 'A history of schools of marketing thought' have argued that, "broadening marketing's legacy is many practical applications but few if any theoretical implications" and that it is time to "question the paradigm broadening and reconsider the conventional business domain as the conceptual foundation for contemporary marketing thought" (Shaw & Jones, 2005). If this has to be placed as an extreme view and then on the other end, there are theorists calling for "reconsideration of the conventional assumptions of marketing theory". With particular reference to 'critical marketing', Moufahim and Lim (2009) state that:

> "The arguments of "critical marketing" (Bradshaw and Fırat 2008; Tadajewski and Brownlie 2008; Saren et al. 2007; Brownlie 2006; Brownlie et al. 1999; Brownlie and Saren 1995; Morgan 1992) relate directly to the need to re-examine the conventional assumptions of marketing theory and practice which underpin political marketing research today…" (Moufahim & Lim, 2009).

Although 'political marketing' is born out of contemporary marketing thought, Moufahim and Lim's work justifies how marketing has "an ontological rationale for political marketing" (see Moufahim & Lim, 2009). The point of departure here is that the marketing discipline, like

many other disciplines, has an inherent conflict between the classical theorists and the contemporary theorists with a 'relativist' belief. Therefore the approach taken to critique Aaaker's theory would essentially have to be balanced. However maintaining this balance of evaluating the marketing theory through the critical approach could prove to be tricky, as the term "critical, though has a range of meanings", which translates 'to critique', essentially "implies negative evaluations" (Morrow & Brown, 1994, p. 7). This balance can only be attempted by acknowledging the complexity of the theory building processes by corroborating it with the theory building norms within the larger realm of the marketing discipline. However this corroboration is not within the scope of this paper, as the attempt is to critique the marketing theory from a critical lens.

The Critical paradigm has its origin in the Frankfurt school of thought and was the "first to use the Marxist framework", lent itself to "interdisciplinary appropriation of theories and methods" and it was also a pioneering school to subject "traditional empirical research techniques to the refinement and testing of propositions derived from the Marxist tradition" (Morrow & Brown, 1994, pp. 14-15) . The theorists belonging to the critical tradition like Horkheimer, Max Habermas, Walter Benjamin, Theodore W. Adorno, Erich Fromm, Friedrich Pollock, Leo Lowenthal, Herbert Marcuse and Franz Nuemann to name a few, question and deconstruct 'power and ideology' that is embedded in communication.

While using a critical approach, it adds new dimensions to the field of marketing by making theory development more comprehensible and flexible.

About the theory in consideration: Aaker's 5 dimensions of Brand Personality

Jennifer Aaker's 5 dimensions of brand personality, has been in debate ever since the model was published in 1997. This is a 42-item, five dimension brand personality scale developed by the researcher. Aaker's model is a breakthrough in the fields of Marketing and Branding by providing definitive measurement scales that aid in decision making on branding and marketing. Aaker's work is distinctive as it is necessarily an effort to create a scale of measurement in marketing and branding decision making by attributing human characteristics to brand characteristics.

The model gives a prediction concerning the relationship between "the brand personality and human personality dimensions", an 'anthropomorphization[i]' measurement effort which is what makes Aaker's model path-breaking. As Aakar (1991), herself notes – "No research has been conducted to develop systematically a reliable, valid and generalizable scale to measure brand personality. Measurement scales tend to be ad hoc… not validated in the context of brands… findings in research on symbolic use of brands are questionable" (Aaker, 1997). There are five main constructs that measure a brand's personality- sincerity, excitement, competence, sophistication and ruggedness.

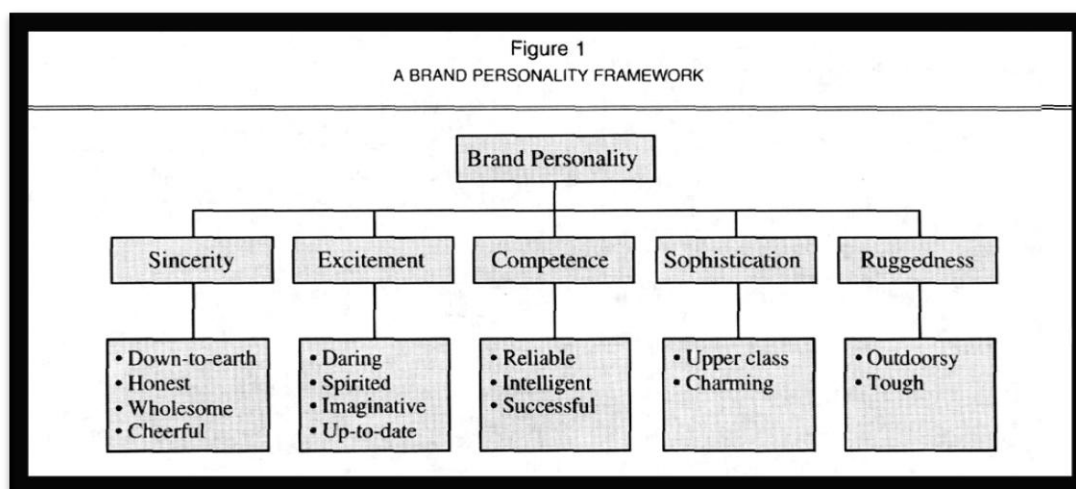**Figure 1**
A BRAND PERSONALITY FRAMEWORK

Image Source: Downloaded from JMR, Journal of Marketing Research; Aug 1997; 34, 3; ABI/INFORM Complete

Brand Personality dimensions has been propounded in 1997. The theory is a relatively newly conceptualized and by then considerable work had been done in the integration of critical approach to marketing.

If seen through the critical lens, marketing theories can be evaluated systematically through the critical theory approach. As Burton notes, "The development of critical theory in the 1970s was partly a response to criticisms of marketing from individuals outside of the discipline. During the 1980s and 1990s an interest in critical theory occurred as a response to a different set of circumstances, specifically the fact that social scientists outside of the discipline, especially cultural theorists and sociologists, became interested in consumption, markets and consumer culture issues" (Burton, 2001).

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[i] "Brand anthropomorphization, is a marketing strategy wherein, marketers and branding specialists assigns both human forms and human traits to non-humans" (Kardes, Kardes, Cronley, Cronley, Cline, & Cline, 2010).

Hence, it would be interesting to evaluate brand personality dimensions using critical lens, as it is relatively a recent theory.

METHODOLOGY TO EVALUATE MARKETING THEORY USING CRITICAL APPROACH

What does a critical approach in communication entail? "Critical theory exposes hidden social mechanisms. Ideology, truth, deception, power, resistance, liberation, democracy, identity, and participation are a few of the terms commonly used for thinking and talking about communication in the critical tradition. However, "keeping with the critical tradition the critical ideas about 'truth' and 'power' are as open to critique as any others" (Craig & Muller, 2007, p. 425).

It is difficult to identify standard parameters for evaluating a theory, in marketing or otherwise, based on critical theory approach. Morrow and Brown, have attempted to delineate major tenets of critical theory and methodology acknowledge this difficulty, "In 1990s the influence of critical theory and critical social science cuts across so many disciplines in complex ways that it became virtually difficult to survey without arbitrary boundaries (Morrow & Brown, 1994).

Although critical theory has been critiqued as being too 'elitist' and "without real influence on social change" (Craig, 1999); the limitations of critical theory approach has not been taken within the scope of this paper as it calls for using critical theory approach to evaluate a marketing theory.

However, few of the major tenets have been identified as parameters for evaluation of the marketing theory, which are borrowed from critical theory such as:

1. The rejection of studying relationship between variables rather than people
2. Threat of hyper reality
3. 'Spectacular Commodity: Society of spectacle'
4. 'Aspirational association' critique
5. 'Embedded Irrationality'
6. The emphasis on Bourgeois supremacy
7. 'Consciousness-raising'
8. 'Resistance' and 'emancipation'
9. Marketing Theory as discourse

a. Addressing social problems

   b. Power relations are discursive

   c. Constitutes society and culture

   d. Society and individual

   e. Ideology and culture

10. Critical Feminist lens: Critique of categorization of 'Charming and Outdoorsy'

EVALUATION

The rejection of studying relationship between variables rather than people

Aaker's research work, if seen in the quantitative parlance, dimensions satisfied the reliability tests with acceptable test-retest correlation and Cronbach's alpha scores (Sincerity: .75 & .93; Excitement: .74 & .75; Competence: .76 & .93; Sophistication: .75 & .91; Ruggedness: .77 & .90) and also had 'high item-to-total correlations averaging .85' (Aaker, 1997). This means the measurement scale is dependable and can be used to get consistent results. However, the 'Critical framework will first and foremost reject correlation analysis, not necessarily because it is quantitative, more so as it "pertains to studying relationship between variables rather than people" (Morrow & Brown, 1994, p. 205). Therefore a stern critical theory approach if taken in silos would hold the 'brand personality dimensions model' as an unacceptable conceptualization and flawed theory building process. The deliberation on the evaluation would end right at this first conflict between the paradigms, with one advocating tests for causality between variables and the other opposing it. Hence, the other criterions and their facets are taken in the subsequent section and evaluated from the critical lens.

Threat of hyper reality

'Ideal' qualities of a desirable woman has been anthropomorphized into a 'Barbie doll', which means that such an imaginary representation, had *she* existed in reality, would probably be a victim to the human condition of being 'anorexic'. Similarly, the ideal qualities that have been identified and attributed to the brand, does not go beyond the anthropomorphized explanation. This condition, if slowly is accepted as a trend in marketing, which it has been considering the popularity of the theory (cited by 2439, Google Scholars), then is seen as a naturalized phenomenon. Slowly, the target group of the brand might begin to move away from thinking about the brand characteristics and develop a false association with the brand. "…simulation threatens the difference between the true and the false, the real and the imaginary"

(Baudrillard, 1994). This does not mean that the society will blindly fall prey to the marketing gimmick, but such attributions can be viewed as 'manipulative'. Even from the marketing theory perspective, this produces an anomaly which Aaker herself makes a passing reference in her work: "Additional research is needed to determine the extent to which these brand personality dimensions are stable across cultures and, if not theoretically, why they might be altered. Answers to these questions will shed insights into the extent to which a brand's personality (versus the brand's attribute) should remain constant across cultures…" (Aaker, 1997). This anomaly also sheds light on how simplistically human characteristics have been attributed to a brand and if there could ever be congruence between the 'brand personality dimensions' and the 'brand attributes' itself? And if 'ideal' if two of the three human characteristics attributed to the brand dimensions are not 'innate' and 'ideal' in nature (see Aaker, 1997), then how does the anthropomorphic process be real? Would that mean the brand characteristics and brand personality dimensions would never have the desired congruence despite statistical evidence shown by Aaker within the quantitative model? According to Baudrillard, 'hyper real is a kind of virtual reality that is produced by models of what we want reality to be' (Lane, 2009, p. 98). This hyper realism distorts reality and the real characteristics of a brand. The theory, heavily rests on anthropomorphic efforts, and from the critical lens has to be pronounced as an effort to distort reality.

'Spectacular Commodity: Society of spectacle of Baudrillard'

Aaker's attempt essentially is to convert desirable human traits into a commodity and map it back to a marketable 'commodity' for a profit. While critical theorists have serious oppositions to anthropomorphization of any kind, Brenkman's discussion of Baudrillard's work unmasks other distortions.

"Mass culture and mass mediated public sphere derive their function from the double condition that late capitalism faces" (Brenkman, 1979). The seminal piece argues that 'discourses must seek to foil counter ideologies'. This translates to uncovering the counter ideologies that is noted in the theory conceptualization by Aaker. The most desirable and idealistic qualities have been identified and an illusionary reality of a successful brand is created using an 'analogy' with the 'human beings'.

Aaker herself acknowledges this, although the context of the statement when scanned through the critical radar opens up certain pertinent questions on functionalistic and reductionist notions of human traits and emotions:

> "…Sincerity, excitement, and competence tap an innate part of human personality, sophistication and ruggedness tap a dimension that individuals desire but do not necessarily have. This premise is consistent with the advertising created for prototypical sophisticated brands, (Monet, Revlon, Mercedes etc.), in which aspirational associations such as upper class, glamorous, and sexy are in focus" (Aaker, 1997).

'Aspirational association' critique: The foundations upon which Aaker has built her arguments, are completely in conflict with the notions of the critical framework. Therefore, the 'aspirational associations', necessarily translates to the rejection of the paradigmatic view that social experience can depend on 'illusionary wholeness of the bourgeoisies individual's life to generate or anchor dominant ideology' and this gives away the clear trajectory of how the brand personality dimensions have been formulated. The fourth dimension of 'sophistication' especially, is highly undesirable, especially its facet 'high class'. It has been suggested that the "cultural forms of late capitalism must bank on discourses connected to social experience and rework them into a discourse that diffuses the subject. Media has sub texts of silences that are socially rooted and these impounded speeches come back to the producers as alienated representations. Hence the spectacle is referring to capital which becomes an image" (Brenkman, 1979). This would be reflected when the marketer tries to operationalize these 'sub texts of silences'. This also leads to an embedded irrationality, which is discussed subsequently.

The emphasis on Bourgeois supremacy

The bourgeois domination is evident in the way the theory is developed. The 'social conflict' although according to Habermas, helps in reaching an understanding, does not warrant such an outcome although historically the "bourgeois public sphere arose in conjunction with a society separated from the state, to soon attain its political function" (Hebermas, 1991). The theory's emphasis on the bourgeois realm is merely as targets who have the affordability to buy the producer's brands. The 'public opinion' and 'public action' about the marketer's strategy of mapping human traits to a product has become an accepted trend, with very few in

the public sphere opposing the vicious class conflict conundrum in marketing and branding theory building processes similar to 'brand personality dimensions'. The category, 'sophistication' is clearly indicative of 'promoting' the 'upper class' and 'charming' brands, glorifying the bourgeois realm and downplaying the 'lower classes as 'undesirable'.

'Embedded Irrationality'

Marketers have always operationalized human and societal factors into 'currency' equivalent. According to Marcuse (1964), the 'human reality' has been read as the "economic, material and cultural" processes of reality by commercial actors. Not only the consumers fall prey to the unpredictability of the true notion of this reality, but if this is extended to the marketers in the current context, one can notice how 'anthropomorphization' creates arbitrary laws for the market making it difficult to see beyond the embedded irrationality (Marcuse, 1964).

Giving a brand a false identity

Another threat in the way the theory building process, from a culture industry perspective would be in terms of how 'anthropomorphization' creates an image of reality which is actually a false identity for a brand. According to Adorno and Horkheimer, "Imitation enters into the service of domination in as much as even man is anthropomorphized for man… The striking unity of the microcosm and macrocosm presents men with a model of culture: the false identity of the particular and general" (Adorno & Horkneimer, 1944). Inferring from this, five dimensions could be viewed as macrocosms and the facets under each dimension as microcosms, which goes on to create a false identity for a brand, as they refer to the brand personality which are often diverse and sometimes even misleading from the brand attributes that help in developing an awareness, understanding and decision making on purchase of a product. The anthropomorphic notion of identity for a brand not only represents a false identity but also questions the logic and consideration for such a comparison.

'Consciousness-raising'

According to Craig and Muller (2007), Critical tradition's 'meta-discursive vocabulary' includes 'consciousness-raising', 'resistance' and 'emancipation' (Craig & Muller, 2007). The facets such as 'down-to-earth' and 'honest' could be placed under 'consciousness-raising', however the explanation in the theory for these facets are not discursive, but are law-like generalizations, with nomic-necessity as the marketing discipline demands it to be (see

Hunt, 1991). Although the 'consciousness-raising' factor could be ambiguously attributed to the theory, the disconnect between the brand personality and brand attributes remains debatable.

'Resistance' and 'Emancipation'

'Brand personality dimensions model' has no reference to 'resistance' or 'emancipation' in any of its criterions or explanations. This is also because most of the marketing theories, have been formulated keeping the marketers and strategists in mind. There has hardly been consolidated effor towards developing branding or marketing theories aiding the consumer to make a 'socially desirable' decision that free of hegemonic influences or power or oppression and a theory that helps in raising 'consciousness'. The 'emancipation' concept is quite alien when applied to most of the marketing theories, as marketing practice has propagated a '*caveat emptor*' warning and '*caveat venditor*' has hardly gained prominence to make way for any kind of 'emancipation' to set in.

Viewing Marketing Theory as discourse

Marketing as discourse, has a critical theory approach embedded. When marketing theory is viewed as a text and understood as a discourse then there is scope to make the theory flexible thereby "embracing methodological pluralism" (see Burton, 2001).

If the main tenets of Critical Discourse analysis are considered, one would realize that these would aid in the theory building process, especially when in the field of branding, by helping in identifying 'socially acceptable' and 'conscientious' constructs for theory development. The tenets include: "CDA as addressing social problems, Power Relations are discursive, Discourse constitutes society and culture, Discourse does ideological work, Discourse is historical, The link between text and society is mediated, Discourse analysis is interpretive and explanatory and Discourse is a form of social action" (Dijk, 2003, p. 353).

If the theory is analyzed under one or more tenets of CDA, it exposes the inadequacies of the 'Brand personality dimensions'. The explanation for the traits (42 in all, of which a few) have further been expanded as follows: Down-to-earth as "down-to-earth, family-oriented, small-town"; honest as "honest, sincere, real"; wholesome, as "wholesome, original"; cheerful as "cheerful, sentimental, friendly"; daring as "daring, trendy, exciting"; spirited as "spirited, cool, young"; imaginative as "imaginative, unique"; up to date as "up to date, independent,

contemporary"; reliable as "reliable, hard working, secure"; intelligent as "intelligent, technical, corporate"; successful as "successful, leader, confident"; upper class as "upper class, glamorous, good looking"; charming as "charming, feminine, smooth"; outdoorsy as "outdoorsy, masculine, western" and tough as "tough, rugged" (Aaker, 1997).

Embracing the CDA tenets, can help in making a marketing theory richer by taking into account sociological conditions and social reality:

- Addressing social problems: Instead of any of the criteria addressing social problems, the categorization seems to be widening the social conflict by introducing 'western', 'upper class', 'glamorous' and 'good looking'

- Power relations are discursive: When one realizes that the power relations are discursive, simple binary such as classifying 'down-to-earth' as 'small-town' elicits a critical question if a down-to-earth brand needs to be necessarily situated in small-town and marketed to the target groups in the 'small-town'? The categorization is arbitrary and brief and does not lend itself to being discursive as power relations cannot be represented in 'simplistic binaries'.

- Constitutes society and culture: The categorization fails to provide any metric for evaluating culture. The cultural component in the brand personality dimension is ignored by stating that "product-category specific personality scales are of limited use in building theory" (Aaker, 1997).

  Society and individual: "Notion of Individuality" - Giddens notes that "The notion of 'cultural imperialism' or 'cultural invasion' has an overarching impact which is necessarily, political, technological, economic and cultural; and to this, there is a notion of 'individuality' attached" (Giddens, 2004). When viewed from Giddens perspective, the categorization in the theory development did have 'independent' as a sub-set (translating to individual) in it, but was dropped to accommodate 'up-to date' in order to beef up the reliability scores. However there is a paradox noted. By standardizing dimensions for brands into five rigid specific categories also means that 'homogenization' of brands in totality was essential in the marketing theory for constructing reliable scales, thereby subsuming the 'individual', which is a strong critique against the 'brand personality dimensions'. Therefore, from the critical lens it is significant to understand and deconstruct theory from a critical globalization lens, whenever the context demands.

- Ideology and culture: The ideological environment influences and affects the brand associations and meanings. They even translate into the economic action of the consumer. "…Researchers have also found that "Aaker's brand personality dimensions are not working equally effectively across countries and cultures" (Murphy, El-Banna, Rojas-Méndez, & Papadopoulos, 2009). This variation becomes inevitable when it comes to scale measurements development within this marketing theory. Ideological and cultural variables have been completely left out in the theory, which means that two foundational vocabulary of the critical theory approach have not been considered at all in the theory development.

