

# 2023 AMA SUMMER ACADEMIC CONFERENCE

A World Disrupted: Marketing's Role in Understanding,  
Adapting and Transforming the Business Ecosystem



July 31 • Virtual  
August 4-6 • San Francisco, CA

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## PROCEEDINGS

Volume 34

### Co-Chairs:

**Julian Saint Clair**

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**Alok Kumar**

University of Nebraska-Lincoln

**Lucy (Yan) Liu**

Texas A&M University

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## FOREWORD

Welcome to the 2023 AMA Summer Academic Conference! We are pleased to be joining you in person for this annual conference and also offering virtual sessions for those who cannot attend.

The theme of this year's conference, "A World Disrupted: Marketing's Role in Understanding, Adapting and Transforming the Business Ecosystem," brought together a diverse community of researchers and practitioners to explore the proactive impact of marketing in navigating the challenges presented by a disrupted world. The theme deeply resonated with us, as it called for a proactive lens in understanding how marketing can drive positive change in the face of the global pandemic, heightened awareness of social inequities, and the urgency surrounding the climate crisis. The landscape of challenges was further shaped by factors such as the Russian invasion of Ukraine and extreme inflation. As people and organizations respond to this reality, it has become abundantly clear that marketing plays a critical role in shaping the outcomes—across micro, meso, and macro levels; across private, public, and NGO sectors; and across stakeholder groups. We are excited that the 2023 AMA Summer Academic Conference will emphasize the potential for marketing to proactively play a leading role in transforming the marketplace into a more equitable and sustainable ecosystem. We hope that keeping this ideal top-of-mind during the conference will generate fresh ideas to increase the momentum of this movement toward a better world.

Continuing with the "new normal" today, the conference has adopted a hybrid format, combining virtual sessions with the traditional in-person conference. This format allows for wider participation, fostering inclusivity and expanding the reach of the conference. We are also introducing affinity group meetups to enable participants to find a stronger sense of community at the conference. We hope that this sense of community will, in turn, serve as an impetus for both individual advancement and advancement of research on key conference themes. Furthermore, the shift of the U.S. marketing doctoral student job market to the fall provides attendees with ample opportunities to engage with the program and network with colleagues without additional stress and time demands.

Throughout the conference, the diverse tracks, each chaired by a passionate team, offer attendees a comprehensive program showcasing cutting-edge research on relevant topics. Special sessions, intensives, and expert workshops delve into growing areas of research and practice, providing unique opportunities for deepening understanding and impact. The dedication of volunteer reviewers in providing feedback on the submissions ensured the inclusion of innovative work from academics around the world. We greatly appreciate the track chairs, reviewers, and experts who submitted their best work to this conference.

We extend our sincere gratitude to Maura Scott, President of the AMA Academic Council, and Karen Page Winterich, President-Elect of the AMA Academic Council, for inviting us to co-chair the conference and inspiring us to uphold academic rigor, diversity, inclusivity, and impact. The relentless efforts of the AMA Academic Council, along with the AMA staff, especially Hannah Finkelstein, Marilyn Stone, and Riley Fickett, were instrumental in bringing the vision to life.

Finally, we thank all attendees who are traveling to San Francisco from across the globe and contributing to the vibrant atmosphere of the conference. We hope that the conference program offers enriching experiences, facilitates reconnections with colleagues, forges new connections, and allows participants to explore the unique city of San Francisco!

Sincerely,

The Conference Co-Chairs (in alphabetical order and with equal contribution)

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## 2023 AMA SUMMER ACADEMIC CONFERENCE AWARDS

### Best Paper in Conference

“The Brand Reputation Impact of Activism Depends on the Category and the Kind of Activism”

Ludovica Scalco, BI Norwegian Business School

Koen Pauwels, Northeastern University

Anders Gustafsson, BI Norwegian Business School

## Best in Track Papers

### *Advertising, Promotion and Branding*

“The Impacts of the Cross-Platform Targeted Advertising Strategy”

Juan Liu, Southeast University

Ruhai Wu, McMaster University

Weijun Zhong, Southeast University

### *B2B Marketing and Global Markets*

“Extended Reality in the B2B Customer Decision Journey”

Janina Riether, University of Mannheim

Christian Homburg, University of Mannheim

Robin-Christopher Ruhnau, Catholic University

Eichstätt-Ingolstadt

### *Consumer Behavior*

“One More Reason for Going Green: How Food Made by Green Energy Positively Impacts Its Healthiness Perception”

Iman Paul, Montclair State University

Smaraki Mohanty, Elon University

Jeffrey Parker, University of Illinois at Chicago

### *Digital and Social Media Marketing*

“When Likes for Consumption Sharing on Social Media Is Less Appealing: Impact of Ideal Social Self-Congruity on Consumer’s Behavioral Intention”