Categorization of 'Charming' and 'Outdoorsy'

The categorization, of charming as 'feminine and smooth'; outdoorsy as 'masculine and western' are particularly the first sets of critique that would emerge when analyzed under the feminist radar. When looked at from the critical feminist lens, it would offer 'critical' and 'rich insights' about the 'threat of using convenient prototypes', 'simplistic classification' and 'binary structures'. Men classified as having 'active male gaze' and female having a 'passive female gaze' dismisses existence of other realities which 'coexist in the social order'. A set of critics, 'after studying women and men in Dutch' reveals interesting results on, "how masculine and feminine gazes are not entirely biological but are also culturally influenced, based on the topoi and that women also did influence public sphere" (Carroll & Stewart, 2003, pp. 51-53). The categorization from the feminist lens raises the basic question on why and how the prototypes have been taken for granted. The problem could be with the rich literature within the restrictive domain Aaker has presented in her work. However, while evaluating this tenet, under the critical feminist lens deems this tenet disappointing. This also raises questions on the 'inter-subjective' verifiability even if seen from marketing parlance, although empirical testability ensures inter-subjective certifiability for explanatory structures (Hunt, 1991). But the critical radar exposes the weakness of the foundation on which the two criterions have been built thereby threatening to reduce the 'intersubjective certifiability' when viewed from a feminist lens.

Conclusion: Interdisciplinary approaches as the way forward

There have been many challenges in evaluating a marketing theory or a theory from any other discipline thought the critical theory approach, as it is a wide approach that needs to be customized according to the context or the theory in deliberation.

Researchers have often called for flexible and interdisciplinary research and theory development, since the need is to accommodate a larger frame of the society, culture and relationships. The classical approaches were lauded for the "precision" they facilitated and deviance was often dismissed as wishful claims, and as overlooking the robust 'used and tested structure of classical approach' (Papastergiadis, 2005); yet there has always been experimentation to move away and explore new attributes and approaches into the paradigm in practice.

As Kuhn notes, the a "paradigm-based" research makes it "inflexible" and there are hardly efforts made to "discover anomalies and invent new theories"(Kuhn, 1962), as one needs to factor in the dynamism in the environment and markets, hence it is natural that as "society changes, develop, adapt, realign, and search for new paradigms" (Allen, Tompkins, & Busemeyer, 1996, pp. 390-392) and interdisciplinary approaches becomes absolutely essential, as illustrated while evaluating Aaker's 'branding personality dimensions' revealed.

Evaluating a marketing theory using critical theory can also give rich insights into how the two fields can be integrated to develop holistic theories or to critique them. However this does not call for the rules of a particular sub-paradigm (classical marketing or consumer behavior school) within the larger realm of 'marketing', to be completely ransacked in order to discover and integrate new anomalies in theory. In the pursuit of integrating other approaches, the existing rules of the marketing paradigm should not be forgotten in totality, the paradigm rules needs to be embraced into the theory development process as well. "The determination of shared paradigms is not however the determination of shared rules" (Kuhn, 1962).

The point of departure is that the attributes of the critical paradigm can be integrated into the marketing paradigm, however this does not mean that interdisciplinary paradigms need to have shared rules; rules of the marketing paradigm can continue to be embraced.

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PRICING POLICY MANAGEMENTIN THE CONTEXT OF SUSTAINABILITY AND STRENGTHENING ENVIRONMENTAL AWARENESS

Marija Ham

Abstract

Strengthening of consumers' environmental awareness is often considered as the greatest opportunity since the industrial revolution for the remixing of market forces. In fact, it involves changes which represent, at the same time, an opportunity and a threat for economic entities. Those wishing to capitalize these changes must adjust all elements of their marketing program. Therefore, a specific green marketing mix can be identified.

In the pricing policy management in this context there are three basic objectives: consumers' expectations regarding value for money, target profit of an economic entity and impact on preservation of natural environment. Thereby, the focus is extended from the price concept to the concept of total consumer cost. Specifically, the price concept does not necessarily include the entire cost ensued for the consumer as a result of the purchasing decision since it does not cover the cost of the entire consumption process. In the case of green products, these cost components may represent an important element of success on the market, especially because the price often includes a so-called pricing premium.

Keywords: *Green marketing mix, pricing policy, sustainability, environmental awareness*

QUALITATIVEDEVELOPMENT OFMARKETING INTHE CONTEXTOF SUSTAINABLE DEVELOPMENTPARADIGM

For marketing practice experts, the strengthening of consumers' environmental awareness represents a challenge in the sense of providing new products and/or adding new (environmentally-friendly) attributes to existing products but also in the sense of adjustment of all the other elements of the marketing program for appearance on the market. In addition, it is also necessary to adjust other business processes of an economic entity which were, so far, mostly outside the domain of consumers' interest.

Ottman (2011: 44-45)points out that basic assumptions on how to satisfy the needs of consumers are being questioned. In order to address, in a credible way, the environmentally and socially responsible consumers, first it would be necessary to stop considering people only as mere consumers with an insatiable appetite for material goods and start to treat them

as human beings striving for a fulfilled and healthylifestyle. To follow what the author calls "New Rules" means to show one's values, to be prudent inthe relationship between consumers, employees and otherstakeholders involved in thenatural environment and to know how the production and consumption of material goods affects their lives both in a positive and negative sense, in the short and long run.

It can be said that it is actually a question of social marketing i.e. its role in the sense of realizing long-term social changes. It should be noted here that the transition from conventional into social marketing does not, in itself,include a change in the initial marketing concept but rather that it is an extension toward recognition and identification of larger needs of the society. Establishment of marketing and thus of social marketing as well, within the framework of a marketeconomy depends primarily on the normative and institutional resolving of the position of economic and noneconomic entities within it. Thereby, such entities should inevitablyhave the highest possible level of autonomy in taking business decisions, which will, at the same time, directly imply their own bearing of business risks. In social marketing, it is not about advocating classical systems of market relations but about a system of procedures which, through changes of attitude towards own work in social and other activities,should be transformed from defensive into offensive status. Strategically speaking, social marketing should contribute to the initiation of relevant social changes.(Meler, 2003: 74-75)

Green Marketing intends to realize a social change in the form of raising environmental awareness of individuals, economic subjects and the society in general, with the aim of decreasing their negative and increasing their positive impact on the natural environment, which represents a prerequisite of sustainable development. However, strengthening of environmental awarenessis not sufficient since the change in attitudealone shall not contribute to sustainable development unless it isaccompanied by environmentally oriented behavior, which will bring about real positive changes in the condition of environment. It is also important that such change in behavior is adopted by a large number of people since, as a rule, green marketing has only minor individual influence, but one which with its synergy effect leads to large and significant changes.

When talking about the qualitative development of marketing under the effects of the new paradigm of sustainable development, it is necessary to emphasize basic visible features, these

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being: long-term approach oriented towards the future and needs, interdependence and proactivity. Therefore, it can be said that the marketing focus is shifted from the (short-term) consumer wishes to the (long-term) interest of the society and environment and, ultimately, to the consumer himself. In other words, instead of the former emphasized satisfying of consumer wishes, marketing is being reoriented to the satisfying of the needs of not only current consumers but of future generations as well, by realizing the principle of sustainability. In order to achieve these objectives, it would be necessary to implement a cooperative holistic approach and a systematic cooperation within the entire chain of values (suppliers, merchants, partners and even competitors) and with the networks of other stakeholders who cooperate with an economic entity, acting as a corrective agentand source of ideas on the way to realization of sustainability. At the same time, internally, green marketing requires the cooperation of all business functions in order to find best possible solutions. In all of the above said, a proactive rather thana reactive approach is expected from economic entities. Therefore, it is necessary not only to satisfy the laws and rules but to realize a positive impact beyond what is demanded, and set new standards for ourselves and for other stakeholders on the market as well. Proactivity as a feature of qualitative marketing development implies lifelong learning, research, introduction of new technologies, processes, raw material, and the way of meeting needs in terms of new products or other innovative solutions replacing them. While describing these qualitative changes, we have, in short,simultaneously defined green marketing itself.

Strengthening of consumers' environmental awareness is often described in theliterature as the best opportunity, since the industrial revolution, for rearrangement of forces on the market, innovation and introduction of new technologies. Actually, these are the changes which represent, at the same time, an opportunity and a threat for economic entities. It is clear that those wishing to capitalize on these changes should adjust all marketing program elements, so we can identify a specific marketing mix in the green marketing. This paper is focused on the discussion on the pricing policy and management strategies.

PRICE AS A GREEN MARKETING MIX ELEMENT

The price represents an amount of money the buyer pays to the supplier on the market for a single product. This means that the price is a monetary expression of the value of the product. (Meler, 2005: 231). In a broader sense, the price can have different aspects and functions so it can be considered as a reflection of the production cost, signal of quality for buyers, basis of

market segmentation, reflection of current product demand and available supply, important basis for competition on the market and key marketing variable which can be influenced in order to realize a wide range of marketing objectives. (Belz and Peattie, 2009: 203)

As to the question of price as an element of the marketing mix in green marketing, we can distinguish the following cases:

1. A green product is more expensive than its "non-green" competitive products, which means that it represents a higher initial monetary expense for the consumer but, at the same time,it represents a lower long-term expense. For example, compact fluorescent bulbs with a very long lifetime are of higher cost but, at the end, they cost less than ordinary bulbs, if we consider the cost per day of their lifetime. In this case, the manufacturer is bound to educate the consumer in order for him tobe aware of all relevant facts andtake a rational decision. In this case, the environmental component is a secondary factor which can have an additional impact on consumersatisfaction or represent preponderance at the moment of taking a buying decision. Certain studies have shown that the environmental dimension of a product, in such cases, may also have impact on the readiness of consumer to inform and educate members of his reference group since it is, no doubt, an intelligent choice.

2. A green product represents a lower cost, both in the short-term and long-term sense, since its price is lower if compared with competing products, and it has a longer lifetime and cheaper maintenance/usage. If we add to this the fact that it is an environment friendly product, such product should have a guaranteed success on the market. However, the focus of interest of both the manufacturers and the consumers is the quality of product, i.e. the perception of quality. For example, the products with less and/or simpler packaging and lower pricecan create an impression with consumers that they are products of lower quality so that the price difference can become even a negative factor when taking a buying decision.

3. A green product has a higher price in relation to the competitive conventional products since the price includes high costs of environmentally friendly production process (filters, purification and alike), distribution and advertising. In this case it is a real pricing premium which the consumers pay for a green product because of their environmental awareness, their belief that green products are safer for health (mostly food products, because theysuit the consumers' lifestyle (self-image) or because of demonstration effect.

From the aforementioned it is obvious that the price concept does not necessarily include all the cost incurred by the consumer as a result of a certain buying decision since it does not cover the cost of the entire consumption process. Consequently, in the pricing policy management within the green marketing mix, the focus should be extended from the price concept to the total consumer cost concept, which will be discussed hereinafter.

TOTAL CONSUMER COST CONCEPT

Belz and Peattie (2009: 203)assert that it is necessary to redirect the focus from the manufacturer's to the consumer's perspective (see Figure 1).

Let us explain in short each of the total cost components:

- The price as an individual component of the total cost often has the most important role in the consumers' cost estimate process for the following reasons: it is known before the purchase, it is expressed in monetary units, it generally belongs to direct costs and it is awell-knownfact that consumers mostly try to minimize present rather than future costs.

- The purchase costs include the costs of looking for the product, costs of getting information about prices and specific characteristics of a product and comparison of product with alternative market supply, and ultimately purchase costs of the product (transportation costs) often also called transaction costs.

- The usage costs are often underestimated or even ignored at the moment of purchase, but when it comes to long lasting products, the amount of money spent on energy or maintenance during the usage is significant. These costs also include the costs of shift from one to another product (other manufacturer).

- The after-use costs include the costs of collection, storage and disposal of product. In this case, the key variables are: the quantity of packaging material, product design, durability of product, quantity and type of material the product is made of, and availability of options for resale or recycling. In general, the consumers have low level of awareness about after-use costs. (Belz and Peattie, 2009: 204-207)

In order to cover all cost components, the above described costs should include opportunity cost arising from the selection of one product out of all other alternatives, which is defined as the value of the best missed (unutilized) opportunity, along with its consequences.

The opportunity cost is borne by the consumer who, for example, buys a gas water heater thus missing an opportunity to invest and get educated of water heaters using solar energy. Likewise, a buyer of a conventional car, considering that the average lifetime of a vehicle is 17 years, binds himself to the old technology, thus missing an opportunity of using more energy efficient transportation alternatives. (Dahlstrom, 2011: 201)

As for the green products, the above described total cost concept is of major importance for the consumer since precisely such cost components (most frequently, usage costs and after-use costs) represent major competitive advantages of these products. On the other hand, the price and buying costs are often increased in the case of green products (traveling costs to the specialized shop, information costs, and costs of changing habits). Yet, by undertaking different marketing efforts, it is necessary and possible to decrease their effect. A good example are green food products whose buying costs have recently beensignificantly decreased by making efforts in the field of distribution in the form of entering into the conventional retail chain stores, and also through increased promotion activities. If the advantages of a green product are presented to the consumer at the POS or the consumer is provided with all necessary information before the purchase, through efficient promotion campaigns, the result would be decreased buying costs. Besides the reduction in individual cost components, the marketing challenge lies in educating consumers so that they could estimate and consider all cost components when making a buying decision.

Education of consumers is important, in particular regarding usage costs since they can significantly depend on adequate use of products by the consumer. For example, if the energy-saving light bulbs are used properly, the energy saved during their usage will be significant so that the initially paid higher cost would be more than reimbursed. However, if these light bulbs are used on such places in the household where they are often switched on and off, their lifetime is significantly shortened so that the accumulated saved energy is not sufficient to recover the higher cost, thus increasing the total cost for the consumer.

In order to get consumers informed about the total cost of product, one can use different instruments designed by manufacturers (such as savings calculator made by Philips, which enables one to see at the same time the savings in money and CO_2 emission). If compared to instruments made by manufacturers, the information obtained from a third party provided by different organizations, government authorities or government financed initiatives, is mostly

less partial, i.e. a systematic comparison of larger number of products within a specific category provides more neutral information. In Germany, for example, there is an *EcoTopTen* initiative which introduces transparency in the sense of economic and environmental characteristics. Similarly, there are various onlinetools such as a savings calculator developed by *Environmental Protection Agency,* which provide useful individualized information about total cost for different household appliances. The limitation of such tools is that they are mostly used by consumers who are already sensibilized and actively looking for information on the Internet or elsewhere. That is why simple and understandable labels on the product are most efficient tools for raising awareness of large consumer masses about the total costof the product, and for reducing the costs of looking for information. (Belz and Peattie, 2009: 217-218)

As stated above, the importance of shifting the focus to the consumers' total cost rather than to the price arises from the fact that green products more frequently have a higher price than those conventional alternative products. This price premium can be the result of the manufacturer's pricing strategy but also of actual higher cost of production as a consequence of internalization of external environmental and social costs that are not internalized by conventional products. The purchase of a new more environmentally friendly technology, installation of water and air purifiers, classification and environmentally acceptable waste disposal represent (in the short run at least) a higher production cost which is often calculated in the product price to make a profit. The low series production (for market niche) also brings to the higher actual cost per unit of product.

PRICE PREMIUM AND CONSUMERS

A survey of the consumers' readiness to pay additional price premium for environmentally friendly products has shown great differences in the perceptions and expectations of consumers regarding the price of green products. While some of them are ready to pay more, others think that green products should be cheaper (in the study made by Kapelanis and Strachan (1996)there were 18% of such consumers) mostly due to their opinion that green products are less efficient or that the manufacturer has lower cost in the production if he used, e.g. recycled paper for packaging or if he reduced the quantity of packaging, and that he should partially transfer some of the saved amount to the client as well.

The price premium is defined as a difference between "fair"market price and the price the consumer pays, which is justified by the actual value of the product for the consumer. (Vlosky, Ozanne and Fontenot, 1999: 124)Accordingly, the green price premium represents a difference in the price arising from the ecological features of the product and/or the producer.

Numerous surveys are focused on the evaluation of relative amount, or premium percentage, which the consumers are ready to pay for the product with expressed environmental characteristics. Naturally, the results of studies differ as well as their methodology.

These surveys regularly find (in a small percentage) a group of consumers who are ready to pay a very high (even unlimited) premium for an environmentally friendly product. Even if they do not have money enough to buy a more expensive green product, such consumers would never buy a non-green product at any price. Faced with the choice between a relatively cheap non-green product and a green product with a significant premium, such a consumer would decide not to buy any of them. (Kapelanis and Strachan, 1996: 95)In most frequent cases, the percentage of premium such consumers are ready to pay for an environmentally more acceptable product in comparison to the alternative one, ranges between 5-10% among approximately 50% of the total number of interviewed persons.

As for the price premium for green products, marketing managers are basically facing two questions: 1. Should the green product price include relevant price premium? 2. What is the amount of price premium the consumers are ready to pay for a green product?

These are certain factors to be considered before giving answers to these two questions:
- The nature of product and its level of differentiation on the market – the higher level of differentiation (according to the performance, style, design, durability,image or environmental characteristics) - the greater freedom in fixing the price premium.
- The profile of environmental issue regarding the product – if it is an environmental issue inducing high level of social concern or emotional reactions, a significant price premium might be charged.
- The level of credibility enjoyed on the market by the economic entity and the product – communication instruments such as eco-labels and declarations contribute to it.

- Perceived value of a green product in relation to conventional products – transparency with respect to the eco price premium increases the value of green product in the eyes of consumers (what percentage of the premium serves to cover which eco-costs?).
- The consumer's price consciousness and their awareness and interest in environmental issues related to the product – which segment of consumers is targeted? When it comes to a market niche of extremely environmentally aware consumers, the price consciousness is decreased by assigning eco-attributes.
- The existence and application of reference prices in the category of products –prices which are firmly rooted in the consumers' awareness (the so called psychological boundary). (Belz and Peattie, 2009: 209-210)

All the factors stated above affect the (un)readiness of consumers to pay a higher price for a product having lower negative impact on environment in comparison to conventional products as well as the amount of the premium. Thereby, there are factors the economic entity may influence through its activities,such as the level of credibility and the perceived value of green products. However, generally it cannot influence factors such as relevant environmental issues and consumers' price awareness, which are considered as default variables. Both kinds of factors should be permanently monitored and considered when shaping a price management strategy.

In general, we can say that the former aversion to the payment of price premium for green products has been evidently and gradually decreasing,as the consumers are beginning to link ecological responsibility with health and other direct benefits. The sale of organic healthy food, natural cosmetics and cotton indicates that, when it comes to green products, the rule is – the greater own interest, the greater the readiness to pay higher prices. (Ottman, 1998: 43)The real price premium is most frequently present in the said categories of products, especially in the case of products provided with standardized eco symbols and labels.

As one of the reasons for paying the premium, there is the consumers' desire to be sure in the quality of product. Here we should differentiate two quality components: objective and subjective one. (Vlosky, Ozanne and Fontenot, 1999: 122)In the former case it is primarily about technical-technological and other measurable quality standards, while in the latter case it is about immeasurable quality standards from the buyer's (consumer's) point of view, which

differ from buyer to buyer, such as functional quality for example. (Meler, 2005: 231)We can say that the subjective quality component is extremely present in green products.

Marking of products with standard eco labels is indirect relation with the quality and price. Standard eco labels are granted by an impartial third party and so they provide a high level of credibility. Eco labels provide consumers with confidence that these products are really safe for the environment, and therefore they are ready to pay a higher price for such a product. The effect of certification is often extended beyond the mere eco-attributes of the product, because the consumers consider that the products with such certificates undergo more rigorous control and that there is less risk of poor quality products or any unethical procedures on behalf of the economic entity. Thus, an additional impact is made on the perceived quality of product but also on the readiness to pay a higher price.

Vlosky, Ozanne and Fontenot have proved that there is a positive link between:
1. environmental awareness of consumers and their readiness to pay a premium for products with standard ecolabels,
2. environmental awareness of consumers and their interest in standard ecolabels,
3. level of environmental awareness of consumers and price premium for products with standard eco labels,
4. consumers' perception of the importance of eco labels and their readiness to pay premium for products with standard eco labels,
5. consumers' perception of the importance of certification and environmental awareness,
6. consumers' interest in standard eco labels and readiness to pay a higher price for products with standard eco labels. (Vlosky, Ozanne and Fontenot, 1999: 126).

Figure 2shows previously stated assumptions in the form of a conceptual model which explains a complex interrelation between environmental awareness, standard eco labels and consumers' readinessto pay a price premium for products provided with eco labels.

It should also be noted that, when it comes to the readiness to pay a higher price, there are often relatively high discrepancies between the results of surveys and actual market results. In other words, there are significant differences between what the consumers answer during the survey regarding the price and what they actually do. The reason for this, among other things, lies in a number of different ways the consumer may soothe his environmental conscience by often selecting the way which does not require additional cost.