Joy Zhu, Sichuan University

Lan Jiang, Menlo College

Wenyu Dou, SKEMA Business School, China

Campus

### *Marketing Analytics, AI and Machine Learning*

“Strategic Management of Hotel Customers Based on Their Online Reviews: The Case of Luxury Hotels in Spain”

Miguel Llorens-Marin, Universidad Complutense de Madrid

Ziwei Shu, Universidad Complutense de Madrid

Ramon Alberto Carrasco, Universidad Complutense de Madrid

### *Marketing in Times of Uncertainty*

“Investigating Firms’ Response Strategies and Response Time During a War Crisis”

Xiang Fang, Oklahoma State University

Zhiyong Yang, Miami University

Kevin Kam Fung So, Oklahoma State University

Yingying Shao, Towson University

Zhuofan Zhang, Texas A&M University - Kingsville

Grace Fang Yu-Buck, University of Houston Clear Lake

### *Marketing Strategy*

“Building and Fostering B2B Customer Engagement in the Metaverse Through Metafluencers”

Manaswini Acharya, Texas Tech University

Mayukh Dass, Texas Tech University

Abhishek Nirjar, Texas Tech University

### *Product Development and Innovation*

“Value in Robotic Surgery: A Multi-Stakeholder Interdisciplinary Framework”

Anjala Krishen, University of Nevada Las Vegas

Shawn Tsuda, VIP Surg

### *Retailing, Services and Entertainment*

“The Effects of Mobile App Adoption on Customer Behavior: Evidence from a Large Multichannel Retailer”

Rishika Rishika, North Carolina State University

Ramkumar Janakiraman, University of South

Carolina

P.K. Kannan, University of Maryland

### *Sales, Sales Management and Front-Line Employee Issues*

“Extended Reality in the B2B Customer Decision Journey”

Janina Riether, University of Mannheim

Christian Homburg, University of Mannheim

Robin-Christopher Ruhnau, Catholic University

Eichstätt-Ingolstadt

### *Social Responsibility, Sustainability, Policy and Consumer Culture Theory*

“The Brand Reputation Impact of Activism Depends on the Category and the Kind of Activism”

Ludovica Scalco, BI Norwegian Business School

Koen Pauwels, Northeastern University

Anders Gustafsson, BI Norwegian Business School

### *Under Studied Markets and Marketing Stakeholders*

“Value Propositions Underlying BoP Producers’ Enablement by Social Enterprises: Practice View”

Avinash Kumar, Indian Institute of Management Calcutta

Rajeev Kumra, Indian Institute of Management

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Kumar Rakesh Ranjan, EDHEC Business School



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## **Intensive Workshops**



# **Advertising, Promotion and Branding**

**ARE HIGH AROUSAL ADS REALLY NOTICEABLE? EXPLORING THE  
VISUAL BROWSING BEHAVIOR OF IN-STREAM ADS FROM AD  
PLACEMENT**

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**Keywords:**

Skippable in-stream ad, Arousal, Intrusiveness, Advertising avoidance behavior

**Description:**

This research explores the impact of ad placement on arousal effects in YouTube skippable in-stream ads, showing that pre-roll high-arousal ads enhance browsing while mid-roll high-arousal ads decrease browsing, leading to faster skipping.

## EXTENDED ABSTRACT

### 1. Research Question

YouTube, a popular video-sharing platform, is also an essential advertising platform, with skippable in-stream ads being favored by top brands. Previous studies have shown that high-arousal stimuli enhance attention and attraction, leading to effective advertising. However, these studies overlook consumers' advertising avoidance behaviors. Although high-arousal stimuli have been found to significantly impact visual attention and memory, high-arousal ads may also be perceived as intrusive and lead to advertising avoidance behaviors, especially in mid-roll placement. This study emphasizes the importance of ad placement in moderating the effects of arousal and proposed following hypotheses:

H1a: Mid-roll skippable in-stream ads, regardless of arousal level, are perceived as more intrusive than pre-roll ads. H1b: Mid-roll placement reduces browsing behavior and increases skip button response time compared to pre-roll placement for both high and low-arousal ads. H2a: High-arousal mid-roll ads are more perceptually intrusive than low-arousal ads. H2b: High-arousal mid-roll ads decrease browsing behavior and increase skip button response time compared to low-arousal ads. H3a: There is no significant difference in perceived intrusiveness between high and low-arousal pre-roll ads. H3b: Pre-roll placement results in more views and longer skip button response time

for high-arousal ads compared to low-arousal ads.

## 2. Method and Data

A laboratory experiment was conducted to manipulate ad arousal levels (high/low) and ad placement positions (mid/pre) in four experimental treatments. During the experiment, the arousal levels and visual attention to the skippable in-stream ad was observed through physiological feedback devices, i.e., galvanic skin response (GSR) and eye-tracking, respectively; and the click-to-skip time was calculated. Participants in the study listened to relaxing music ('Weightless' by Marconi Union) to establish a calm baseline. They then watched YouTube videos as usual, with skippable in-stream ads appearing unexpectedly. Participants could choose to skip the ads after a 5-second countdown. The study concluded with participants filling out a questionnaire on ad intrusiveness, along with basic information.

A 2 (ad position: mid vs. pre)  $\times$  2 (ad arousal: high vs. low) ANOVA revealed significant main and interaction effects. Ad intrusiveness is higher for mid-roll ads compared to pre-roll ads regardless of arousal level (high-arousal:  $M_{\text{mid}}=6.758$ ,  $M_{\text{pre}}=3.818$ ,  $p=0.001$ ; low-arousal:  $M_{\text{mid}}=5.805$ ,  $M_{\text{pre}}=4.921$ ,  $p=0.034$ ), supporting H1a. Observation count, length, and skip time are lower for mid-roll high-arousal ads (count:  $M_{\text{mid}}=17.968$ ,  $M_{\text{pre}}=24.791$ ,  $p=0.001$ ; length:  $M_{\text{mid}}=1825.651$ ,  $M_{\text{pre}}=2631.019$ ,  $p=0.001$ ; skip time:  $M_{\text{mid}}=6.115$ ,  $M_{\text{pre}}=7.965$ ,  $p=0.001$ ). However, low-arousal ads show no

significant effect on browsing behavior and skip time (count:  $M_{mid}=21.017$ ,  $M_{pre}=21.591$ ,  $p=0.960$ ; length:  $M_{mid}=2140.629$ ,  $M_{pre}=2272.603$ ,  $p=0.690$ ; skip time:  $M_{mid}=6.915$ ,  $M_{pre}=7.324$ ,  $p=0.280$ ), partially supporting H1b. Mid-roll high-arousal ads are more intrusive ( $M_{high}=6.758$ ,  $M_{low}=5.805$ ,  $p=0.019$ ), with lower observation count, length, and skip time (count:  $M_{high}=17.968$ ,  $M_{low}=21.017$ ,  $p=0.047$ ; length:  $M_{high}=1825.651$ ,  $M_{low}=2140.629$ ,  $p=0.047$ ; skip time:  $M_{high}=6.115$ ,  $M_{low}=6.915$ ,  $p=0.003$ ), supporting H2a and H2b. Pre-roll ads have higher intrusiveness for low-arousal ads ( $M_{high}=3.818$ ,  $M_{low}=4.921$ ,  $p=0.004$ ), while observation count, length, and skip time are higher for high-arousal ads (count:  $M_{high}=24.791$ ,  $M_{low}=21.591$ ,  $p=0.033$ ; length:  $M_{high}=2631.019$ ,  $M_{low}=2272.603$ ,  $p=0.017$ ; skip time:  $M_{high}=7.965$ ,  $M_{low}=7.324$ ,  $p=0.029$ ), not supporting H3a and supporting H3b.

### **3. Summary of Findings**

The current research examines the moderating role of ad placement on the effect of ad arousal on advertising avoidance behavior. The results of the study reveal that when ad is placed pre-roll, high-arousal ad is less intrusive than low-arousal ad, and can increase consumers' browsing behavior and decelerate the time of skipping, because they do not interrupt viewing of the main content, echoing previous research suggesting that high-arousal ad can indeed increase attention. However, when ad is placed mid-roll, not only is high-arousal ad more intrusive than low-arousal ad, but it

will also reduce the viewing time and accelerate the time of skipping, which will further make the ad to be less effective. Thus, it has been proven that high-arousal ad is not always effective, especially when they obstruct consumers' intended video browsing, the perceived intrusiveness will be higher (mid-roll vs. pre-roll), which will reduce the effectiveness of the ad.

#### **4. Key Contributions**

This study is among the first to explore the impact of arousal level and ad placement on advertising avoidance behavior. Prior research suggests that high-arousal ads attract attention and yield positive effects. However, this study challenges the assumption that all high-arousal ads avoid advertising avoidance behavior. It demonstrates that ad placement influences perceived intrusiveness and moderates the effect of ad arousal. Unlike previous studies relying on self-reporting, this study employs physiological measures such as GSR and eye-tracking for objective and accurate data collection. By doing so, it addresses potential biases and provides more reliable insights.