When it comes to researchin connection with the price of green products, the so-called field studiesand market simulations provide better results than those obtained by classic consumersurvey. (Holt and Holt, 2004: 32)Such studies and simulations were made on several occasions in USA, regarding green energy supply. The consumers were put into a situation to purchase (under simulated conditions) different forms of energy, after having obtained exact descriptions of products. The results of these studies were much closer to the actual market results, and they also provided certain guidelines regarding the ways of forming prices, price options and informing of consumers about prices.

PRICE MANAGEMENT STRATEGY

It is often said that the price as a marketing mix element represents a single element generating income for an economic entity, and which should be so formed as to cover all costs incurred during production, distribution and promotion of product. Price management strategies have direct effect on (non)realization of the economic entity'sobjectives with regard to the sales volume and target profit/income, thus these decisions most frequently belong to the domain of decision-making by the Management and they result from the overall strategy of the economic entity. Likewise, these decisions are the type which involves great uncertainty and high risks.

Development of the price management strategy can be observed as a multiphase process. This process starts with determining the mission and objectives of the economic entity, after which one develops a range of price management objectives which should be complementary with the overall objectives of the economic entity. Then these objectives are transformed into specific actions undertaken by the economic entity in order to realize price management objectives and overall objectives of economic entity. However, prior to the said transformation of objectives into the actions, the economic entity should consider internal and external limitations of this process. Internal limitations include production costs, sales and distribution costs, and external limitations are related to the consumer requirements, legal provisions and competition effects. When all these factors have been considered, the economic entity is in the position to proclaim (declare) the value of its product in the form of price strategy. (Dahlstrom, 2011: 197)

As for the price management objectives, it is important to emphasizethat they should primarily, as already said, be synchronized with the overall mission and general objectives of the economic entity, and that they are most frequently oriented toward one of the following objectives: realization of a target profit/income (return on investment) or the achievement (increase, maintaining) of relevant market share. Creation (preserving) of a certain image can also be added to these objectives. It can also be said that the price management objectives represent an answer to the question *what,* while the strategy based on them responds to the question *how.* The mentioned mission and objectives of an economic entity can therefore belong under the question *why.*

Fuller classifies different price management strategies under conditions of sustainable marketing practice into six main groups:

1. Price strategy at the competition level – is developed on the basis of consumers' perception of conventional (primary) values and quality of products, whileeco-attributes have the role of the factor which should prevail in favor of a green product.

2. Strategy of prices with premium – entails a question if the consumers would be ready to pay a premium for eco-attributes, in what amount and who these consumersare.

3. Strategy of prices based on larger quantities – is focused on the issue of the quantity of used material and on the fact that the package containing larger quantity of product needs less packing material per unit of product, and they have lower eco-costs.

4. Price strategy is interconnected with complementary products – when one product necessitates another (e.g. photocopiers and replacement cartridges). Big discounts for refilled cartridges affect the price strategy of new cartridges and copiers themselves.

5. Price strategy during the lifetime of products – creates a long-term approach to the costs and prices in three different situations: (a) long lasting products which have significant operating costs (insurance, maintenance, energy consumption) for the consumer during their use; (b) products with buying cycles during which disposable and permanent versions of products can be compared; (c) permanent products which, are returned to the manufacturer after expiration of their useful lifetime. In each situation, the essential idea is to fix the product price in a way to consider the total cost (along with eco-costs) during the entire lifetime of the product and to influence the decrease of total cost.

6. Price strategy for rental/leasing – transactions are directed from conventional ownership over the product to its use in a certain period of time on the basis of rent or leasing. (Fuller, 1999: 299-312)

We can see that some of the above described price management strategies are specific for green marketing, while others represent modifications of conventional marketing strategies in a way that eco-attributes are used as market differentiation factors, factors of effect on overall costs and factors which affect the possibility of fixing the price and possible price premiums. Regardless of the adopted strategy and different strategy selections and sub-strategies, as well as various tactical instruments, each of these strategies should ultimately satisfy three price management objectives, which are: satisfaction of the consumers' expectations with regard to the value for money, realization of target profit/income of the economic entity, and creating an effect on the preservation (or improvement) of natural environment.

CONSIDERATIONS ABOUTTHE FUTURE

strengthening environmental awareness and sustainable development paradigm shall have an important effect on the pricing policies and strategiesin the future. it should be noted here that certain of the currently present market conditions which affect the structure of costs and prices will certainly be changed in the future. namely, the price of a large number of conventional products currently present on the market does not include external (social and environmental) costs, which leads to unrealistically low prices and/or unrealistically high profits/income. however, it is clear that somebody must bear such costs, and for the present these are mostly governments, local communities but also present and future generations of consumers. likewise, it is evident that such a system of distribution of costs and income is unsustainable. in this sense, the governments of many countries and also international regulatory authorities adopt and improve different laws, taxes and other systems enabling to internalize as many external costs as possible. it can be concluded that global changes in this sense are clear and unambiguous,and that they generate a synergy effect.

in time, consumerswill demand, and governments will impose the application of the "polluter pays" principle.the objective of this sustainable price model is to eliminate the so-called environmental subsidies which now distort the structure of costs at the detriment of environmentally friendly products. products bearing in themselves a heavy environmental

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burden would thus have higher costs and, consequently, higher prices. therefore, in the market transactions, they will gradually lose the racewith products providing equivalent values but having lower eco-costs and prices.

therefore, in addition to the above stated, it is important to havein mind that certain reasons for the existence of price premium will be less significantin the future, which will lead to big changes in market competition between green and conventional products, thus enabling the classic market mechanisms to direct the consumption system towards sustainability.

FIGURE 1.

total consumer cost – consumer's perspective
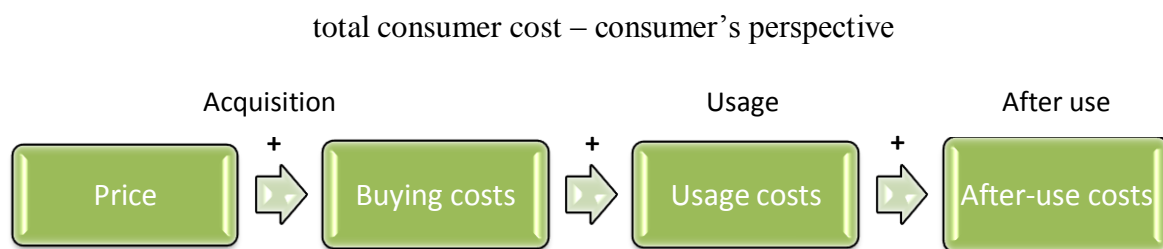
Source: Belz, F. M., Peattie, K., idem, pp. 204.

FIGURE 2.

conceptual model of readiness to pay the price premium
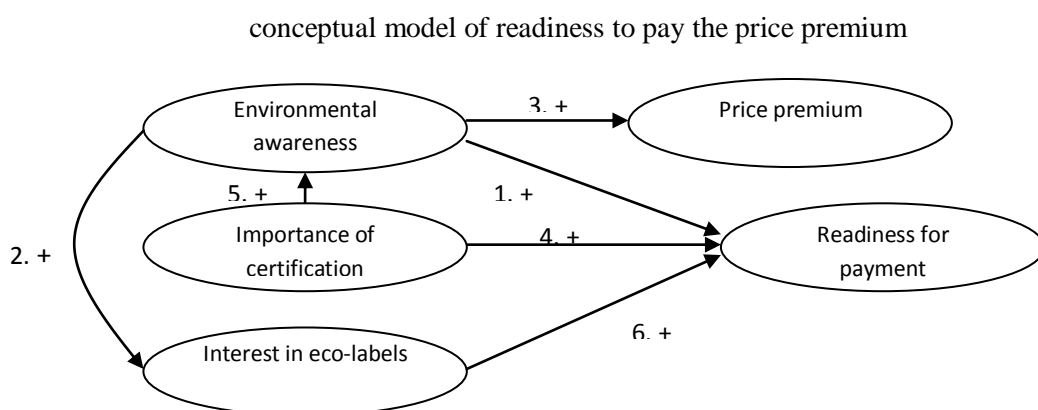
Source: Vlosky, R.P., Ozanne, L. K., Fontenot, R. J., idem, pp. 126

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BUILDING A BRAND´S PERSONALITY IN AN EMERGING COUNTRY: IS IT EQUALLY IMPORTANT WHEN BRANDS ARE CONSUMED PUBLICLY AND PRIVATELY?

Hector Bajac and Miguel Palacios

Abstract

Purpose The purpose of this paper is to show that brand personality and user personality have a stronger influence on consumer preferences in situations of private consumption than in situations of public consumption, in the case of an emerging country like Uruguay.

Design and methodology.Sirgy´s (1997) direct measurement approach wasapplied. The study was conducted in two stages. In stage 1 respondents spontaneously indicated brands of public and of private consumption. Two brands of each group were selected. In stage 2, a multiple regression analysis was conducted to test each hypothesis. Avoiding the division of the self in multiple selves, a single construct was used for defining self-personality.

Findings. Support was found for the three hypotheses, indicating that in an emerging country (Uruguay), brand congruence and user congruence positively impact on brand preference, both in public (H1) and private (H2) consumption, and that this influence is stronger in situations of private consumption (H3).

Originality. This is the first study that analyzes whether brand congruence is more relevant in public or private consumption in the case of an emerging country like Uruguay, with a collectivist culture.

Keywords*: brand congruence; brand personality; self-image congruence.*

Among the numerous factors that influence the relationship between a brand and a consumer, the personality of the brand is a central one,and marketing managers invest significant amounts of money in building and maintaining brand personalities. In a globalized marketplace and seeking economies of scale, companies face the decision as to what extent to adopt global brand building strategies targeted to a stereotyped universal consumer or adapt these strategies to local characteristics. Understanding the relationship of brand personality to consumer attitudes and behaviors is critical for effective brand management.

Consumers make choices not onlyon the basis of the functional or utilitarian characteristics of a product, but also based on the symbolic meaning of theproduct or brand (Levy, 1959; Elliot, 1997); from the consumer´s point of view, products are not just a set of attributes that offer functional benefits, they are also capable of conveying meaning. This symbolic meaning is carried through the brand personality, the product-user image, the product category or the physical product itself, and consumers reflect their **personalities** by the brands they use

(Huang et at., 2012). The part of the symbolic meaning that attachesto the brand is called brand personality.

Through itssymbolic meaning, andby choosing brands with particular image associations, individuals communicate to others who they are or how they want to be seen (Parker, 2009). However, the impact of the symbolic meaning of the brand on consumer preferences is contingent upon the relationship between the perceived image of the brand and/or the user imagery and the self-image of the consumer.This match between the consumer´s personality and the brand´s personality is referred to as self-congruity (Sirgy, 1982, 1986) or brand congruence: consumers unconsciously compare their own personality with that of a brand, and choose brands whose personality is congruent with their own self-image. Self-congruity "links the psychological construct of an individual's self-concept with the symbolic value of goods purchased in the marketplace" (Grubb and Grathwohl, 1967).

In spite of the contributions of brand personality research to date, the emphasis has been on dimensions of brand personality rather than on its impact (Freling and Forbes, 2005). In effect, we know that brands have personalities, but not whether these personalities matter, and whether there are circumstances where brand personality is significant and situations where it has no impact on overall brand perceptions. Exploring these issues in an emerging country can help sophisticate global brand building strategies.

Given the understanding that brands are chosen to say something about oneself (without ignoring the functional benefits products offer), the purpose of this study was to explore the relationship between consumer and brand, in cases when brands are consumed publicly (the consumer is seen by others when consuming or purchasing a brand) and privately (the consumer is not seen when consuming or purchasing the brand), in an emerging country. This study design focuses on differences in the impact of brand congruence on brand preference, in situations of public and private consumption in Uruguay. If brand preferences are sensitive to public versus private consumption situations then brand building strategies should adjust by placing emphasis on constructing brand personalities only in situations where it is convenient.

CONCEPTUAL DEVELOPMENT

Self-Concept and Self-Image Congruity Theories

Self-concept theory indicates that people act in ways that maintain and enhance their self-concept (Graeff, 1996, a).Self-concept is the totality of an individual´s thoughts and feelings with respect to themselves as an object (Rosenberg, 1979) or "a cognitive appraisal of the attributes about oneself" (Hattle, 1992 cited in Abe et al., 1996). Attempting to maintain or enhance self-image, consumers purchase products because of their symbolic meaning and imagery, and not only for their functional benefits (Elliot, 1997).The products people buy are good vehicles forself-expression.

Self-image congruity theory indicates that consumers often buy products or brands whose personality is perceived to be similar to their own self-concept. Research has illustrated the impact of self-image congruity in markets such as cars, shoes, soft drinks, credit cards, beer, magazines, clothing and jewelry (Mishra andDatta, 2008; Ericksen, 1996; Mehta, 1999; Belk, Bahn and Mayer, 1982: Solomon, 1983; Zinkham and Hong, 1991; Jamal and Goode, 2001, Graeff, 1996, a; Graeff, 1996, b). Other studies indicate that self-image congruity affects consumer preferences, purchase intentions, attitudes towards products and brands, usage, levels of trust and product evaluations (Sirgy, 1982; Belk,Bahn and Mayer, 1982; Solomon, 1983; Zinkham and Hong, 1991; Graeff, 1996, a; Graeff, 1996, b; Ericksen, 1996;Sirgy et al., 1997; Mehta, 1999; Freling and Forbes, 2005).

Personality Concepts

What exactly consumers consider when comparing themselves with a brand, is not clear. The constructs of brand meaning, brand image, brand identity and brand personality overlap and remain vague and indistinguishable.

The search for congruency between the self-personality and the brand personality can be intuitively understood, but the construct of self-personality is not straight forward. The literature (Jamal and Goode, 2001) identifies different dimensionsfor the self-concept:

- Actual self: How an individual in fact sees himself/herself
- Ideal self: how an individual would like to see himself/herself
- Social self: how an individual feels others see him/herself

- Ideal social self: how an individual would like others to see him/herself

Thus, the study of self-congruence maybecomplicated by having to choose which "self" to adopt for measurement.Research must analyze the impact of each dimensionon a dependent variable such as brand preference, intention to buy, trust, loyalty, etc., or build a construct that incorporates all definitions. Graeff (1996, a and b) for example, studied the impact on product evaluation of congruence between brand image and both ideal and actual self-image, for privately and publicly consumed brands. However, some authors (Helgeson and Supphellen, 2004; Goversand Schoormans, 2005) decidednot to divided the concept of self into different multiple selves, since by dividing it, the concept loses its meaning, in line with Rosenberg (1979), whoconsiders the self-concept as "the totality of the individual thoughts and feelings having reference to himself as an object".

MeasuringBrand Congruence

In acornerstone article,Sirgy et al. (1997) presented a method whereby congruence couldbe measured directly and globally. The traditional method tapped the subject's perception of product-user image and self-image along a predetermined set of image attributes, and then added the self-congruity scores across all image dimensions(Bao and Sweeney,2009). With this method, subjects indicated congruity with some images, without consideration forhow relevant these imageswere. The measurement technique presented by Sirgy et al. (1997) overcame several criticisms of the original method with regards tothe use of discrepancy scores, irrelevant images, and the compensatory decision rule. Using Sirgy's method allows for a gestalt approach (consistent with Rosenberg, 1979), byconsidering the self-concept as a totality of thoughts and feelings. This direct measurement approach is used in the study presented here.

Brand Congruence for Public versusPrivate Usage Situations

Graeff (1996, b) analyzed whether brand evaluation is more influenced by congruency between brand personality and actual self-concept or brand personality and real self-concept, in situations of public and private consumption. Contradicting previous studies that showed that actual self-image and ideal self-image are about equally predictive of brand preference (Dolich, 1969; Landon, 1974; Ross, 1971), Graeff(1996, b) concluded that the evaluations consumers make of brands consumed publicly are more affected by congruency between brand personality and ideal self-image than congruency between brand personality and actual

self-image.Forbrands consumed privately both congruencies had the same influence on brand evaluation. Graeff (1996, b) does not analyze in which situations (public or private consumption) brand congruence exerts more influence on evaluations.

Bias in the selection of brands in past studies hasinterfered with the attempt to demonstrate arelationship between congruency and preferences.Dolich (1969), for example, used beer and cigarettes as publicly consumed products, and bar soap and toothpaste as privately consumed products. But these products were chosen by the researcher without verifying that subjects actually considered them as publicly or privately consumed. Specifically, beer can be consumed in both situations.In this sense, the author suggests that special care be taken in the selection of brands, making sure they are representative of instances of public and private consumption for the audience under research. To address this deficiency, in the current study brands were chosen by the audience and not by the researcher. Further manipulation checks assured the classification of brands as private or public.

Goversand Schoormans(2005) also studied the impact of congruence on consumer preferences, using Sirgyet al.´s direct measurement approach. Instead of brand personality, they focused on product personality and product-user image, and their influence on consumer preferences, through a congruity model. A single construct of the self-concept wasutilized, as opposed to dividing it into multiple selves (ideal, actual, actual-social, actual-ideal). Their results confirmed a significant and positive product-personality congruence effect on consumer brand preference. This influence wasindependent of the user-image congruence effect.The authors suggested their findings might be affected by their choice to use brands in the study that are mostly privately consumed, where it is more difficult for a stereotypical image of the users to develop. Following Gover´set al.´s (2005) work, the current study treated the impact of brand-congruence and user-congruence on brand preferencesas separate variables.

The literature on the impact of brand congruence on consumer attitudes and behavior, has concentrated on validating congruence theory in different industries such as cars, shoes, soft drinks, credit cards, beer, magazines, clothing and jewelry. And valuable contributions have incorporated level of sophistication to the relationships between brand personality and self-personality, working with multiple definitions of the self, incorporating moderating variables and different usage situations. However, no research was identified that addresses a simpler question aboutthe relevance ofbrand congruence in situations of public or private

consumption.Should managers devote more effort in building the personality of brandswhich are consumed in public or in private?

Uruguay

Uruguay, officially called Oriental Republic of Uruguay, is located in South America. It has a population of approximately 3:3 million people, half of which live in Montevideo, the capital. Its GNI per capita is $11.860 (American dollars), and life expectancy is 76 years. Average annual growth rate between 2004 and 2011 has been 6.0%. (Source: The World Bank Organization).

Culturally, Uruguay is considered a collectivist country (Hofstede, 1983), where "the self is interdependent with the surrounding context", and "it is the 'other' or the 'self-in-relation-to-other' that is focal in individual experience" (Markus and Kitayama, 1991).