This study's findings have practical implications. High-arousal ads must be strategically placed to effectively capture attention. Users tend to focus on the skip button rather than the ad's central area, driven by advertising avoidance. For maximum visual attention, high-arousal ads are recommended as pre-roll placements, while low-

arousal ads work well as mid-roll placements. Advertisers can strategically position the brand near the skip button to leverage users' eagerness to close the ad due to its intrusiveness. YouTube platform advertisers can also adjust ad rates based on effectiveness, considering arousal levels and ad placement, to maximize advertising profits.

**AUGMENT YOUR BRAND’S REALITY - THE IMPACT OF BRANDED  
AUGMENTED REALITY FILTERS ON SOCIAL MEDIA ON CONSUMER-BASED  
BRAND EQUITY AND PURCHASE INTENTION**

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**Keywords:** Branded augmented reality filter, Flow, Consumer-based brand equity, Purchase Intention.

**Description:** Our research investigates the impact of branded augmented reality (AR) filters on consumer-based brand equity and purchase intention, with a particular focus on the mediating effect of the consumer's flow state, highlighting the dilemmas it presents regarding flow and advertising objectives.

**EXTENDED ABSTRACT**

**Research Question**

Capturing consumer attention in the face of an increasing number of advertisements across various platforms has become a challenging endeavor. To differentiate themselves from competitors and engage consumers subtly, more and more companies are incorporating branded augmented reality (AR) filters into their social media presence. These filters offer a nuanced approach to delivering advertising messages while providing consumers with a unique and immersive experience. This research study focuses on the impact of branded AR filters on two key business goals: short-term purchase intent and long-term consumer-based brand equity. Additionally, the study places significant emphasis on exploring the mediating effect of the consumer's flow state, as individuals in a state of flow tend to exhibit a preference for



advertised brands (Landers, Beatty, Wang, & Mothersbaugh, 2015; Ghani & Deshpande, 1994; Hsu & Lu, 2004). When advertising content exceeds the consumer's tolerance level, it tends to elicit negative perceptions of irritation due to disruptions in the flow state experienced during social media engagement (Ha & McCann, 2008). Considering the immersive nature and interactive capabilities of AR, the integration of branded AR filters presents an opportunity to minimize distractions and disruptions to the consumer's flow state.

### **Method And Data**

The study employed an empirical approach through the utilization of a single-factor between-subject design. In this research design, participants were randomly assigned to various conditions, allowing for a comparison between branded AR filters and alternative forms of social media advertisements. To test the proposed relationships, a seemingly unrelated regression (SUR) with bootstrapping (drawing on Zellner, 1962) is used. A SUR is particularly useful for models with mediators, i.e., when the regression equations are linked. The SUR estimator considers contemporaneous correlations and allows simultaneous estimation of the parameter, where the parameter of each equation considers the information of all other equations.

### **Summary of Findings**

The study found that augmented ads on social media positively influence the flow state of consumers. The flow state was found to have a positive impact on consumer-based brand equity. While flow thus appears to be beneficial for long-term business goals, a different picture emerges for short-term business goals, represented by purchase intention. Contrary to expectations, the results show a negative impact of the flow state on the consumer's purchase intention.

### **Statement of Key Contributions**

The theoretical contribution of our article is threefold: Firstly, while substantial attention has been given to the study of AR filters in social media in general, the examination of branded AR filters and their influence on pertinent business-related variables has received limited attention.

Secondly, previous research has predominantly concentrated on AR within brand-owned platforms like online stores, brand apps, or websites, wherein customers actively opt to engage with the brand. However, there exists a dearth of research on brand-independent platforms such as social media, which serve as habitats for both current and potential new customers. Thirdly, although existing studies demonstrate a positive association between flow and diverse target variables, our findings present a fresh perspective on the interplay between social media advertising, the utilization of AR, and flow. Notably, while branded AR filters positively impact brand equity, their influence on purchase intention diminishes. Consequently, our results highlight a dilemma concerning flow, which may result in conflicting advertising objectives.

References are available upon request.

**COMMUNICATION TRIGGERS AND MARKETING CONSEQUENCES OF  
INSPIRATION; SOME PRELIMINARY EVIDENCE.**

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Keywords; consumers, brand communications, pricing, surveys

Inspirational brand communications increase purchase consideration and intention, likelihood to share information to social media, willingness to pay more and brand identification.

**EXTENDED ABSTRACT**

Inspiration is a motivational state that compels individuals to bring new ideas into fruition. While it appears to be a highly desirable consumer state for marketers to understand, how inspiration is induced in individuals and how marketers and consumers can benefit from its creation, is not well understood. Unlike previous work which focused mainly on sources of inspiration, such as nature, architecture and religion as triggers, here we focus on people-related characteristics. To help answer our research questions, Study 1 provides a qualitative analysis of inspiring Ted and Tedx videos to reveal a new inspirational trigger (dreaming big) and confirm an existing trigger (overcoming adversity). Studies 2 and 3 take these themes to enhance brand narratives for Microsoft and a fictitious chocolate brand to confirm previous work that inspiration is highly and positively correlated with; purchase consideration and intention, positive evaluations, as well as new marketing variables such as; likelihood to share information to social media, willingness to pay more and brand identification. The

triggers and positive marketing consequences have implications for brand positioning and communications.

### **Research Question**

More inspiration in the world is a generally good thing and has particular benefit for marketers, yet its study in marketing is limited to a few papers (Böttger et al., 2017; Liang et al., 2016; Winterich et al., 2019; Hinsch, Felix & Rauschnabel, 2020). Although general work in psychology on sources of inspiration has suggested; art, poetry, music, meditation, religious texts, nature, role models, architecture, nature, beauty (Hart, 1998; Lockwood et al., 1999; Thrash & Elliot, 2004; Thrash et al., 2017; Rieger & Klimmt 2019; Dale et al. 2017), this work gives limited insights into why these are inspirational. Since inspiration is about personal transcendence and consumers cannot emulate nature, nor can nature give guidance to help them transcend, the study first builds on work examining the content of eudemonic online communication like YouTube videos and Instagram posts (Dale et al., 2017; Rieger & Klimmt 2019), to look for additional characteristics of inspirational people. Secondly, we ask what are the brand benefits of inspiration? Work in marketing looking at the consequences of inspiration in the purchasing of ingredients (Böttger et al., 2017), charity donations (Liang et al., 2016), augmented reality (Hinsch, Felix & Rauschnabel, 2020) and recycling (Winterich et al., 2019) provide some insight on this question and we add other consequences such as; sharing behaviours, willingness to pay more, likelihood to recommend and liking vs competitors.

### **Method And Data**

Study 1 identified videos on the TEDx Talks YouTube channel which are especially inspiring and content analysed these for key themes. In study 2, 152 participants read a brand vignette and a video about the history of Microsoft which was adapted from a speech given

by Bill Gates to include and amplify inspirational themes such as dreams (dreaming big), and setbacks (overcoming adversity), revealed in Study 1. Measures included: state inspiration (Thrash & Elliot, 2003), likelihood to share to social media (a hypothetical Microsoft Ad), future purchase intention, liking vs competitors, willingness to pay more, likelihood of recommending to a friend and consumer attitudes (perceived goodness and trustworthiness). Study 3 replicated Study 2 but with a fictitious chocolate brand using 194 participants recruited via the online recruitment platform Prolific. Subjects read a brand vignette and watched a video which included the inspiring themes of dreaming big and overcoming adversity. Measures were similar to Study 2.

### **Summary Of Findings**

The preliminary findings of a thematic analysis of the video data sources in Study 1 revealed two themes: *dreams* and *overcoming setbacks*. Many speakers mentioned the idea that you should set ambitious goals and dreams and encouraged others to do so. The theme of overcoming adversity often took the form of overcoming negative self-views, such as views of one's body or abilities. In study 2, participants were inspired by the Microsoft communications and all consumer and company outcomes were highly rated above the midpoint of the scale including; liking vs competitors and brand attitudes. High and significant positive correlations were seen between state inspiration and likelihood to share Microsoft information to social media, purchase intention, willingness to pay more and likelihood to recommend. The results for the fictitious brand in study 3 were similar to study 2 with participants feeling inspired by the information about the fictitious chocolate company and showing positive consequences. State inspiration was significantly and positively correlated with; purchase intention, purchase consideration, sharing to social media, trustworthiness, goodness and brand identification.

## **Key Contributions**

This study is unique in its search for and focus on people-centred inspirational triggers, rather than inspiration that relates to nature. Using a different source of inspirational data, it confirms prior work on overcoming adversity and setbacks (e.g., Liang et. al 2016, Dale et al. 2017) as well as identifying a new trigger of dreaming big. It shows these triggers create inspiration and confirms they are highly correlated with purchase consideration and intention and positive evaluations (Dale et al. 2017; Liang et. al 2016; Bottger, et al. 2017), but extends previous work by revealing positive correlations with new variables of; likelihood to share information to social media, willingness to pay more, likelihood to recommend and brand identification. Knowing what messages and stories about dreams and overcoming adversity can inspire can help brand managers inspire their audiences and in brand repositioning. Moreover, by becoming more inspiring, brands might be able to raise prices, increase net promoter scores through increased likelihood to recommend, improve sales through greater purchase consideration, and enhance online communications since inspiration increases the likelihood to share brand information on social media.

References are available on request.