CONCEPTUAL MODEL AND HYPOTHESES

To understand the role of public versus private consumption and brand congruence in an emerging market, the current study tested three hypotheses with the field work conducted in Uruguay. The first research question concerned the impact of brand and user self-concept congruencies, on brand preferences for publicly consumed brands. Therefore, H1 is as follows:

H1: Brand congruence (BC) and user congruence (UC), among other factors, exert a positive influence on consumer preferences for brands of public consumption.

$$\textbf{H1:} \ BP_{PubC} = a_{PubC} + \beta_{BC,PubC} \ x \ BC_{PubC} + \beta_{UC,PubC} \ x \ UC_{PubC} + \ldots + \varepsilon_{PubC}$$

The second hypothesis addressed the same issues of brand and user congruences, for privately consumed brands. Thus, the hypothesis was proposed as follows:

H2: Brand congruence (BC) and user congruence (UC), among other factors, exert a positive influence on consumer preferences for brands of private consumption.

$$\textbf{H2:} \ BP_{PrivC} = a_{PrivC} + \beta_{BC,PrivC} \ x \ BC_{PrivC} + \beta_{UC,PrivC} \ x \ UC_{PrivC} + \ldots + \varepsilon_{PrivC}$$

The third hypothesis tested the influence of collectivism on brand congruence for both publicly and privately consumed brands. It was expected that consumers would express individuality in private more than in public, thus making brand congruence more important for privately consumed brands than for those consumed in public. H3 is expressed as follows:

H3: The impact of brand congruence (BC) and user congruence (UC) on consumer preferences is stronger in brands of private consumption than on brands of public consumption.

$$\textbf{H3: } \beta_{BC,PrivC} > \beta_{BC,PubC} \ , \ \beta_{UC,PrivC} > \beta_{UC,PubC}$$

Figure 1. ConceptualModel
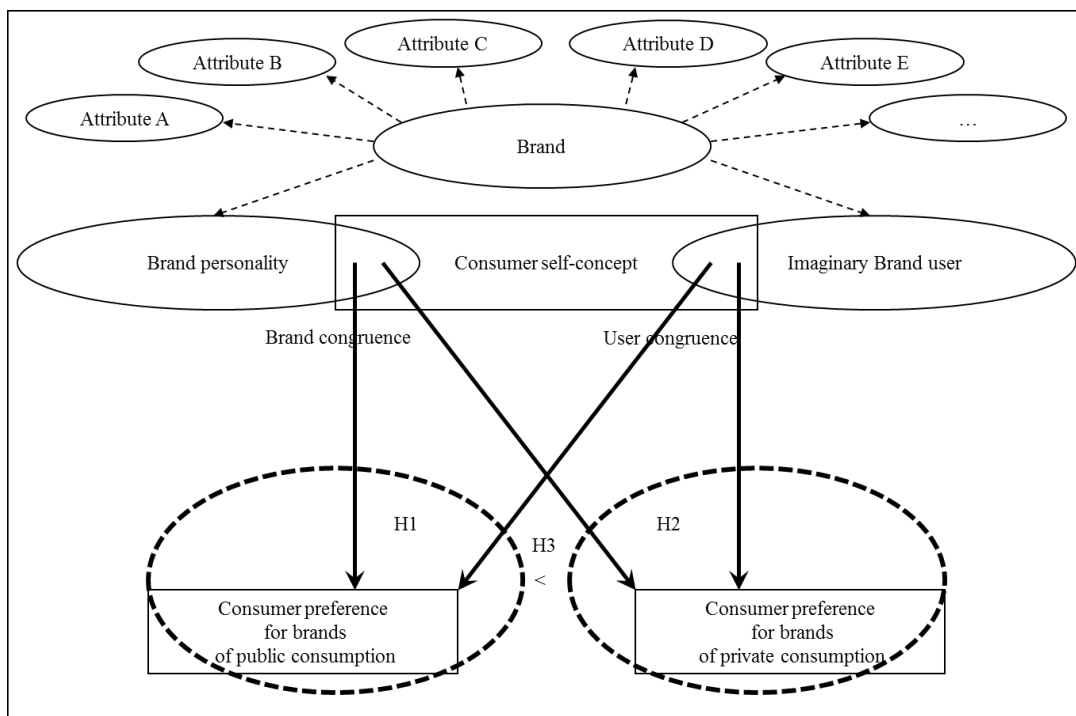
Independent variables:

1. **BC_{PubC}** = Brand Congruence for Public Consumption Brands

2. **BC_{PrivC}** = Brand Congruence for Private Consumption Brands

3. **UC_{PubC}** = User Congruence for Public Consumption Brands

4. **UC_{PrivC}** = User Congruence for Private Consumption Brands

Dependent variables:

5. **BP$_{PubC}$** = Preference for Brands of Public Consumption Brands

6. **BP$_{PrivC}$** = Preference for Brands of Private Consumption Brands

METHODOLOGY

Stage 1: Brand Selection

Four brands were selected, two of which were of public consumption and two of private consumption. For selecting the brands, the recommendations of Graeff (1996, b) were followed.A questionnaire was delivered to respondents, in which each respondent had to write down ten brands of public consumption and ten brands of private consumption. For each type of consumption (public and private), of the ten brands mentioned most frequently, two of each type were selected; since some of the brands mentioned were both of public and private consumption, care was taken not to select a brand that met both conditions.

Stage 2: Test OfThe Hypotheses

For testing of the hypotheses, the methodology recommended by Sirgy et al. (1997) was used, in which congruency is measured directly. The questionnairewas developed following the model presented by Govers and Schoormans (2005). A factor analysis was conducted, and the correlation between the factors was analyzed. The questionnaire was applied to a convenience sample of graduate and undergraduate students of Universidad ORT Uruguay.

Two weeks after completion of the first questionnaire for brands selection (Stage 1), the second questionnaire was applied. This second questionnaire included twenty questions for each one of the four brands, with five questions for each one of the four sections of the questionnaire. Each section built a factor.

Section 1: brand congruence

Section 2: user congruence

Section 3: brand preference

Section 4: intention to buy

In order to reduce the potential impact of the order of presentation of the brands, the questionnaires were delivered rotating the order of the brands, so that each brand appeared first, second, third and fourth the same number of times.

In order to elicit the respondent to think in terms of the similarity between his/her own personality and that of a brand, an ice-breaking question was introduced at the beginning of the questionnaire, requesting the respondent to write down three words that describe the personality of the brand. These answers were not utilized in the analysis.

RESULTS AND ANALYSIS

Pearson correlations were calculated for each one of the questions in each factor, for the samples of public and private consumption. The Kayser-Meyer-Olkinindex was calculated to determine how appropriate it is to produce factors based on the data obtained. Finally, a multiple regression analysis was conducted to test each hypothesis.

Stage 1.The ten brands of public and private consumption named most frequently were the following:

Table 1. Brand of private consumption Mentionedmos tfrequently

Position	Brand	Frequency
1	Colgate	37
2	Saman	28
3	Conaprole	26
4	Adria	13
5	CIF	12
6	Panavox	12
7	Phillips	12
8	Bimbo	11
9	Sony	9
10	Dove	8

Table 2. Brands of public consumption Mentioned mostfrequently

Position	Brand	Frequency
1	Coca-Cola	35
2	Motorola	17
3	Nike	16
4	Sony	13
5	HP	12
6	Levis	12
7	HushPuppies	11
8	Zara	11
9	Nokia	10
10	Toshiba	10

Given that Saman is a brand of rice whose familiarity may be lower among respondents outside of the target sample, the brands of private consumption selected for Stage 2 were Colgate and Conaprole (a local brand of milk and dairy products).Given that Coca-Cola, Motorola, Sony and HP are brands of both public and private consumption, the brands selected for Stage 2 were Nike y Levis.

Stage 2.Ninety students responded the questionnaire, with the following breakout by gender and studies.

Table 3. Sample Stage 2

	Undergraduate	Graduate	Total
Female	18	16	34
Male	29	27	56
Total	47	43	90

Each respondent completed four questionnaires, two for brands of public consumption and two for brands of private consumption.

Reliability analysis.A reliability analysis was conducted using Cronbach´s Alphafor the whole sample and separately for the samples of public and private consumption. In all cases the indexes are close to 1, indicating that there is strong internal consistency.

Factor analysis.In order to develop the factors and to study the percentage of the variance of each factor that is explained by each component A Principal Component analysis was conducted. For brands of public and of private consumption, the percentage of the variance explained by the first question is high. A Kayser Meyer Olkin analysis indicated that the data is appropriate for a factor analysis**.**

Test of the hypotheses.To test the hypotheses, a multiple regression analysis was conducted in which the independent variables "Brand congruence" and "User congruence" were related to the dependent variable "Brand preference", for brand of public and private consumption. Results were as follows:

Table 4. Effect of brand congruence and user congruence
On brandpreference

	Brands of	
	Publicconsumption	Privateconsumption
Constant	-8,76E-18	3,63E-17
Brand congruence (BC)	.29	.364
Usercongruence (UC)	.195	.276
R^2	.199	.347

p<0,001

Results indicate that brand congruence and user congruence determine a significant portion of consumers´ brand preference, both for brands of public consumption (β_{BCPubl}= 0,290 and β_{UCPubl}= 0,195 respectively) and of private consumption(β_{BCPriv}= 0,364 and β_{UCPriv}= 0,276 respectively). These results show that respondents indicated greater preference for brands with higher brand and user congruence than for brands with lower brand and user congruence. These results confirm H1 and H2.

With respect to H3, it can be observed that both βs for private consumption are larger than their respective βs for public consumption, validating hypothesis 3: the impact of brand congruence (BC) and user congruence (UC) on consumer preferences is stronger in brands of private consumption than on brands of public consumption.

DISCUSSION, MANAGERIAL IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This study analyzes the relative importance of brand congruence and user congruence on brand preference in an emerging country, Uruguay. A multivariate regression analysis provided evidence that there is a positive relationship between the independent and the dependent variables, supporting the hypotheses that brand congruence and user congruence exert a positive influence on brand preferences both in situations of public consumption and private consumption (H1 and H2), and with a stronger influence of both congruencies in situations of private consumption than on public consumption (H3).

The study here presented supports the concept that the consumer´s personality has to be one of the guides for generating brand associations through communication, since congruence is predictive of preferences. Furthermore, in situations of private consumption, where the self-concept is not subject to the opinion of others,the consistency between the brand´s personality (and the user image) with the personality of the consumer, exerts more influence on preference than in situations of public consumption. For marketers, this implies that the personality of a brand consumed privately has to be built with even more care than that of a brand consumed publicly.

This research was conducted in Uruguay,a collectivist country (Hofstede, 1983), where self-concepts are more interdependent, as opposed to individualistic cultures, where the self-

concepts are more independent (Chang, 2010). If this research is replicated in an individualistic country findings could be different, implying that managers have to develop brand building strategies adapted for each culture.

This study presents the limitation that the sample size is relatively small (n=90). Also, respondents were college students, not necessarily representative of the overall population. Finally, ignoring the consideration of other brand attributes (for example functional characteristics), may introduce a bias. In this analysis it is assumed that the impact of the omitted variables is neutral.

The research presented in this paper shows that there is a need to better understand the congruence effect in situations of private consumption, where it exerts stronger influence on brand preference. In a collectivist country, Graeff (1996, b) findings that both congruencies (with ideal self and with actual self) exert the same influence on product evaluation, may or may not apply. In fact, the question of whether congruence exerts more influence on brand preference in situations of public and private consumption in an individualistic country also remains to be addressed.

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INNOVATIVE RETAILING: UPLIFTING THE LIVES OF BASIC ECCLESIAL COMMUNITY IN CAMARINES SUR, PHILIPPINES

Anne Marie F. Bagadion

Abstract

This study was inspired by the persistence and strength of character of striving entrepreneurs in rural communities who strive to establish or let grow of their businesses. The Second Vatican Council of the Catholic Church considered Basic Ecclesial Community (BEC) as a "New Way of Renewing the Church", thus the researcher collaborates with Caritas Diocese of Libmanan (Inc.), the social action and development arm of the Diocese of Libmanan, Camarines Sur, which established the BEC-Based Integral Evangelization program. This aims to develop not only spiritual renewal but social and moral transformation as well, to broaden and sustain alternative Income Generating Project (IGPs) that will uplift the standard of living of its members. The BEC through Caritas Diocese of Libmanan is determined to concretize an innovative retailing through its BEC Retail Store ("Tindahannin SKK" - in local dialect) and Automated Teller Machine (ATM)/Credit Card. The BEC –ATM/Credit card) which will provide economic empowerment to its members as an alternative credit access in the procurement of basic goods and services, and as an alternative credit access in starting small businesses.

Keyword: Basic Ecclesial Community, Caritas, Diocese, Integral Evangelization, Technological-Access

INTRODUCTION

Background

Economic development continues to be very difficult in many rural and geographically isolated communities in Camarines Sur, Philippines, which is 300Km South of Manila. Research on local economic activities, especially entrepreneurial development, is anecdotal consisting mostly of isolated case studies of single or clustered businesses.

This study delimits its scope in the 1st and 2nd district of Camarines Sur, which is under the Diocese of Libmanan.Moverover, this study wishes to understand the "model building" of Caritas Diocese of Libmanan in alleviating poverty and sustaining its innovative retailing thru its Basic Ecclesial Community (BEC) Retail Store using an Automated Teller Machine, that can be accessed via a debit/credit card, which is the first to be offered for low income community.

Moreover, this study offers opportunity for greater understanding of the Caritas Diocese of Libmanan's (CDL) innovative retailing and entrepreneurial competency of the BEC members that can be echoed in other Diocese in the Bicol Region or in the whole of the Philippines. Further, it is important to pinpoint the relevant marketing and enterprise development learning areas that must be thoroughly learned by the BEC members so as to appropriately respond to their needs as "Christian-Social" entrepreneurs in a globalized-knowledge-based economy.

REVIEW OF RELATED LITERATURE

Situationer

*Diocese of LibmananGeographical Setting.*Libmanan, being considered as the biggest and most populated town in the province, has dramatically prospered in the recent years because of the excellent means of transportation being offered by the Libmanan River, the railroad and the national highway. The religious needs of its people and those of neighbouring towns prompted the erection of the Prelature of Libmanan in 1990 and installing the first bishop. On 25 March 2009, Pope Benedict XVI elevated the prelature to become a diocese with Bishop Jose R. Rojas, Jr. becoming its first Diocesan bishop.

The Diocese of Libmanan is located at the northern part of the province of Camarines Sur in the southern tip of Luzon. The Diocese is bounded on the North by CamarinesNorte (Diocese of Daet), on the East by San Miguel Bay, on the West by Ragay Gulf and Quezon Province (Diocese of Gumaca) and on the South by the City of Naga (Archdiocese of Caceres). The Diocese covers a land area of about 1,862.28 square Km with eleven (11) municipal towns. There were sixteen (16) parishes when it was founded, and as of November 2006, there are already twenty-seven (27) parishes with 347 villages (barangays). It has a total population of 443,756, and a total number of household of about 82,540.(Source:Caritas Diocese of Libmanan, Inc.)

The Diocese of Libmanan encompasses eleven (11) municipalities, spanning the entirety of the First Legislative District of the Province of Camarines Sur, plus the Municipality of Milaor found in the Second Legislative District. Presently, there are twenty seven (27) parishes across the 348 Barangays comprising the Diocese. The following matrix shows the general data on the demographic spread and land area of the various local government units within the Diocese of Libmanan.

Table 1: Population and Land Area of the Diocese of Libmanan

Area/s	Total Population			Households		Land Area		
	Total (NSO 2007)	Male	Female	Number	Population	Total (PENRO 2005, sq.km.)	Farmland (MPDO 2005, has.)	Forest (PENRO 2005, has.)
Cabusao	17,599	9,047	8,552	3,259	5.40	46.8	875.0	0.0
Del Gallego	21,272	10,996	10,276	3,882	5.48	286.8	248.5	16,240
Libmanan	92,839	47,679	45,160	17,717	5.24	336.2	7,535.5	7,850
Lupi	27,630	14,403	13,227	5,136	5.38	263.1	13,677.3	4,289
Milaor	26,452	13,533	12,912	4,690	5.64	23.4	1,752.9	0.0
Minalabac	43,957	22,727	21,230	7,963	5.52	126.1	13,341.3	1,314
Pamplona	31,895	16,371	15,524	5,928	5.38	80.6	6,217.9	779
Pasacao	41,533	21,520	20,013	7,377	5.63	149.5	861.0	3,918
Ragay	52,021	26,534	25,487	9,966	5.22	277.4	19,423.5	6,385
San Fernando	30,697	15,744	14,952	5,643	5.44	65.0	12,734.0	1,107
Sipocot	57,861	29,644	28,217	10,979	5.27	211.6	13,983.7	4,580
Total	**443,756**	**228,198**	**215,558**	**82,540**	**5.42**	**1,866.5**	**90,650.6**	**46,462**

(Source: National Statistics Office/Caritas Diocese of LibmananInc)

*Socio Economic Setting.*The primary occupation of the people in the Diocese is agriculture. Rice farming, cultivating other crops like coconut, corn, root crops, and vegetables are their main source of income. The secondary occupation of the population is engaging in livestock industry, service-related and low skilled work. Similarly, farm owners augment their meager income by working as laborers in another farm or doing unskilled work. Families that border Ragay Gulf in the western part and San Miguel Bay in the eastern are engaged in fishing.

The average household earns an annual income of PhpP30,122.00 or roughly PhP2,500.00 (approximately US$61) per month. These figures are less than half of the poverty threshold of PhP5,581.65 per month for a family of six. The annual food expenditure is PhP18,995.00 per household, on the average. (Source: Caritas Diocese Libmanan Inc. Program Plan 2009)

There is a relatively high incidence of poverty within the Diocese, in spite of its proximity to Naga City, and being the main entry point of the entire Bicol Region in terms of land transport from the National Capital Region. Based on the Estimation of Local Poverty in the Philippines conducted by the National Statistical Coordination Board in November 2005, there is an aggregate average 54.53 percent poverty incidence estimation within the Diocese.

Nonetheless, the Diocese of Libmanan is blessed with various commercial industries and facilities. The succeeding diagram which was taken from a Diocesan presentation shows:

Table 2 – Commercial/ Industries/Facilities available in the Diocese of Libmanan

Commercial Stores	Factory Facilities	Schools	Hospitals
Public Market – 20	Factory – 1	Private Grade Schools - 15	Private Hospital - 1
Convenience Store – 1,893	Ricemill– 309	Private Secondary -13	Private Clinic - 14
Satellite Market – 61	Sawmill – 15	Private College - 3	Public Hospital 2
Cooperative – 71	Mining Firm – 2		
Drugstores – 137	Others -64		

Source: CDL Program Plan 2009

*Religious Setting.*The large majority of the families (94.7%) in the Diocese of Libmanan have members who belong to the Roman Catholic Church. The rest are those families who are non-Catholics (2.7%), and those whose members are Catholics and non-Catholics (2.6%).

In parish life, the participation of the people is seen in their regular Sunday Mass, their membership in the Parish Pastoral Council (PPC) and in the other mandated religious organizations. Membership in them is an expression of their service to their fellowmen and belongingness to the community. However, the majority of the Catholics are priest-centered. In fact, only few Catholics are actively participating in the Church activities. Most of the parishes lack lay leaders, lay ministers and trained catechists. The parishioners have not been fully informed and educated about their faith. More often their faith is mixed with superstitions. Thus, many Catholics are "sacramentalized," but not evangelized."

Nonetheless, the formation of the Basic Ecclesial Communities (BECs) are geared to correct these imperfections, as these BECs intend to integrate spirituality and the socio-economic components of the people's lives.

*BEC-Background.*The Basic Ecclesial Community (BEC) (or also known as SaraditnaKristianongKomunidad (SKK in local dialect) had their origin and inspiration from liberation theology in Latin America. Others regarded the emergence of BECs as part of the concrete realization of the communitarian model of the Church (as Communion and as People of God) promoted by the Second Vatican Council. BECs were considered as a new way of being Church - the Church at the grassroots, in the neighbourhood. They were communities of disciples, whose members live in communion/solidarity, and actively participate in Christ's

mission as a priestly, prophetic and servant people, and as the Church of the poor.(Source: http://en.wikipedia.org/wiki/Basic_ecclesial_community)

*BEC Goals/Programs.*After Vatican II, one of the most significant development in the Church in the Philippines for over the last forty years is the proliferation of Basic Ecclesial Communities (BECs) all over the country.In 1991, the second Plenary Council was held and the vigorous promotion and formation ofBECs all over the Philippines was adopted as a pastoral priority. The plenary council came up with this decree:Basic Ecclesial Communities under various names and forms – BCCs, small Christian communities, covenant communities – must be vigorously promoted for the full living of the Christian vocation in both urban and rural areas.(Source: http://cbcpbec.com)

In following the precepts of the second Plenary Council, Caritas Diocese of Libmanannot only aims to develop spiritual renewal but social and moral transformation as well, and to broaden and sustain alternative Income Generating Projects (IGPs) that will uplift the standard of living of the BEC members. BEC in the Diocese of Libmanan consisted of 3,449 BEC Clusters composed of 20 to 30 families (with an average member of 6) per cluster. At present, it has almost 700 Pastoral Workers and 2,441 BEC Cluster leaders.

*Integral Evangelization and Technological Access Program.*Considering the developmental stage of BEC, Caritas Diocese of Libmanan Inc. (previously known as Prelature of Libmanan Development Foundation Inc.) established the "BEC-Based Integral Evangelization Program in 2005 and soon become Technological Accesses Program for an SKK-Based Sustainable and Empowered Economic Development, otherwise known as TAP for an SKK SEED in 2008, which was the fruit of   BEC Rural Congress on 19 March 2008, to provide the opportunity for the community of believers and other sectors to directly participate into the formulation and development of policies and programs that would address their specific, grassroots needs. Through "Social Action Developmental Initiatives", which was started by Prelature of Libmanan Development Foundation Inc. (PLDFI) now CDL's social action arm, its aim is to sustain the life of the Basic Ecclesial Communities by trying to look for achievable interventions on the real and common concerns that the BEC cluster members encounter in their respective areas and particular situation.

The TAP for an SKK SEED is a landmark program that will prototype the strengths, assets and potentials of the various ecclesial communities organized within the Diocese of Libmanan. The Program and all component yet integrated Projects are geared towards this

common goal. Further to the development of BEC-Based Integral Evangelization Program, Caritas Diocese of Libmanan Inc. (CDL), aimed to promote "Rural Entrepreneurship" and "Innovative Retailing" among BEC members to enrich and enhance experiences by giving them a BEC flavor. This meant that any mechanisms for self-help endeavors through IGPs must be based on the spirituality, culture, and principles of Basic Ecclesial Community. It had to be self-sustaining and governing, community- based, altruistic and self-reliant.

It is on this context that the Parish Social Action Committees (PSAC) together with CDL, thought of putting up in the middle of year 2008 the BEC Retail Store (known as "Tindahannin SKK" in local parlance). It has organized twenty (20) BEC Stores at the onset. It is a subsidized store that sells basic goods at a lower price to the BEC members in different parishes in the Diocese of Libmanan. All throughout the Diocese, there are 3,449 clusters composed of 20 to 30 families each, patronizing the various BEC Stores for the purchase of rice, sugar, cooking oil, noodles and soap.The stores, in the long run will serve as outlets for the products that would be made out of the BEC-based Income Generating Projects and Sustainable Agriculture Program of BEC Farmers. The minimal profit made out of this store will contribute to the sustainability of the Parish Social Actions Committees (PSAC) programs.

The main goal of BEC Based Integral Evangelization and TAP for SKK SEED is poverty eradication which is based on John Paul II's encyclical CentesimusAnnus. Pope John Paul II (1991) submits "the affluent society" to critique. He argues that it "seeks to defeat Marxism on the level of pure materialism by showing how a free market society can achieve a greater satisfaction of material human needs than Communism, while equally excluding spiritual values. In doing so, the affluent society, "totally reduces man to the sphere of economics and the satisfaction of materials needs. It seems to some that the two selves, materials and spiritual must be in opposition, but in fact they are complementary. Material entrepreneurship in fact serves as spiritual self- interest, since on the one hand, sufficient material prosperity permits the cultivation of spiritual well-being. On the other hand, without the Spirit, the most fabulous wealth turns to ashes in our hands, while the presence of the Spirit transforms even dust-motes and smoke into thousands of myriads of jeweled webs of light. All too often economic freedom corrupts self-interest to the point of contempt for God and neighbor. One then forgets that prosperity belongs to the whole human race and cannot be enjoyed in a proper and lasting ways if it is achieved by excluding others from the sources of well-being.(Source: CentesimusAnnus, 1991).

Nonetheless, the pontiff supports the free market for its ability to produce material prosperity. Pope John Paul II said that economic freedom is essential, since it is the autonomous subject of moral decisions that build the social order. Entrepreneurs are the "angels of the free market". An entrepreneur is someone who sees a need and uses his or her free initiative to fill the need. Ordinarily, this is done for the sake of making an economic profit. But there is another possibility, one that may perhaps serve to balance the equation weighted down by the single-minded pursuit of material gain. Perhaps what is needed is a reinterpretation of the dedication of energies to what might be called spiritual entrepreneurship. Spiritual entrepreneurship is committed to spiritual well-being that is, to justice and the common good. Anyone at any time can be a spiritual entrepreneur. Anyone with goodwill who, like his or her market counterpart sees an economic need and seeks to fill what becomes a spiritual entrepreneur by injecting a free gift of self, into the dark and dismal places of poverty and want, into the places where the materialistically oriented "angels of the market" fear to tread. One is a spiritual entrepreneur when he hears not only his or her own material demands, but hearkens to the universal existential demand of the human heart for goodness truth, and life. The spiritual entrepreneur is as necessary to the spiritual wealth of society as the economic entrepreneur is to its material wealth. The notion of development "must not be understood solely in economic terms, but in a way that is fully human". (Source: CentesimusAnnus, 1991).

Levy and Weitz (2009) defined retailing as the set of business activities that adds value to the products and services sold to consumers for their personal or family use. Retailers are the final business in a supply chain that links manufacturers to consumers. Moreover, Levy and Weitz, mentioned that in some supply chains, the manufacturing, wholesaling, and retailing are performed by independent firms, but most supply chains feature some *vertical integration*, which means that firm performs more than one set of activities in the supply chain, such as investments by retailers in wholesaling or manufacturing. Another is *backward integration* which arises when a retailer performs some distribution and manufacturing activities such as operating warehouses or designing private –label merchandise. Also, *forward integration* can be considered wherein a manufacturer undertakes retailing activities such as operating its own retail stores. Thus, CDL has to provide a smooth supply chain so as to effectively sustain its BEC retail store and be able to benefit the whole BEC community in the Diocese of Libmanan.

Retailomaniablogspot(www.retailomania.blogspot.com) has mentioned that "cash is so 20th century", meaning the use of credit or debit cards is the trendiest thing in retailing in the 21ˢᵗ
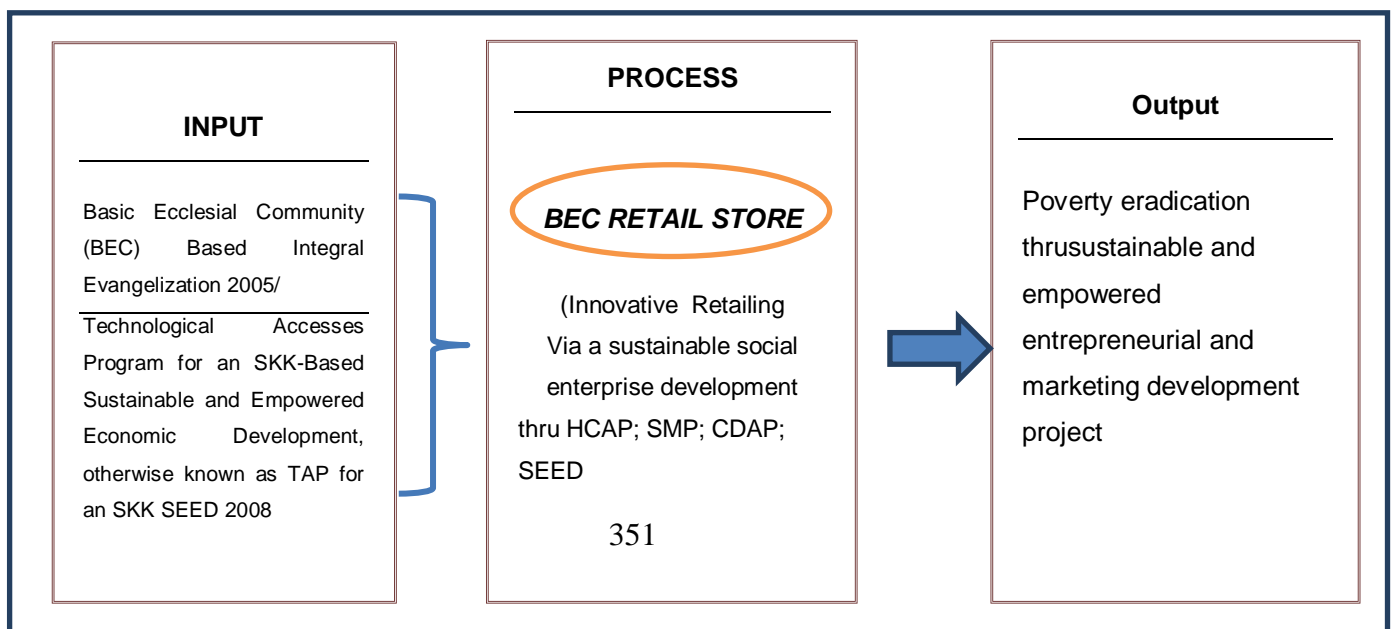
century. Quoting Wolman (End of Money,2012) said "cash has dug in its heel for small value transactions, but with the arrival of each new tech offering (providing) an alternative way to pay for its little stuff – cash is further and further marginalized." There will be an explosion in mobile payments in years to come as several retailers adapt in order to use the different platforms being developed for mobile payments. (Source: www.retailomania.blogspot.com)

In the Philippines alone, telecommunication networks are also providing cash cards (e.g. "G-Cash"/Smart Card) which can work as debit card that can be used to purchase goods in convenience stores or even has the capability to provide cash remittance.It is in this light that Caritas Diocese ofLibmanan partnered with credit companies (name withheld) to assist them the technology needed in providing an ATM card that can work as a credit/debit card at the same can access their saving account in a local bank.

CONCEPTUAL FRAMEWORK

With CDL's continuous innovation to alleviate poverty, it has concretized innovative retailing through its *Input*-Technological Accesses Program for an SKK Based Sustainable and Empowered Economic Development, otherwise known as TAP for an SKK SEED having the BEC store as the *Process* and/or distribution channel.The main *Output/Outcome*is to help the BEC community end hunger or to alleviate poverty thru the BEC Retail Store which should stand as a sustainable social enterprise. This can be done through its four (4) project componentsthat are integrated and must be implemented simultaneously. These are: (i) the Household Credit Access Project (HCAP); (ii) the Savings Mobilization Project (SMP); (iii) the Commodity Automated Distribution Project (CADP); and, (iv) the Sustainable and Empowered Entrepreneurial Development Project (SEED). This is presented in Diagram 2.

Diagram 2 Conceptual Framework– BEC: Sustainable Social Enterprise Development Framework

| INPUT	PROCESS	Output
Basic Ecclesial Community (BEC) Based Integral Evangelization 2005/	**BEC RETAIL STORE**	Poverty eradication thrusustainable and empowered entrepreneurial and marketing development project
Technological Accesses Program for an SKK-Based Sustainable and Empowered Economic Development, otherwise known as TAP for an SKK SEED 2008	(Innovative Retailing Via a sustainable social enterprise development thru HCAP; SMP; CDAP; SEED	

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RESULT DISCUSSION

Based on the Conceptual Framework to achieve the output of alleviating poverty, Caritas Diocese Libmanan'smust utilize its input - TAP for an SKK SEED Program, which is composed of several components and integrated Projects, to wit:

⬜ Household Credit Access Project (HCAP) – intends to provide the rural households with credit card access for commodity purchases, using the latest technology in the credit card industry –with the mobile phone as a transaction medium, and later scaling up to the use of cards with microchips and radio frequencies, would be made accessible to the grassroots and their households. Instead of out rightly spending their earned cold cash for the purchase of basic commodities, they shall be provided credit access and their cash shall be deposited as savings The XXX Card Corporation (name withheld), which is a pioneering credit card company in the country, will implement this together with the various institutions under the Diocese.

Diagram 2 HCAP details
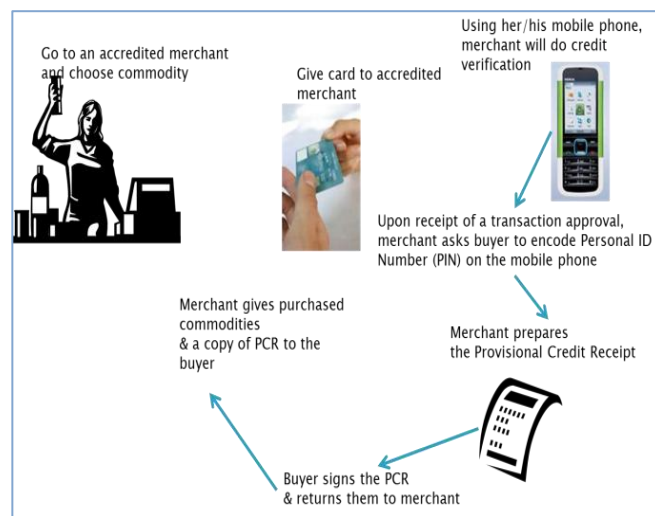
Upon the Project's commencement, the profiling of all participating BEC individual members will be conducted. This will generate a database from which a household profile will be obtained. Such database will be encoded, and individual card numbers will be tagged using the Philippine Standard Geographic Codes. The household profiles will then be evaluated to prescribe their respective credit limits for commodity purchases. Each household will then be issued a Diocese of Libmanan – XXX Credit Card. Then, upon the accreditation of merchants in the area, such as Diocese of Libmanan – XXX Credit Card may be used by the households in purchasing basic commodities.

The process in using the card is simple. The representative of the household-cardholder will just go to an accredit merchant in a public market, or even the BEC store, and choose the commodity being purchased. S/He will give the Credit Card to the merchant, who will then make credit verification using a specialized program in his/her cellular phone. As a security measure, the merchant will ask the cardholder to key in a personal identification number (PIN) into the mobile phone. And upon the receipt of the transaction approval coming from the data center of the XXX Card Corporation, the merchant will issue a provisional credit receipt (PCR) for the cardholder to sign. A copy of this PCR will be given to the cardholder together with the packaged commodity s/he purchased.Such system provides credit card access for a 2-month period, payable in 4 equal semi-monthly instalments. If the household has been diligent in card payment, its credit limit will refresh monthly; otherwise, its credit card access will be placed "on hold" until it resumes its responsibility of being a credit cardholder. Paying for the credit usage, in conjunction with another component project of savings mobilization, shall be through the auto-debit arrangements with the household savings to lessen the administrative requirement of credit collectors.

☐   Savings Mobilization Project (SMP) – aims to re-live the spirit of savings among the grassroots communities, and mobilizing such savings for consolidated and higher levels of entrepreneurship.

PLDFI shall establish the Savings Mobilization Unit/ Department which will have a savings-acceptance capacity. Another technology partner, which is an independent deployer of Automated Teller Machines in the country, will be mobilized to provide the infrastructure and necessary services.The savings of the BEC households will be generated upon their usage of the credit card access, as provided for them by a corollary Project. Traditionally, these households use cash in purchasing basic commodities. These cash can now be converted into savings into the Diocesan's Development Cooperative, under the household's account. The following diagram illustrates this.

Diagram 3 – SMP details
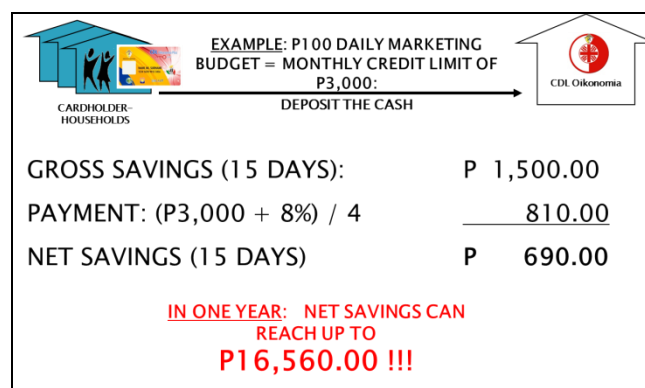
Commodity Automated Distribution Project (CADP) – seeks to automate the commodity distribution throughout the Diocese, from the producers, suppliers and manufacturers, to the vendors (BEC stores and other participating Convenience Stores), up to households. The latest in mobile technology will be used for the Project implementation,as well as additional automation which may include inventory management, etc.

Simply designed, the Project entails that the household cluster members will be issued credit cards solely for purchase of the commodities from PLDFI. The household-cardholders will place their orders with their respective Cluster Leaders, who will then verify their credit standing with XXX Card Corporation, via Short messaging System (SMS) thru the mobile phone service. Once the Cluster Leaders receive positive credit verification, they will consolidate the orders and send a Consolidated Order Message to the PSAC Chairperson. S/He will then consolidate all the orders of the various clusters under his/her jurisdiction, bring it to the BEC Store, and pick up the commodities. Also, s/he will notify the Cluster Leaders to get their respective ordered commodities for distribution to their members.All these transactions are monitored by the BEC store operators, in real time, so, PLDFI is immediately appraised of the need, if ever, to immediately augment the commodity inventory of any particular BEC Store, based on the consolidated orders initially placed by the household-cardholders. The diagram below further illustrates this:

Diagram 4 CADP Purchasing commodity detail
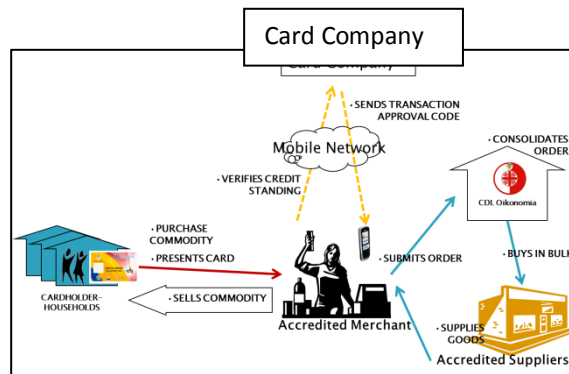
In terms of merchant settlement, both the BEC Stores and other participating convenience stores are obliged to become ATM cardholders. The initial settlement will be done by PLDFI through an ATM. Further, one of the technology partners of XXX Card Corporation, the independent ATM deployer company, will participate in the Project. The diagram below shows this:

Diagram 5 CADP Merchant Settlement detail
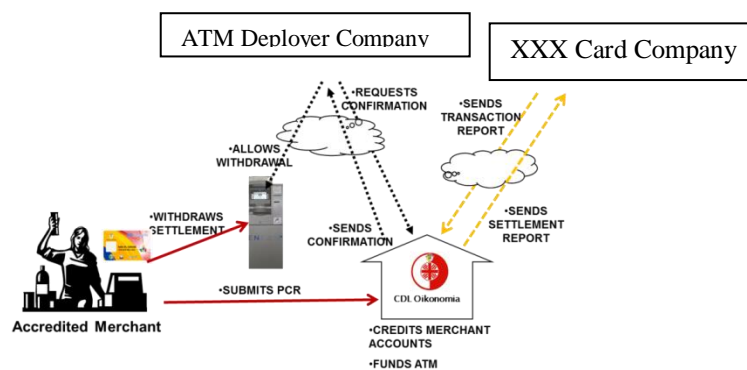
☐ Sustainable and Empowered Entrepreneurial Development Project (SEED Project) – aspires to promote entrepreneurship within and among the BECs to contribute to the development of the local economy.

The latest technologies in marketing and entrepreneurship, and local economic development shall be integrated, whereby all – microfinance clients, merchandisers and traders, suppliers, BEC stores, BEC households, consumers, farmers and producers – would be empowered as stakeholders in the holistic development of the Diocese. Again, the Card Corporation and the various institutions of the Diocese will co-implement this. This is shown in Diagram 5.

Diagram 5 SEED Project detail

Therefore, if all the four project components of the CDL's TAP for an SKK SEED will materialize, Caritas Diocese Libmanan, Inc.'s goal to eradicate poverty can be concretized.

IMPLICATION

The main benefit that the TAP for an SKK SEED project via the BEC Retail Store brings into the community is to alleviate poverty if not end hunger in the Diocese of Libmanan. The credit access that HCAP brings, allows the household to procure commodities via credit card using the mobile technology. Moreover, the lifespan of their cash will lengthen, which is the truest essence of credit.

Further, a large pool of savings will be mobilized, as the BEC Stores and accredited merchants will be mandated to open ATM savings account with the Diocese' Development Cooperative. All participating entities in the Project will likewise be enjoined to save their cash. Thus, the Diocese and its institutions can now expand its scope of service to its constituents, as it may now operate an Automated Teller Machine, and issue credit cards.

Finally, all the entrepreneurial activities of the Basic Ecclesial Communities (BEC), when brought together, will spur local economic development; a major contribution to poverty alleviation in the area within the Diocese of Libmanan.

RECOMMENDATION

As a response to the call of the Catholic Church to help the Philippine government in alleviating poverty nationwide, other Diocese should follow suite the Caritas Diocese of Libmanan's "model building" thru its BEC Retail Store.   It is recommended that other Diocese of the country should replicate if not exceed what CDL has done in terms of utilizing the potentials of Basic Ecclesial Community of their parishes as this would help local government provide a "pathway" in the development of micro, small, , medium entrepreneurs (MSMEs) which can be the backbone economy, hence can alleviate poverty. Further, CDL can contract or form partnerships with large and leading food manufacturers in the Philippines to ensure smooth flow of its supply chain, and can be a "win-win solution", in which CDL can get a volume discount, thus eliminating role of middleman same with the manufacturer, wherein they have an assured buyer for their products minimizing cost in the distribution channel. Lastly, CDL should continue its BEC-Based Integral Evangelization by training its BEC members and cluster leaders thru skill and entrepreneurial competency building via training, workshops and seminars.