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Minu Kumar, San Francisco State. University

For further information, please contact Minu Kumar, Professor and Founder-Director Responsible Innovation and Entrepreneurship Initiative, Lam Family College of Business, San Francisco State University ([mkumar@sfsu.edu](mailto:mkumar@sfsu.edu))

Keywords: direct to consumer advertising, risk information, graphical formats, drug safety,

**EXTENDED ABSTRACT**

**Research Question.** In the pharmaceutical industry, Direct To Consumer Advertising (DTCA) has steadily risen reaching an estimated \$6 billion in 2018 (Figures from Nielsen). Meta-analytic studies show that it is more likely that a consumer gets prescribed a particular brand as a direct result of watching a prescription advertisement and they asking about it (Becker and Midoun 2016; Holmer 2002). On the other hand, this type of advertising has been implicated in spurring misuse of various drugs (e.g., Oxycontin, Vioxx, Avandia, Seroquel, Cyclofam among others) to the extent that FDA carefully monitors this practice and regularly provides guidance on how the advertisement have to be structured (FDA 2012). FDA regulations require that prescription drug ads that make promotional claims about a product also include risk information in a “balanced” manner (21 CFR 202.1(e)(5)(ii)), both in terms of the content and presentation of the information. However, the industry presents benefits in a quantitative format and the risks are presented in a qualitative format resulting in a highly unbalanced presentation. The purpose of this research is to explore the overall perceptions of prescription pharmaceutical products when risks and benefits are presented in varying graphical formats (verbal format, bar charts, and tables).

**Method and Data.** A series of studies were conducted where benefits and risks were shown in varying formats (verbal, bar charts, and tables) to types of respondents consumers and experts (primary care physicians). Their subsequent behavioral intentions are measured. In *Study 1*, consumers are randomly assigned to three groups where they are exposed to no risk information (control), graphical information with low risk information, and graphical information with high risk. In *Study 2*, patients diagnosed with high cholesterol evaluating a fictitious statin called Votrea similar to FDA (2012). Respondents were randomly assigned to sixteen different groups in a 4 (benefit: no information, verbal information, table, and bar chart) X 4 (Risk: no information, verbal information, table, and bar chart) experimental design. Their subsequent behavioral intentions are measured. In, *Study 3*, primary care physicians evaluate a fictitious statin called Votrea similar to FDA (2012). Respondents were randomly assigned to sixteen different groups in a 4 (benefit: no information, verbal information, table, and bar chart)

X 4 (Risk: no information, verbal information, table, and bar chart) experimental design. Their subsequent recall and behavioral intentions are measured.

**Summary of Findings:** These results are very intriguing in that the conditions with the Bar Charts appear to be providing a more accurate diagnosis of the risk of the data. The groups that received the bar charts, in general, recalled the numbers more accurately. This along with the significant negative correlation of the personal benefit variable with unconsulted ask leads us to believe that the individuals who are in the bar chart group accurately recall the risks and diagnose the drug to be personally useful to themselves. This then leads them to more accurately to ask for the prescription.



## **EFFECTS OF GENDER CHARACTERISTICS OF MODELS IN OUTDOOR INDUSTRY ADVERTISING**

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**Keywords:** advertising; outdoor industry; gender; social role theory; gendered spaces

**Description:** Through the lens of social role theory, the research tests whether various images of females participating in outdoor activities affect one's perception of gender roles and finds that ads featuring female models in the outdoors demonstrating more feminine characteristics or traditional roles had a significant effect on both attitude toward the ad and purchase intention.

### **EXTENDED ABSTRACT**

#### **Research Question**

While the outdoor industry represents a sizable portion of the U.S. economy, total number of individual outings has been in decline for a decade, and women remain underrepresented in outdoor recreation, making up 46.5% of participants (Outdoor Foundation 2022). This is likely because outdoor recreation activities have been gendered "male" throughout history (Mckenzie 2005). If the industry fails to expand its customer base, the percentage of outdoor recreation participants could slip to under 40% by 2060 (Outdoor Industry Association 2022). The question this research attempts to answer is: How can marketers best advertise products to casual users of the outdoors through the gender expressions of the models used? Additional questions answered include: (1) Do individuals perceive female models in outdoor ads as more or less masculine depending on their activity of choice? (2) Are there significant differences between male and

female gender perceptions of female models in outdoor ads? (3) Do individuals with differing levels of “outdoorsiness” have significantly different gender perceptions of female models participating in outdoor activities? For marketers, (4) should female models be feminized through their environments, activities, and style choices in ads, or should they be portrayed as masculine to better showcase equipment, clothing, and gear?