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[25]

CAUSE MARKETING – AN APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY IN BULGARIA

Petar Petrov, Marina Kamenova-Timareva

Abstract

Introduction: Cause marketing is a widely used marketing approach that combines efforts of companies and non-profit organizations resulting in benefits for both parties. It can effectively target many social and environmental issues while delivering positive corporate image and enlarging market shares.

Purpose: The purpose of this paper is to identify the characteristics of cause marketing as an approach towards corporate social responsibility in companies operating in Bulgaria.

Design/methodology/approach: We use descriptive approach and content analysis. We categorize the cause marketing practices according to the discovered characteristics. Then we examine the types of collaboration between the surveyed companies and non-profit organizations. The next stage of the study includes identifying the marketing mix elements used in cause-related marketing campaigns.

Research limitations: The sample contains 50 randomly selected companies operating in Bulgaria. Only the declared cause marketing campaigns information is taken into consideration.

Practical implications: The findings could be a useful input for addressing certain gaps in cause marketing activities in Bulgaria.

Originality/value: An analytical study of cause marketing campaigns in Bulgaria, suggesting fruitful directions for future research.

Future research: Future research suggestions include examining customer responsiveness to cause marketing campaigns; specifics by types of industry; impact on key performance indicators, etc.

Keywords: cause marketing, CSR, Bulgaria.

The importance and impact of corporate social responsibility on the company performance and image grows at accelerated rates. CSR addresses vital problems for all the stakeholders. There are many areas covered by CSR activities and sometimes this leads to certain ambiguity of its effects. This is the reason why many organizations use cause marketing.

Cause marketing is a widely used marketing approach that combines efforts of companies and non-profit organizations resulting in benefits for both parties. It can effectively target many social and environmental issues while delivering positive corporate image, strengthening brand affiliation and enlarging market shares.

According to the 2012 Edelman goodpurpose® study brands aligning themselves with causes are not only securing more consumer consideration, but are also earning their dollars and

support. Nearly half (47 percent) of consumers have bought a brand at least monthly that supports a cause, representing a 47 percent increase from 2010.

DEFINING THE MAIN TERMS

The literature suggests many definitions of the term "corporate social responsibility".

The World Business Council for Sustainable Development (2000) uses the following definition: "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Similarly, World Bank (2005) defines CSR as "the commitment of business to contribute to sustainable development working with employees, their families, local communities, and society at large to improve their quality of life that are both good for business and good for development."

The European Commission in 2011 puts forward a new definition of CSR as "the responsibility of enterprises for their impacts on society". The Communication then states that: "To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders".

The present paper adopts the definition given by the European Commission.

Cause marketing can be considered as a corporate social responsibility approach. It represents cause-specificity of CSR. Cause Marketing Forum suggests the following definition: "Cause Marketing encompasses a wide variety of commercial activity that aligns a company or brand with a cause to generate business and societal benefits.". IEG emphasizes on the relationship between a company and a cause or nonprofit that the company wants to talk about in the marketplace in order to accomplish certain business objectives. Varadarajan and Menon (1988) define cause marketing as a "process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives." It is important to point out that cause marketing is different from social marketing (which concerns only non-profit or public organizations) and corporate philanthropy (the giving without expectation of direct corporate gain).

METHODOLOGY

The Sample

It contains 50 randomly selected companies operating in Bulgaria. Only the declared cause marketing campaigns information is taken into consideration.

Survey Design

Descriptive approach and content analysis have been applied in this research. A comprehensive review of literature is presented with an aim to define the main terms used in this paper We categorize the cause marketing practices according to the discovered characteristics. Then we examine the types of collaboration between the surveyed companies and non-profit organizations. The next stage of the study includes identifying the marketing mix elements used in cause-related marketing campaigns.

FINDINGS

The results from the survey are summarized in Table 1. We present the 50 companies of the sample, the used elements of the marketing mix, ecological orientation of the causes, presence of donations and some specifics of the selected causes.

TABLE 1.

CAUSE MARKETING PRACTICES – MARKETING MIX USAGE AND CSR SPECIFICS

№	Company	Price	Product	Place	Promotion	Eco	Donation	Specify
1.	Actavis	+	+	+	+			Education
2.	Always and UNESCO		+		+		+	Education
3.	Ariana					+		Ecology
4.	Aroma	+	+		+	+	+	Ecology
5.	Aurubis Bulgaria					+	+	Children, health, antidiscrimination, ecology, education, sport, health

№	Company	Price	Product	Place	Promotion	Eco	Donation	Specify
6.	Avon	+	+	+	+		+	Health
7.	Centre for Creative Training						+	Education, orphans
8.	Chain of shops / stores Benetton	+	+		+		+	Children
9.	Coca Cola Bulgaria	+	+		+	+	+	Ecology, education, children, sport
10.	Costa Café		+		+		+	Children
11.	Danone Serdika	+	+		+		+	Children, sport
12.	Danone Serdika and Dimitar Berbatov Fondation	+	+		+		+	Health and sport
13.	Deals.BG		+	+	+		+	Children
14.	Dimitar Berbatov Fondation						+	Health and sport
15.	EON Bulgaria					+	+	Art, ecology, human relations
16.	Eurofootball		+	+	+		+	Health, sport, art
17.	Fibank	+	+	+	+		+	Art, education, children,

№	Company	Price	Product	Place	Promotion	Eco	Donation	Specify
								health
18.	G and S					+	+	Ecology, education, sport
19.	Germanos							Health
20.	Gillete Bulgaria				+		+	Sport, education
21.	Globul				+	+		Health, ecology
22.	HP Bulgaria							HR development
23.	ICANTOO - NGO	+	+	+	+		+	Health, children
24.	I Want a Baby Foundation						+	Health, newborn
25.	L'Opeal	+	+	+	+		+	Health
26.	Kirov					+	+	Animals
27.	Lyuben Vasilev Classic						+	Orphans
28.	Miletiev's fitness						+	Sport
29.	Milmex						+	Children, sport and adults
30.	Mtel				+		+	Children and adults with disabilities
31.	Musla-soft			+	+			Health
32.	Nivea	+	+		+	+		Ecology

№	Company	Price	Product	Place	Promotion	Eco	Donation	Specify
33.	Odisey Inn	+	+			+	+	Ecology
34.	Open Society Institute						+	People with disabilities
35.	Pampers & UNICEF	+	+		+		+	Health
36.	Persil Pure & Natural	+	+		+		+	SOS
37.	Picadilly	+	+	+	+	+	+	Improving the urban environment
38.	Piraeus Bank	+	+		+		+	Children
39.	Postbank					+	+	Art, education, children
40.	Raiffeisenbank	+	+		+		+	Art, education, children, health
41.	Revlon	+	+	+	+		+	Health
42.	Schtedrost Foundation						+	Education, orphans
43.	Societe Generale Expressbank	+	+		+		+	Orphans
44.	Techem-services and SOS	+			+		+	Children
45.	Unicredit Bulbank	+	+		+	+	+	Ecology, art
46.	Unicredit Bulbank and						+	Sport

№	Company	Price	Product	Place	Promotion	Eco	Donation	Specify
	Bulgarian Sailing Federation							
47.	UniCredit Consumer Financing and SOS			+			+	Children
48.	Visage Fashion						+	Homeless
49.	Vivacom	+	+	+	+		+	Health, children
50.	Zagora Holding						+	Education, children, art

26% of the surveyed companies support ecological causes. Other widely spread topics include health, children, education, orphans, sport, art and people with disabilities. The accents of these topics are:

- ➢ Ecology – preservation of nature, the ozone layer, planting trees, waste management, etc.
- ➢ Health – prevention of diseases, eating well, general body fitness, healthy environment, safety.
- ➢ Children – special care, preventing abuse, happy childhood.
- ➢ Education – equal opportunities for education, minorities, lifelong learning, etc.
- ➢ Orphans – prevention, providing shelter, adoption.
- ➢ Sport – different sports, sport activities among the society.
- ➢ Art – supporting arts and culture, talented people.
- ➢ People with disabilities – improving the living space, offering job opportunities, etc.

Figure 1 shows the most used in cause marketing campaigns parameters of the marketing mix.

Figure 1.

Marketing mix use in cause marketing campaigns
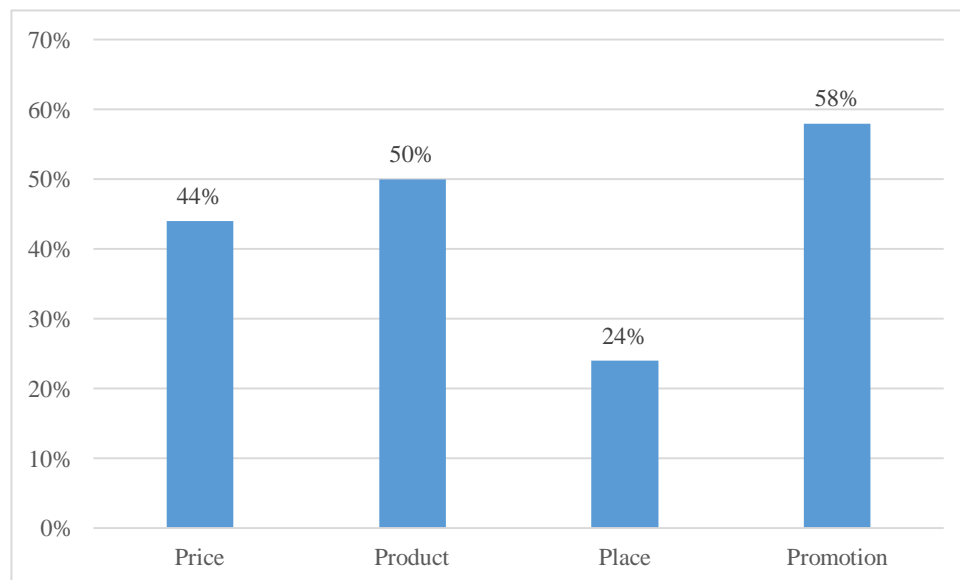
The sampled organizations launch cause marketing campaigns predominantly relying on promotion and special product development.

DISCUSSION

Most of the surveyed organizations support more than one cause. The length of a cause-related campaign depends on the type of the cause, the relationship between the company and the non-profit organization, the success of the campaign.

Although the collaboration between the two parties (business and NPO) some of the companies (14% of the sample) prefer to administer the realization of the cause by themselves. This approach gives them better control over the process and more flexibility. The disadvantage lies in the fact that the cause may not be well distinguished and the targeted market could not trust it wholeheartedly.

We have mentioned that the most widely used marketing mix elements are promotion and product. The companies actively promote the causes they support. They view this approach as a means towards enlarging market share. Many of the companies develop new products so that they can support the cause at their product level and gain recognition among their customers. This is a strong tool in attracting and retaining loyal consumers. We should note that developing new products in support of a specific cause is an evidence of real corporate social responsibility. Price is also a good instrument in cause marketing campaigns. There

may be a surplus charge which goes to charity (resulting in higher prices) or the company spends a part of the profit or percentage of the price for specific cause. Place of distribution is rarely used, unless there is a connection between the product and the place where it is being sold. This will reduce the possible market segments and that is the reason why this element of the marketing mix is neglected.

The main topics of cause marketing campaigns tend to broaden its extent in the past few years. Ecology and health dominated in the past, but now we can see topics concerning children, education, orphans, sport, art, people with disabilities, newborns, human rights, etc. This means that companies begin to sense the needs of the society, as well as the growing role of the non-profit organizations.

The types of implementation of cause marketing campaigns that we have identified are similar to the ones described by Irena Slavova (2012):

> ➢ For each sold product the company donates a certain amount of money.
> ➢ A percentage of the total sales of a product is spend on charity. We add to this type also the donation cards as a specific financial instrument offered by banks.
> ➢ The profit or part of it is donated.
> ➢ Developing a strong relation between the product, its usage and the supported cause.
> ➢ Administering a company proposed cause (this type is added by the authors).

Henceforth, we will witness many new ways of developing cause-related marketing campaigns.

CONCLUSION

There are many examples of companies operating in Bulgaria which support different causes. The survey shows that the partnership between business and non-profit organizations evolves and covers a wide range of activities. We have marked the main topics and types of cause-related marketing campaigns, which tend to expand rapidly. The surveyed companies utilize the elements of the marketing mix, but need more sophistication in its use. The relation between cause marketing and corporate social responsibility still concerns only the product and only half of the companies use this as a CSR approach.

Future research suggestions would include examining customer responsiveness to cause marketing campaigns; specifics by types of industry; impact on key performance indicators, etc.

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[26]

FACTORS AFFECTING THE ADOPTION OF INTERNET BANKING AMONG SRI LANKAN CUSTOMERS

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Abstract

In today's highly competitive financial services market, factors affecting Adoption of Internet Banking (AIB) can help bank managers to decide about the extent to which technology-based systems can be used, the appropriate type of these systems, the pace of implementation and the type of customer support required. Therefore, this paper presents and discusses the factors evaluated on the extended Technology Acceptance Model (TAM), namely perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility which are considered as independent variables and AIB as the dependent variable.250 self-administered survey questionnaires were distributed among bank customers. 200 valid responses were returned, yielding a response rate of 80%. In order to test the relationship between the variables, the Pearson Product-Moment Correlation Technique and Regression Analysis Methods were applied. The results show that all the factors tend to influence customers to AIB. This study has great implications for bank managers and re-positions their advertising strategies to motivate their customers for the AIB. Effective brushers, addressing the benefits and the concerns of AIB can play an excellent role. The findings of the research will also help bank managers to reduce the cost and can limit the number of visits by customers, by motivating them for the AIB.

Keywords: *Adoption of Internet Banking, Sri Lankan customers, Technology Acceptance Model*

Internet banking defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels (Daniel, 1999; Sathye, 1999). The emergence of internet made a paradigm shift in the banking industry. As a result, banks are capable of providing real-time electronic transactions to many customers without any software installation on the customers' personal computers (Lazo and Wood, 2001).Most banks use the internet as a distribution channel through which financial services may be offered at lower costs to a wider spectrum of potential customers. Consequently, this allows banks the opportunity to expand their operations beyond their geographical locations.

In addition, internet banking is rated as the cheapest way to serve the customers for many services (Sathye, 1999). Adoption tendency of internet banking has been particularly higher among young people (Calisir and Gumussoy,2008). Considering the nature of human beings to resist change, it always remains a challenge for marketers to overcome this resistance,

especially adopting new computer- based technology like internet banking. Understanding the factors that influence the diffusion of technological innovation is crucial in identifying market opportunities(Rogers,1995).New applications based on technology must be tailored to the needs of different customer segments (Burke, *et al*.,2002).

In Sri Lanka, only around 20,000 bank customers, who are very significant, are in favor of the AIB according to bank sources.Thus, bank customer acceptance is a key phenomenon to determining the rate of change in the financial sector.

This study explores the factors affecting to the AIB among Sri Lankan customers in the Colombo district. It has been generally observed that there is a gap in the empirical knowledge with regard to the factors affecting the AIB in Sri Lankan customers. Based on this empirical knowledge gap three research questions were formulated.

1. What are the factors affecting the AIB in Sri Lanka?

2. Are there any relationships between factors and the AIB in Sri Lanka?

3. Do perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility jointly and significantly affect the AIB?

THE RESEARCH OBJECTIVES

Consistently, the objectives of this study are:

1. To explore the factors affecting the AIB in Sri Lanka;
2. To identify the relationship between factors and the AIB in Sri Lanka; and
3. To investigate whether perceived ease of use, perceived usefulness, compatibility, innovativeness and perceived credibility factors have a significant joint impact on the AIB in Sri Lanka.

LITERATURE REVIEW AND HYPOTHESES

Adoption of internet banking

The concept of electronic banking has been defined in many ways. Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers

via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television. Pikkarainen, *et al.*, (2004) define internet banking as an "internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments". With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001).

Banks use internet banking, as it is one of the cheapest delivery channels for banking products (Pikkarainen*, et al,* 2004*)*. Such service also saves the time and money of the bank with an added benefit of minimizing the likelihood of committing errors by bank tellers (Jayawardhena and Foley, 2000). There are other numerous advantages to banks offered by online banking such as mass customization to suit the likes of each user, innovation of new products and services, more effective marketing and communication at lower costs (Celik, 2008), development of non-core products such as insurance and stock brokerage as an expansion strategy, improved market image, better and quicker response to market evolution (Jayawardhena and Foley, 2000). Internet banking services has become one of the most important factors in the business economy today.

Perceived Ease of Use (PEOU) refers to "the degree to which a person believes that using a particular system would be free of effort"(Davis, 1989).The more the efforts required for system execution, the less will be the adoption of the system. Hence individuals will form a positive intention about behavior for new technology which they believe are easy to learn or use (Celik, 2008; Koening, Palmer and Moll, 2010; Ozdemir, Trott and Hoecht, 2008).Researchers (Heijden, Verhagen and Creemers, 2003; Ventkatesh and Davis, 1996)found that PEOU had a positive and direct effect on user acceptance of the information system.

Perceived Usefulness (PU*)* is the extent to which someone believes that using a technology will enhance the productivity and rated perceived usefulness as a significant factor that affects user acceptance in information system research (Davis, 1989). Several researchers (Chau and Lai, 2003; Eriksson, Kerem and Nilson, 2005; Pikkarainen, et *al.,* 2004; Sudarraj and Wu, 2005 and Wang, *et al.,*2003) validated that perceived usefulness was a significant factor for determining online banking usage. For this study purpose, PUis considered as a product value

for the customers. Product value for a bank customer will be in a sense, a 24-hourwalking account, and hassle free task accomplishment. It will speed up the Adoption of Internet Banking if its usefulnes is perceived by the user.

Compatibility(C*)* is described as " the degree to which an innovation is perceived as consistent with existing values, past experiences and needs of potential adaptors" (Rogers,2003.p. 240). Higher compatibility is the source of preferable adoption. Some researchers claimed that compatibility leads to positive adoption (Wu and Wang, 2005). It is human nature to derive the higher satisfaction from those innovations, which are found compatible to his/her life style. This higher level of satisfaction causes a source of penetration of that innovation in the social group of the concerned satisfied individual.

Innovativeness (I) is being always ready with a "to do" attitude, pampered up to defeat the risk and threat leakage, attached with the adoption of new technologies. These are named as innovators and have a tendency to behave like innovators, and this is termed as innovativeness (Rogers, 2002). This behavior makes them first adopt a new technology. To satisfy the internal thirst of being the first one drives innovators to overcome risk and the cost attached with the new technology. Agarwal and Prasad (1998) made mention of them as experienced users to identify the value of innovation more easily. Innovators are followed by early adopters, early majority, late majority, and laggards on the grounds of innovativeness (Rogers, 2002).

Perceived Credibility (PC) refers to the two important dimensions, namely security and privacy that are identified across many studies as the effecting intention by users to adopt the internet-based transaction systems (Wang et al., 2003) .Wang *et al*. (2003) examined internet banking and found that PC had a significant positive effect on behavioral intention over internet banking. The study also strongly suggests that PC has the higher ability to predict and explain the intention of users to adopt internet banking. Most of the bank customers are reluctant to use internet banking as they have concerns over security and privacy issues. However, a study by Pikkarainen*et al,.* (2004) showed PC to be statistically non-significant. In that sense, security and privacy were found to have a relatively weak relationship with the acceptance. The security concern distressed the acceptance and adoption of new technology (Daniel, 1999; Connel, 1996).

Hypotheses

Drawing from the literature reviewed above, it is proposed for this study that the direct relationship between factors and AIB. Figure 01 illustrates the proposed relationships. Based on the conceptual framework developed for the study, following hypotheses were proposed:

H1: Perceived ease of use has a positive relationship on the adoption of Internet Banking.

H2: Perceived usefulness has a positive relationship on the adoption of Internet Banking.

H3: Compatibility has a positive relationship on the adoption of Internet Banking.

H 4: Innovativeness has a positive relationship on the adoption of Internet Banking.

H 5: Perceived credibility has a positive relationship on the adoption of Internet

Banking.

A combined influence of the above variables on the AIB refers to a simultaneous effect of the five related variables on the AIB.PEOU, PU, C, PC, and I were hypothesized as independent variables that positively relate to the AIB. Hence, it is argued that these five variables will have a significant joint impact on the AIB. Based on this argument the sixth hypothesis for the study is as follows:

H6: Perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility together will significantly explain the variance in the AIB.

AIB is labeled as the dependent variable of this study as it is the variable of primary interest of the researchers. Perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility are labeled as independent variables as they are assumed to have influences on the AIB. Figure 1 depicts the schematic diagram of the research framework of this study.

RESEARCH METHODOLOGY

Study Design

The researchers were interested in investigating whether PEOU, PU, C, PC and I relate to AIB and whether these five variables have a significant joint impact on the AIB, rather than establishing definite cause-effect relationships among the variables. Hence, the type of investigation of this study is co-relational rather than causal. Nature of the study was analytical or hypotheses testing as this study attempted to analyze the relationships between the dependent variable (AIB) and the independent variables. Time horizon of the study was cross-sectional due to the reason that the data for this study were collected at a single point in time (Sekaran and Bougie, 2010). When the focus of the study was considered, 'cross-sectional' rather than 'longitudinal' was an appropriate strategy. For the purpose of collection of primary data on which this study was based largely in order to achieve objectives of the study, a positivist research method was used. Hence, the researchers 'interference on the normal flow of events was minimal.

All bank customers in the Colombo district were taken as a population. Convenience sampling method was used for the study. This research was carried out by distributing 250 survey questionnaires to the customers in 10 domestic commercial banks in the Colombo region (see Table1). The sample size obtained for this study is appropriate according to the rules of thumb proposed by Roscoe (1975) (as in Sekaran, 2010).Such as that, sample sizes larger than 30 and less than 500 are appropriate. This study considered sample size as 250 respondents. Since the unit of analysis of this study was bank customers, the data were collected by mailing the questionnaire. A letter of request and a letter of appreciation were attached to the questionnaire. They consisted of the self-introduction of the researchers, the reason for conducting the research and assurance of security of the information given by the respondents and the due recognition for the support given by the respondents. 200 responded to the questionnaire and the yielding a response rate was 80 per cent.

Measures

The structured questionnaire was adapted. The responses to the questions were elicited on a 5-pointlikert scale of 'strongly agree, agree, neither agree nor disagree, disagree, and strongly disagree'. Weights of 5,4,3,2 and 1 were given to these responses taking into account whether the questions were negative or positive. The items for Perceived ease of use and perceived

usefulness were adapted from Davis (1989). The items for compatibility and innovativeness were adapted from Pikkarainen*et al.* (2004) and perceived credibility was adapted from Luarn and Lin (2005).

Validity and Reliability

The content validity of the measures was censured by conceptualization and operationalization of the domains of the variables based on an adequate literature review. The dimensions and element of the variables were delineated carefully after developing the working definitions based on the literature. These evidences support the content validity of the instruments of this study. The construct validity of the variables of this study was ensured as the correlation analysis supported the hypotheses formulated, linking the relationship between the AIB and the independent variables. To measure the external reliability of the questionnaire, which consisted of all the measures for the study (relating to six variables), a test-retest was conducted by using 10 customers with a two-week time interval between the two administrations. The coefficient of the test-retest of the questionnaire was .890 suggesting that the measures possessed a high external reliability. To measure the inter-item consistency reliability the Cronbach's Alpha test was used (results are given in Table 2). According to the results of the test, there was an adequate degree of internal reliability with regard to the constructs (factors and the AIB).

Techniques of Data Analysis

SPSS 16 statistical package was used in this study. In the analysis two demographic characteristics i.e., gender and marital status were controlled. The demographic characteristics were gender (female=0, male=1), marital status (single=0, married=1), age, education level and the number of years as a customer in the present bank were measured as a continuous scale.

There were six hypotheses of the study. The Pearson Product-Moment Correlation technique was used for hypotheses, as they were about relationships between two variables (H1-H5). As the sixth hypotheses were about testing a combined impact of the independent variables on the dependent variable, the Multiple Regression technique was applied. Exploration of the data for normality and linearity was carried out because the two techniques used for data

analysis were parametric tests. The data exploration revealed that assumptions of normality and linearity had been met reasonably.

RESULTS

With regard to demographics of the respondents, 44% was female and 56 % was male. 37% was single and 63% was married. The mean age was 40 years (SD=2.84; min. = 25 years; max. =50 years). The average number of years as a bank customer in present bank was 6 years (SD=1.57; min=4 months; max=12 years); 83% had Bachelor's degrees or equivalent professional qualifications; 17% had postgraduate degrees. 42% reported that they do not have dependents.

As there are five internet-affecting factors considered for the study, five hypotheses were formulated to test the relationship between each of the variables and the AIB. The aggregate

Effect of the five variables on the AIB was tested by the six hypotheses. The results of Pearson's Product Moment Correlation that was used to test the null hypotheses for the five hypotheses are shown in table 3. As a 95 percent confident level is desired, the level of significance   is .01 and .05. Two-tailed test was used because all the five hypotheses were bivariate that were concerned with a positive relationship As can be seen, the correlation coefficients of perceived ease of use, perceived usefulness, compatibility, innovativeness and perceived credibility factors were significant and therefore the null hypotheses pertaining to these five variables were rejected. This means that the hypothesized relationship (positive) between each of the five variables and the AIB was supported by the data.

The sixth (final) hypothesis formulated for the study was that perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility together will significantly explain the variance in the AIB. The test of this hypothesis leads to accomplish the second objective of this research study, i.e., to investigate whether internet banking related factors have a significant joint impact on the AIB in bank customers in Sri Lanka. The relevant results of the multiple regressions are shown in table 4.

The results show that the multiple regression coefficients (R) of the five-internet banking related independent variables, the AIB was .386 and the R Square was .149. R Square is

significant at .05 as F value is 3.425 with an observed significant value of .007 (which is less than 0.05). It indicates that about 15 percent of the variance (R Square) in the AIB has been significantly explained by the five independent variables together substantiating the alternative hypothesis (six). Therefore, there is statistical evidence to reject the null hypothesis that perceived ease of use, perceived usefulness, compatibility, innovativeness and perceived credibility together will not significantly explain the variance in the AIB.

DISCUSSION

Perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility were found to be significantly and positively related to the AIB. It was hypothesized that perceived usefulness, compatibility, innovativeness, and perceived credibility have a positive relationship with AIB. As recommended by Pikkarainen*et al.*, (2004), the four independent variables (perceived ease of use, perceived usefulness, compatibility, and innovativeness) of the current study were aggregated. Perceived credibility result is not matched with the finding of Pikkarainen*et al,.*(2004) that the perceived credibility factor has been found to affect AIB. The results produced with a consistent to the original TAM (Davis, 1989), where perceived ease of use and perceived usefulness were significant predictors for the AIB. Furthermore, the present study is consistent to empirical findings of the studies (Heijden, Verhagen and Creemers, 2003; Luarn and Lin, 2005; Ventkatesh and Davis, 1996).

CONCLUSION

Findings derived from the bivariate analysis of the data were that perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility positively anSignificantly relate to the AIB. Multivariate analysis revealed a significant combined influence of perceived ease of use, perceived usefulness, compatibility, innovativeness, and perceived credibility on the AIB.

This study evidently has shown that all internets related factors are found to be significant to the AIB. This research has great implications for the bank managers. They can reposition their advertising strategies to motivate their customers for the AIB. The customers should be addressed for factors, which are hurdles in internet banking adoption during account opening. Effective brushers addressing the benefits and the concerns of internet banking can play an

excellent role. Electronic media campaigns can be launched, focusing how internet banking is addressing the concerns about ease of use and usefulness. This will not only lead the customers to the AIB, it will help in sustaining the existing customers. The findings of the research will also help the bank managers to reduce the cost and can limit the number of visits of customers by motivating them for the AIB. The bank management therefore should focus on security need to be effectively mentioned in brochures/booklets of internet banking. This helps to instill the confidence of prospective users.

This study was affected by three limitations. Firstly, this research is only focusing on customers in the Colombo district. Further research is recommended for other districts. Secondly, this study is based on behavioral intention of individuals for the AIB. This explains that different factors perhaps influence those who are actually using internet banking. In order to minimize this limitation, the future research could be, working on a study that investigates users and non-users of internet banking in Sri Lanka. These explanatory factors have limited impacts on the internet banking acceptance among bank customers. Future studies should re-focus on the factors using comprehensive samples in order to yield significant results.

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Figure 1: Schematic Diagram of the Research Framework
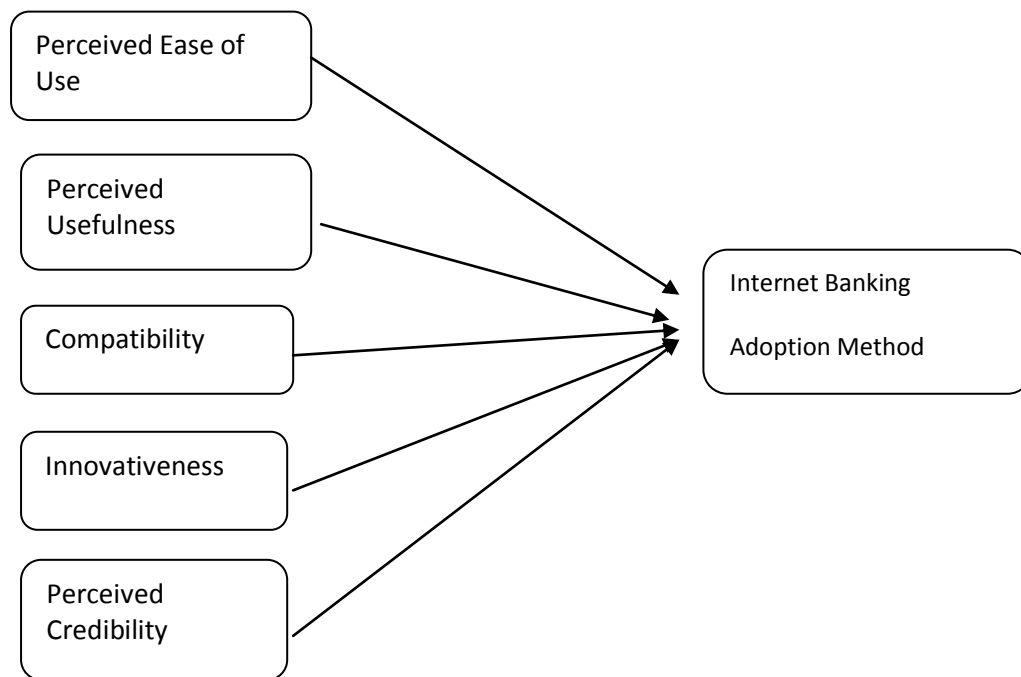
Table 1: Sample

Bank	Sample
Bank of Ceylon	25
Commercial Bank	25
Hatton National Bank Ltd	25
DFCC Vardhana Bank	25
Nation Trust Bank	25
NDB Bank	25
Pan Asia Bank Ltd	25
Peoples Bank	25
Sampath Bank	25
Seylan Bank	25

Table: 2. Cronbach's Alpha Reliability Test

	Cronbach's Alpha	No of Items
AIB	.914	5
Perceived ease of use	.909	5
Perceived usefulness	.936	4
Compatibility	.803	3
Innovativeness	.894	4
Perceived credibility	.873	4

Table 3: Hypotheses for the study

Hypothesized Relationship	Coefficient	Sig-2 tailed	Significant level
Perceived ease of use and AIB	.444	.011	.05
Perceived usefulness and AIB	.596	.000	.01
Compatibility and AIB	.360	.009	.01
Innovativeness and AIB	.767	.000	.01
Perceived credibility and AIB	.761	.000	.01

Table: 4 Combined Impact of the five factors on AIB

R	R Square	Adjusted R Square	Std.Error of the Estimate	F Value	Sig. F
.3863	.149	.105	9.30803	3.425	.007

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[27]

ARCHITECTURAL VISUALIZATION MARKET RESEARCH: THE APPLICABILITY OF WEB-BASED SURVEYS FOR DEVELOPING CROSS-CULTURAL MARKETING MIX

Elena Savinova

Abstract

While globalization and the spread of the Internet create new possibilities for businesses, these environmental changes pose great challenges as well. Small firms striving to enter new, sometimes faraway, markets are facing the growing need for reliable information about foreign customers. Marketing research is the most effective means allowing for better understanding of the company's current and potential clients. Traditional marketing research may sometimes be impractical due to budget constraints inherent in small firms. A more feasible alternative is the in-house on-line marketing research, especially for the on-line businesses such as architectural visualization. As this article shows, in certain cases web-survey provides enough data for developing cross-cultural marketing-mix. The study researched the reliability and feasibility of the web-survey method by investigating cross-cultural responses from the United States, Great Britain, Russia, Singapore, and Hong Kong. The perception of the relative importance of seven factors that influence the choice of executor was compared. The study detected a statistically significant difference in the importance perception for two of the seven factors, both of which had a middle-value rank of consequence. The results indicate that the opportunity for using on-line marketing research exclusively instead of traditional methods remains limited but applicable within certain specific business areas.

Keywords: web-based survey, cross-cultural, international marketing research

Globalization is a new phenomenon in the development of international business that emerged in the late twentieth century. A global company, like a multinational corporation, makes and sells products in different countries, but it does so using the same products, the same production process and a unified strategy in all markets. Global corporations view the whole world as a single market. There are several factors, proving that a unified global strategy can indeed be beneficial for a company. However, the development of such a strategy is a difficult and lengthy process. The goal of a global company is to make the production process, sales and distribution channels standard in all markets. Usually, companies have no problems with the standardization of the production process; the main problems arise when trying to standardize the sales and distribution channels.

The advent of the Internet, especially the use of e-mail for communications, and the increasing popularity of the World Wide Web as a medium for communications, public

relations and sales promotion, has hastened the pace of changes occurring in international commercial practices. As we move forward, the real challenge for many small and medium enterprises (SME) will be navigating the complexities of an increasingly globalized marketplace. This means that companies will have to globalize the operations in one way or another. They will also have to find new and more effective ways of assimilating huge amounts of information as well as analyzing it. In the near future, global strategic planning will become an essential factor for the success of the enterprise.

Globalization, new technologies and the increasing spread of the Internet have led to the emergence of new areas of activity, new types of business, and the expansion of opportunities for enterprises to promote products and services through the Internet environment. For example, architectural firms are now able to demonstrate their projects not only in the form of sketches, drawings or foam plastic models, but also in the form of visual three-dimensional computer models and images of buildings. Architectural visualization is a graphical representation of an object in architecture or a situation in urban planning. It has a certain degree of informativeness and enables the most definite representation of the external characteristics of future buildings. Currently, architectural visualization is the most effective form of demonstrating competitive projects and creating presentations in the field of design and construction.

To date, architectural visualization as the end product combines the informative value of the projected architectural forms "as is", and the artistic value from the viewpoint of composition, setting of light and correct presentation of architectural elements in existing landscape. The capabilities of modern computational algorithms and computer capacities enable creating of completely photorealistic images of architectural forms. Thus, at the moment architectural visualization includes a wide variety of tasks for developers and architects, as well as for advertisers. Such a broad range of possibilities of architectural visualization set the stage for the development of this field of computer graphics into a separate branch of services on the global market. Three-dimensional models of buildings are becoming more and more demanded with the spread of the use of informational systems in constructions. They are the foundation of sensor networks, automation of various devices in the premises, technical supervision and inspection (Hohmanna et al, 2010). In recent years, architectural visualization has also found application in the field of reconstruction and documentation of buildings of historical and artistic value (DeLuca et al, 2011) and in the distance education (Styliadis, 2007).

Architectural visualization is needed by companies related in one way or another with the architecture. It allows for visualizing and depicting the completed project in detail long before the construction begins. The consumers of architectural rendering services are architectural offices, developer and construction companies, organizations involved in interior and landscape design. Visual presentation of projects helps to convey information to non-specialists and to avoid the issues with the perception of specific diagrams, drawings and sketches that may arise. Thus, the German landscape architects use architectural visualization to get approval within governmental and municipal organizations involved in urban planning and to get feed-back from the lay people during the presentation of their projects (Paar et al, 2006).

It is known that internationalization can improve productivity of small and medium businesses. The reason for this improvement is the possibility of obtaining new information on foreign markets and its use for the development of new products and services, reinforcement of brands in domestic market, and the formation of strategic alliances. For the internationalization to be successful companies need to obtain information on possible strategies of brand development, marketing communications, technologies, etc. in foreign markets (Pangarkar, 2008). The best way to obtain such information is to conduct marketing research.

Review of methods used in international marketing research suggest that the most popular form of research is mail survey, followed by CAPI-interview (Computer Assisted Personal Interview), face-to-face interview and CATI-survey (Computer Assisted Telephone Interview). On average, such studies involve 1.56 countries and the most frequently researched subjects are managers. Despite the fact that probability sampling is a more reliable method, most studies use expert and unrepresentative samples. The average sample size varies from 181 to 5,186 depending on the units of selection. In case the sample consists of managers, the average size is 426 respondents. Response rate varies from 27.4% for mail surveys to 51.2% for CAPI-surveys (Yang et al, 2006). There are a number of articles comparing response rate, response time, sampling bias in different survey methods – personal, telephone and web-survey (Kwak et al, 2002). Obviously, online research is a promising direction since the costs are lower, the process takes less time and the process is automated (there can be no input errors or incorrect answer). In addition, online surveys enable the use of a variety of audio and video content, as well as links to external sources in the questionnaire. To reduce the costs, many SMEs would prefer to abandon the traditional survey and switch over to the web-survey. However one can not ignore problems facing the organizers of online

survey. The most important of them are the representativeness of the data and the low response rate (Fleming et al, 2009). High response rate is an important criterion by which to judge the quality of the data obtained (Shih et al, 2009). The problem of data representativeness stems from the fact that many people still have no access to the Internet which makes the audience of Internet users unrepresentative with regard to society as a whole. However, there are certain areas at present in which it is possible to replace the traditional methods of the survey with the web survey. For instance, survey of the consumers of architectural visualization services, kind of business promoting its services via the Internet.

The given study aimed to determine whether or not it is possible to develop a marketing mix strategy based on the data obtained from the web-survey. Research data for the study were obtained from the following regions: USA, UK, Russia, Singapore and Hong Kong. The study analyzed preferences and perception of architectural visualization service by architects from the regions mentioned above.

METHODOLOGY

Population and Sample

The population for this study was consumers of architectural visualization services presented by architectural offices, studios of interior and landscape design, which outsource their visualization projects. An unrepresentative sample type with the systematic selection of units was selected for the survey. The systematic selection of units is easier than simple random selection because the random selection of population units is performed only once. Given that some of the lists used in the work contain tens of thousands of population units, this method saves time. Systematic sampling allows receiving a more representative and reliable sample than simple random sampling method (Churchill and Brown, 2006).

Sample was formed on the basis of the following professional directories:

- Architects Registration Board [online] Available at: <http://www.arb.org.uk>
- Board of Singapore architects [online] Available at: <http://www.boa.gov.sg>
- Directory of architects [online] Available at: <http://www.world-architects.com>
- Directory of architects (Russia) [online] Available at: <http://www.archistudio.ru>
- Directory of architects (USA) [online] Available at: <http://www.architectsusa.com>

The Survey

Following the recommendations for the increasing of the response rate, the invitation to the survey was personalized and included the description of research objectives. It also provided the estimation of real time to complete the survey, as well as mentioned where the email address of the respondent was found, and ensured that the information will be statistically processed (Fan et al, 2010).

Russian and English versions of the questionnaire were published on the SurveyGizmo server. This company was chosen to conduct the study for several reasons, the most important of which are:

- The researcher does not need to have programming skills and be able to work with HyperText Markup Language (HTML) to create a poll and choose its design;

- It is possible to export data in the form of cross-tabs for the preliminary analysis during the study as well as in SPSS format for the subsequent processing;

- There is a possibility of simultaneous publishing of multiple surveys, which was important due to the use of Russian and English versions of the survey;

- Questionnaire transitions can be programmed. Branched questions presuppose transition to different questions depending on the answer chosen. The possibility of the programming of different scenarios guarantees obtaining reliable data, since there is no confusion with the transitions instructions.

-

In this study we use the formula for the minimum response rate:

$$MRR = \frac{CQ}{(CQ + PQ) + (R + U + O)}, \text{ where}$$

MRR – Minimum Response Rate; CQ – the number of fully completed questionnaires; PQ – the number of partially completed questionnaires; R – Refusal to take part in the survey; U – the number of undelivered invitations; O – other reasons for not completing the questionnaire (Shih et al, 2009).