### **Method & Data**

A pre-test using a one-way ANOVA compared mean scores on an Image Gender Perception scale for six different images to determine what characteristics observers identify as either masculine or feminine in models featured in outdoor images. The two with the greatest significant difference were incorporated into advertisements for an outdoor-related product (bug spray) as part of a 54-item online survey. The independent variable “outdoorsiness” was captured using a five item scale (Aaker, Fournier, and Brasel 2004) contextualized to reflect how participants self-identify as outdoorspeople, existing semantic differential scales (Michell and Olson 1981) measured on seven points were used to capture cognitive attitude toward the ad, affective attitude toward the ad, and general attitude toward the ad as dependent variables. The final dependent variable, purchase intention, was measured on a 5-item Likert-type scale (1= strongly disagree, 7 = strongly agree). The Image Gender Perception scale was included as a manipulation check, and the instrument concluded by capturing demographic data. The final sample of 322 respondents with a mean age of 43.51 ( $SD = 17.7$ ,  $range = 18-81$ ) showed normal distribution across ethnic, income, and education level in line with characteristics of the U.S. population, but skewed female ( $n = 234$ , 73.8%).

## Summary of Findings

A one-way ANOVA confirmed the manipulation was successful. An independent sample t-test found statistically significant differences for each of the three attitude dependent variables demonstrating that the ad featuring feminine characteristics, even in an ad for outdoor products, is generally preferred by all consumers regardless of gender or affinity for outdoor activity.

When examining responses from only male participants ( $n = 79$ ), t-tests found no significant differences were found for any of the attitudes, or purchase intention, between advertisements.

However, female respondents ( $n = 234$ ) showed statistically significant differences between ads for all attitudes and purchase intention. To examine the causal relationships between gender,

outdoorsiness, and ad type on attitudes and purchase intention, regression analysis showed the model was significant ( $b = 5.513$ ,  $R^2 = .136$ ,  $F(4,312) = 12.25$ ,  $p < .001$ ), driven by ad type ( $t$ -

$value = -4.16$ ,  $p < .001$ ) and outdoorsiness ( $t = 3.68$ ,  $p < .001$ ). To test if gender of the respondent

had an effect on purchase intention and attitudes, regression analysis was conducted for male and

then female participants. Outdoorsiness was the only significant predictor for males, while

outdoorsiness and ad type were significant for females, with outdoorsiness functioning as a

moderator.

## Key Contributions

This research demonstrates that if the outdoor industry is to expand its customer base to those

who do not consider themselves particularly outdoorsy, it will need to change the images it uses

in its advertisements. In addition, the individual characteristic of being an outdoorsy person did

not interact with the type of ad nor the individual's gender to affect behavior for the entire

sample. However, it did have the effect when considering only female participants. Females with

low levels of outdoorsiness showed significant differences in attitude and purchase intention between the two advertisements, whereas female consumers high in outdoorsiness had no significant difference in attitude or purchase intention based on the two advertisements. The results have implications for Social Role Theory in that female models showcasing feminine characteristics are more acceptable than a masculine space may have allowed in the past. However, these findings also rebuke the theory, as it claims that the masculinization of women must be done to fit in the role dictated by masculine activity, which did not hold. For marketing managers, advertisements for outdoor products should not masculinize female models to match the masculine setting or activity.

## **EXPLORING ADVERTISING BLINDNESS IN THE METAVERSE: AN EMPIRICAL INVESTIGATION USING CONSUMER NEUROSCIENCE**

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**Keywords:** Advertising blindness; Advertising effectiveness, Metaverse; Consumer behavior; Consumer Neuroscience

**Description:** This experimental paper examines advertising blindness in the metaverse, utilizing eye-tracking and neurophysiological tools to analyze attention and ad recognition's impact on brand recall.

### **EXTENDED ABSTRACT**

#### **Research Question:**

Despite the escalating interest in the metaverse as an advertising medium, a significant gap exists in extant research and practice exploring the nuances of product placement within this context. Marketing practitioners are experimenting with diverse brand experiences, employing various narratives and degrees of induced presence to maximize product placement effectiveness. However, current strategies often overlook factors that influence advertising blindness, namely a phenomenon where individuals cognitively evade advertisements. This

oversight can lead to considerable economic repercussions due to inefficient advertising spending. Scholars have also recognized the importance of employing an information-processing lens to examine factors that may contribute to advertising avoidance in immersive virtual environments (Kim, 2021) and have called for a comprehensive framework to measure advertising effectiveness via both explicit and implicit responses (Dwivedi et al., 2023). Addressing these research gaps is crucial for both advancing academic understanding and for equipping marketers with insights for optimizing product placements. Based on this rationale, the present paper aims to investigate advertising blindness in immersive virtual environments in conjunction with two different degrees of induced presence (i.e., high vs low) and two user goals (i.e., free exploration vs goal-directed).