The invitations had been sent on Mondays and Tuesdays each week and the fieldwork took a month and a half in total. The highest response rate was among the Russian respondents (22.3%) and the lowest – among the European respondents (5.8%). For the United States response rate was 9.9%, and for the respondents from Singapore and Hong Kong the value was 12.9%.

Data Analysis

As responses were received, The Shapiro-Wilk test was used to test the normality of distribution in the groups. One-way analysis of variance (ANOVA) and chi-square tests were used to analyze the differences between the groups. A multivariate F-test and Scheffe post hoc test were used to analyze the differences in the perception of the relative importance of several factors affecting the choice of executor.

RESULTS AND DISCUSSION

Respondent Profile

The Shapiro-Wilk Test was used to test the normality of distribution by age in the sample groups. The test reported that for all the regions studied the dependent variable "Age" was approximately normally distributed. For UK the Shapiro-Wilk statistics equals 0.991, p = 0.488 with mean = 45.8 and standard deviation breve = 3.862. For the United States the Shapiro-Wilk statistics equals 0.982, p = 0.693 with mean = 46.6 and standard deviation breve = 3.738. For Russia the Shapiro-Wilk statistics equals 0.994, p = 0.797 with mean = 46.1 and standard deviation breve = 4.887. For Singapore and Hong Kong the Shapiro-Wilk statistics equals 0.982, p = 0.667 with mean = 46.9 and standard deviation breve = 6.989. There were no statistically significant differences between sample group age means as determined by one-way ANOVA $(F (3, 483) = 0.844, p = 0.47)$.

Chi-square tests were used to examine the homogeneity of the sample groups, to determine if they differed as to gender, position, and the frequency of service usage. The two-sided asymptotic significance of the chi-square statistics for the variables "Gender", "Position" and "Frequency of use" are 0.571, 0.85 and 0.484 respectively. Therefore, it can be concluded that the differences are due to chance variation, which implies that the distributions by these variables are approximately the same among the sample groups. Cross-analysis by these variables is presented in tables 1-2 respectively.

Table 1
Cross-distribution by gender and position (percentage of respondents)

	UK (n = 143)	US (n = 106)	Russia (n = 144)	S&HK* (n = 94)
Gender:				
Male	77	82	76	83
Female	23	18	25	17
Position:				
Director/ owner	57	64	58	61
Architect	43	36	42	39

*S&HK stands for Singapore and Hong Kong

Table 2

Cross-distribution by frequency of service use (percentage of respondents)

	UK (n = 143)	US (n = 106)	Russia (n = 144)	S&HK* (n = 94)
Frequency of service use:				
Daily	11	17	16	9
Several times a week	9	9	11	6
Several times a month	29	21	32	26
Several times a year	51	53	41	60

*S&HK stands for Singapore and Hong Kong

Usage and Attitude

When answering the question what kind of project presentation they most often need the majority of respondents in all the regions chose still images. No respondents in Singapore and Hong Kong or Russia chose animation as the most frequently needed type of presentation. 6% of European respondents and 9% of respondents in the United States noted that most often they need animation (see table 2).

Table 3

Cross-distribution by the most often needed type of project presentation (percentage of respondents)

	UK (n = 143)	US (n = 106)	Russia (n = 144)	S&HK* (n = 94)
Type of presentation:				
Animation	6	9	0	0
Still images	89	79	99	85
Interactive presentation	5	13	1	15

*S&HK stands for Singapore and Hong Kong

Cross-analysis of the types of projects by region yielded interesting results (see table 4). As the table shows, almost half of the respondents in Russia most often work with the visualization of interiors. When promoting services in Russia, this information should be taken into account. The majority of architects in other regions usually need to present both exteriors and interiors.

Table 4

Cross-distribution by type of project usually used (percentage of respondents)

	UK (n = 143)	US (n = 106)	Russia (n = 144)	S&HK* (n = 94)
Type of project:				
Interior visualization	5	0	45	0
Exterior visualization	32	28	15	28
Usually we need both	63	72	40	72

*S&HK stands for Singapore and Hong Kong

The most commonly chosen average cost per one still image was less than $500, it was mentioned by 40% of respondents; 22% of respondents usually pay from $500 to $1,000 per one still image; and 13% indicated that the average cost of a single image lies in the range from $1,000 to $2,000. 14.5% of respondents could not answer the question. When considering the cross-analysis of the average cost of a single still image by region, it can be seen that the most common cost of the image in Russia and Europe is less than $500 US dollars; in Singapore, Hong Kong and the US the most common cost lies in the range from $500 to $1,000 (see table 5).

Table 5

Cross-distribution by the average cost of a still image (percentage of respondents)

	UK (n = 100)	US (n = 63)	Russia (n = 111)	S&HK* (n = 84)
Less than $500	41	25	85	33
$501 - $1,000	26	29	14	36
$1,001 - $2,000	19	14	2	21
$2,001 - $3,000	10	18	0	7
$3,001 - $4,000	3	7	0	2
More than $4,000	1	7	0	0

*S&HK stands for Singapore and Hong Kong

Culture and socioeconomic conditions are potential influencing factors contributing to differences in consumers' decision-making. To examine the role of these factors for attitude formation toward executors respondents were asked to rate the relative importance of seven factors that influence the choice of executor on a 7-point scale where 1 stands for "Absolutely unimportant", and 7 stands for "Extremely important". The assigned ranks could not repeat, in other words each factor had had to be assigned a unique rank. The following factors were provided:

- Cost
- Quality

- Timing/ speed
- Flexibility – readiness to make multiple adjustments
- Extensive portfolio
- Client's feed-backs at the company's web-site
- Company's publicity

Each rank has been analyzed, the distribution of factors that have been assigned different ranks is shown in table 6, and the mean importance of each factor is presented in **figure 1.**

Table 6

Distribution of factors assigned ranks from 7 "Extremely important" to 1 "Absolutely unimportant" (percentage of respondents)

|	Rank assigned, % of respondents						
Factors:	**7**	**6**	**5**	**4**	**3**	**2**	**1**
Cost	13.5	19.7	26.7	20.3	11.1	6.3	2.4
Quality	55.1	24.9	11.3	4.5	1.8	1.3	0.5
Speed	10.9	26.2	27.5	23.0	8.2	2.6	1.6
Flexibility	16.6	19.2	17.0	23.2	10.6	9.0	4.5
Portfolio	2.6	5.2	8.6	15.6	36.1	20.1	12.0
Client's feed-back	.5	2.9	6.8	9.0	18.2	35.9	27.0
Company's publicity	.8	1.8	2.1	4.5	14.0	24.8	52.1

Figure 1
Mean importance of factors that influence the choice of executor
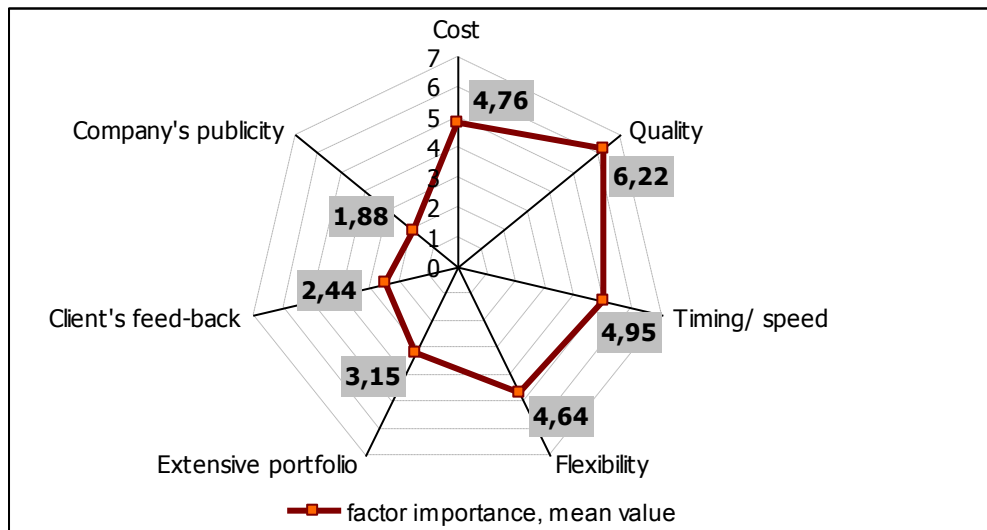
TOP2 boxes analysis was also performed, showing the frequency of assigning maximum ranks of importance (6 and 7) to each factor (see figure 2).

Figure 2

TOP2 boxes analysis of factors that influence the choice of executor
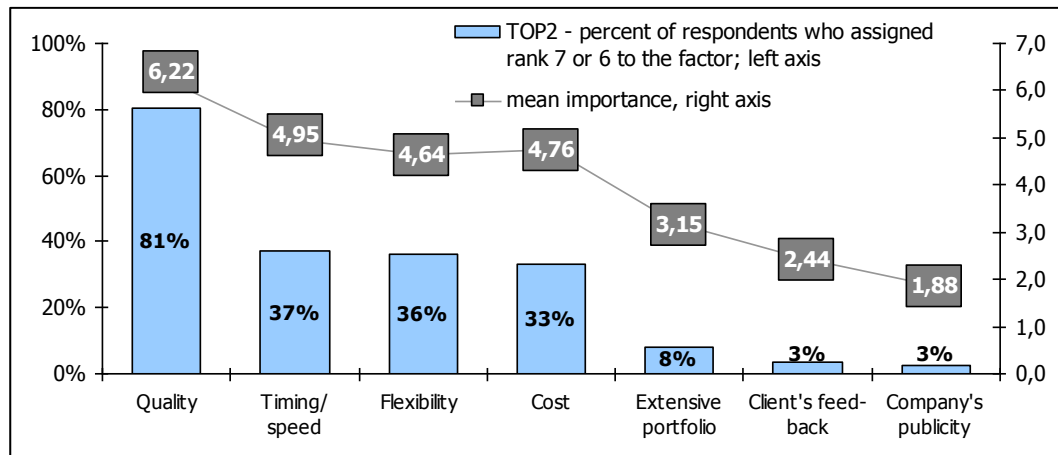
It can be seen that 81% of respondents consider quality the most important and important factor (ranks 7 and 6), the mean importance of this factor is 6.22 out of 7; 37% of respondents marked factor "Timing/speed" with ranks 7 and 6, its mean importance is 4.95 out of 7. Interestingly, only 33% of respondents consider factor "Cost" as important and the most important and the average importance of this factor is 4.76 out of 7. An extensive portfolio, clients' feedbacks and the company's publicity are not significant factors when choosing an executor. However, these factors should be taken into account when promoting architectural visualization services since 8% of respondents consider them to be of great significance. Means and standard deviations for the seven factors are presented in Table 7.

Table 7

Means and standard deviations (sorted by total)

	Total, n = 487	UK, n = 143	United States, n = 106	Russia, n = 144	S&HK*, n = 94
Factors:					
Quality	6.22 (1.14)	6.27 (1.19)	6.36 (.99)	6.21 (1.06)	5.96 (1.37)
Timing/ speed	4.95 (1.32)	4.79 (1.44)	4.87 (1.33)	4.97 (1.19)	5.45 (1.23)
Cost	4.76 (1.51)	4.85 (1.52)	4.38 (1.51)	4.88 (1.49)	4.53 (1.52)
Flexibility	4.64 (1.70)	4.49 (1.69)	4.34 (2.09)	4.92 (1.52)	4.53 (1.78)
Portfolio	3.15 (1.43)	3.08 (1.57)	3.51 (1.44)	3.20 (1.29)	2.85 (1.35)
Clients' feedback	2.44 (1.35)	2.59 (1.45)	2.51 (1.21)	2.19 (1.18)	2.62 (1.58)
Company's publicity	1.88 (1.22)	2.04 (1.29)	2.02 (1.54)	1.62 (.97)	2.06 (1.29)

*S&HK stands for Singapore and Hong Kong

A multivariate F-test and Scheffe post hoc test were used to determine if the results are statistically significant for each factor and to establish the European results as the base for comparisons (see table 8). A positive value indicates that European respondents place a higher

importance for that factor compared to the other groups. A negative value indicates that European respondents place a lower significance for that factor compared to other sample groups. Based on the Scheffe test, two of the seven factors differ significantly between sample groups. The factor "Timing/ speed" is significantly more important for the respondents from Singapore and Hong Kong, and the factor "Company's publicity" is significantly less important for Russian respondents.

Table 8

Relative importance of factors that influence the choice of executor using F-ratios and Scheffe tests scores

	F	UK/ US	UK/ RUS	UK/ ASIA
Factors:				
Quality	1.173	-.089	.064	.315
Timing/ speed	3.024 *	-.082	-.182	-.657 *
Cost	1.804	.470	-.022	.321
Flexibility	2.266	.149	-.434	-.042
Portfolio	1.867	-.434	-.124	.226
Clients' feedback	2.542	.084	.400	-.023
Company's publicity	3.642 *	.021	.424 *	-.022

EUR – Europe, US – United States, RUS – Russia, Asia – Singapore and Hong Kong

* Significant at the 0.05 level

Cross-cultural comparison of results between Great Britain and the United Stated reveals no significant differences in the perception of the relative importance of seven factors. This result supports the possibility of marketing mix standardization within culturally similar markets with economic similarities. Comparing European and Asian respondents' perceptions indicates one factor (timing/ speed) is statistically significant. Given that this factor was assigned the second highest rank, the importance of the time factor for the respondents should be considered when developing marketing mix for this region. Finally, for the European and Russian respondents there is one statistically significant factor – company's publicity. Despite the lowest rank assigned to this factor, the result should be taken into account when developing promotion strategy on the Russian market. Overall, the results indicate that there are no major differences in the relative importance perception among the respondents of the sample groups. Therefore, there is no need to develop a unique marketing mix for each of these countries; a standard promotion strategy can be used with occasional customization.

CONCLUSION

Web surveys have some indisputable advantages, such as administration time, automated data entry, cost, and the possibility to include interactive elements to the questionnaire. However, the results of this study indicate that there are certain limitations to the wider use of on-line surveys.

The main objective of this study was to explore the possibility of collecting reliable data for the developing of cross-cultural marketing mix using on-line survey instead of a more traditional method of face-to-face interview. As this paper shows, 487 usable questionnaires were returned in total, which is a sufficient sample size for an exploratory study. The study revealed no major differences in the perception of the relative importance of factors influencing the choice of executor among the respondents from different regions. This implies the possibility of developing single strategy of service promotion with minor cross-cultural adaptations.

Despite the fact that the data obtained provided the necessary information on the consumers of architectural visualization service in several regions, the response rate was rather low, which could be a problem in a more rigorous study. Another problem for a wider application of on-line survey is applying this method to appropriate populations. The population researched in this study can be reached via the Internet; thus, the use of web-survey is justified. Nevertheless, sampling bias could be introduced if the researched population had not had access to the Internet, which would call into question the reliability of such data.

As the Internet coverage grows and new technologies appear, marketing research methods should adapt to these changes and further study possibilities for a wider implementation of web-surveys in various studies.

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[28]

UNTANGLING THE COMPLEX STORE FORMAT CHOICE BEHAVIOR IN INDIA: AN EXPLORATORY STUDY

Saravana Jaikumar

Abstract

The organized retail constitutes only 10% of the retail food and groceries market in India. The kirana stores (small mom and pop stores) still dominate the retail space with 90% market share. However the situation is completely different in the developed nations. Significant quantitative research has been conducted in this area to identify the reasons behind the slow development of supermarket formats in India. The reasons are not very simple to capture and there are a number of intertwined factors that play a role leading to people patronizing kirana stores to a greater extent. It is argued that most of the elements identified in earlier research (under experimental conditions) as responsible for success of kirana stores, in real world settings do not play a role. The objective of this study is to understand the complexity involved in the store format choice using a qualitative approach. The focus will not be in identifying the factors that influence the choice but on explaining the interactions of these factors and untangling the complexity involved in the store format decision process. The study reveals that cultural and educational background, specific product preferences and age group have a major impact on the store format choice.

Keywords: *organized retail, Indian retail market, store format choice*

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[29]

CONSUMER ETHNOCENTRIC TENDENCIES IN SRI LANKAN COSMETICS MARKET; WITH SPECIAL REFERENCE TO FEMALE CONSUMERS IN THE WESTERN PROVINCE

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Abstract

Ethnocentrism has first introduced by Sumner in 1906 as a sociological construct that implies one's own group is seen as the center of everything and it is the tendency to look at the world primarily from the perspective of one's own culture. "Consumer Ethnocentrism" refers to ethnocentric views held by consumers in one country towards products from another country. Today Sri Lankan consumers have greater and easier access to imported goods than ever before. Consequently, the Sri Lankan manufacturers have to face increasing competition from foreign goods in the domestic market. In such a purchase of domestically made cosmetics products over foreign made products. The purpose of this study is to examine the level of ethnocentric tendencies of female Sri Lankan cosmetics consumers in the Western Province. The Prominent CETSCALE (Shimp and Sharma, 1987) was used to measure the consumer ethnocentrism. This research is descriptive in nature and is based on both primary and secondary data. The data were collected through a self administered questionnaire and used convenience sampling method to select the sample which consisted with five hundred female consumers who represent different demographics .The data were analyzed by using relevant statistics as descriptive statistics, factor analysis and K-S test. The study discloses that the majority of female consumers in the Western Province are having highly favorable ethnocentric tendencies towards domestically made cosmetics products. As implications of the study, it is recommended to domestic companies to employ ethnocentric related appeals, themes and slogans for promotional and marketing communication activities of cosmetics products which are targeted at women.

Key Words: Ethnocentrism, Cosmetics, CETSCALE

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[30]

TO WHAT EXTENT DOES SME'S ADOPT ETHICAL PRACTICES IN DECIDING THEIR MARKETING MIX STRATEGIES: FROM MARKETING MANAGER'S PERSPECTIVE IN SRI LANKA

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Abstract

Marketing is the most significant function of enterprises in which unethical practices are experienced. Business decisions relating to product, price, place and promotion, the elements of the marketing mix and ethical aspect of those decisions are really important to evaluate the particular business entity from an ethical point of view. The aim of this study is to assess the adaptation of ethical practices in marketing mix strategies in Sri Lankan SMEs. Research is descriptive in nature and used quantitative technique to collect primary data relating to Sri Lankan SMEs ethical decision making and also a well-structured questionnaire was used to collect data from marketing managers of SMEs.

Findings indicate that the Sri Lankan SMEs adopt ethical practices to some extent relating to marketing mix decisions. SMEs adopt ethics relating to different marketing mix element in varying extents. Adaptation of ethics is very low in the area of Promotion and that is the most unethical area of marketing mix. All other three areas are unethical to some extent and out of that; Distribution related ethics are adopted in higher level by decision makers. Unethical decision making on environment friendly products and procedures are highlighted. Not only that but also using bribes for achieving sales objectives has been given negative indication about ethical practices in sales and promotion.

SMEs should adopt ethical practices to their decision making process to a high extent. It gives them a strategic advantage to differentiate them self by other competitors. Strategic guidelines need to be set up at every level of the organisation to adopt ethical practices to decision making. Avoiding bribes and unethical sales practices help to improve the public image as well as to be loyal with existing low in the country.

Keywords: *Marketing mix, CSR, ethics, marketing ethics, Sri Lanka*

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[31]

IMPACT OF SOCIAL NETWORK SITES FOR THE CHOICE OF SRI LANKA AS A TOURIST DESTINATION

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Abstract

Social network sites (SNSs) are considered as an important marketing communication tool for marketers to connect with today's internet-savvy consumers. Sri Lanka is planning to attract 2.5 Mn tourists annually by 2016 which is a significant growth compared to the 0.6 Mn in 2010 (Central Bank of Sri Lanka 2010). Therefore, it is important to attract more tourists to Sri Lanka by using effective communication methods. Social network offers new powerful tools which can be exploited in tourism context in order to promote tourist destinations. (Pietro, Virgilo, Pantano 2011). Hence, aim of this paper is to investigate how social network sites can be used to promote Sri Lankan tourism. Study was mainly focused on attitudes and behavioural components of consumers by taking Technology Acceptance Model, influence of perceived enjoyment and e- word of mouth communication (Pietro, Virgilo and Pantano 2011). Unit of analysis was individual tourists. 200 tourists were selected based on convenience sampling. Validity and the reliability of the measurement scales were tested. Hypotheses were tested using correlation analysis. Results disclosed that social network sites have a positive influence over tourists' choice to select Sri Lanka as a tourist destination.

Keywords: Social Network Sites, Tourist Behaviour, Sri Lankan Tourism

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