### **Method and Data**

A between-subjects experimental design was adopted to investigate the effect of induced presence (high vs low) and user goals (free exploration vs goal-directed browsing) on advertising blindness in immersive virtual environments. We designed two virtual environments consisting of seven-room, 3D exhibitions featuring unbranded clothing items and a pair of branded shoes. The degree of induced presence was manipulated through the inclusion or absence of 3D spatialized audio. Whereas the users' goals manipulation was achieved by assigning distinct tasks. Participants in the free-browsing treatment were instructed to freely explore the space. Contrastingly, participants in the goal-directed treatment were asked to find a virtual guitar situated in the virtual environment. The experimental activity was conducted in a controlled laboratory setting with 122 participants (49% women,  $M_{\text{age}} = 26.4$ ,  $SD = 8.4$ , age range: 18-62). Throughout the experiment, implicit measures related to ocular and cortical responses were measured using eye-tracking and electroencephalogram (EEG). The eye-tracking data was used to assess visual selective attention, while EEG data was used to assess

vigilant attention during the product placement exposure. Explicit self-reports related to perceived presence, visual appeal, interactivity, arousal, valence, advertising recognition, and brand recall were also gathered.

### **Summary of Findings**

Our empirical evidence showed the existence of a significant main effect of user goals on selective visual attention but found no such effect for induced presence. Our findings indicate that brands that facilitate explorative behavior, sparking spontaneous encounters with product placements, prove more effective at reducing advertising blindness compared to brands adopting narratives that impose specific tasks. This supports the notion that advertising blindness is linked to increased cognitive load, consistent with earlier research on webpages. Also, our results showed that enhancing the sense of presence through auditory cues in immersive virtual environments did not lead to changes in advertising recognition and, in turn, advertising blindness. This could be attributed to the substantial immersion already provided by visual elements in virtual environments. Furthermore, our results showed that user goals have a positive indirect effect on the individual processing of advertising. Through a process view, we demonstrated that heightened vigilant attention during the product placement exposure has a positive effect on the recognition of advertising and, in turn, on brand recall. This observed behavioral mechanism aligns with prior research, indicating that recall of embedded advertising involves both implicit and explicit processes.

### **Key Contributions**

This study makes several contributions to the marketing literature and offers practical implications for advertisers and marketing practitioners. First, we contribute to the existing literature by advancing the understanding of the underlying processes that affect advertising

blindness in immersive virtual environments. Our empirical results explain advertising blindness as the outcome of a chain-relationship that is indirectly influenced by the typology of the task and involves attentional and cognitive responses. To the best of our knowledge, this is also the first study to explore these processes through a multimethod approach that includes eye-tracking, electroencephalography, and self-reports. Second, our findings offer practical contributions to advertisers and marketing practitioners in terms of product placement strategies in immersive virtual environments. By identifying factors that impact the effectiveness of advertising in these environments, we offer insights into how advertisers can optimize their product placement strategies to enhance advertising recognition and reduce advertising blindness in the metaverse.



## **Exploring the Use of Paid Membership to Establish Brand Community**

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**Keywords:** brand community, relationship marketing, paid membership brand community, integrated brand community

**Description:** Our research investigates the formation of integrated brand communities through paid memberships, explores the factors influenced by joining such communities, and highlights the potential benefits of membership clubs beyond retention and revenue, emphasizing the importance of treating members as partners rather than assets.

## **EXTENDED ABSTRACT**

### **Research Question**

Our research addresses the need for a deeper comprehension of brand communities by examining the consumers within these communities. Specifically, our research question asks if paid membership clubs can be considered a source of an integrated brand community.

### **Method and Data**

We conducted quasi-experiments in craft beer breweries and surveyed participants from the membership clubs. We measured perceptions of integrated brand community (IBC) and other branding-related variables (e.g., purchase intent, advocacy, trust, and loyalty) among members and those interested in joining. In Study 1, 222 participants took part, including 92 club members and 130 non-members interested in joining. Participants were recruited through multiple channels, including email lists, the Facebook group of the membership club, and forums relevant to the company. Study 2 examined the impact of membership club dissolution on IBC. The brewery investigated had a previous club that dissolved in 2015 and was reinstated in 2017. Comparisons were made between members, former members, and non-members. The 132 samples used in Study 2 include 155 non-members interested in joining, 32 current club members, and 45 former members. Participants were recruited through various channels.

### **Summary of Findings**

The current investigation's findings indicate that paid membership club members hold stronger perceptions of Integrated Brand Community (IBC) than nonmembers or former club members, suggesting that building and maintaining paid membership clubs can offer both the benefits of brand communities and additional revenue to the organization. Alongside highlighting the

positive influence of membership status on IBC, this research also reveals that membership status impacts other significant brand indicators. Specifically, members exhibit higher purchase intention, greater brand advocacy, stronger self-brand connection, elevated brand trust, brand affect, and brand loyalty in comparison to nonmembers and former members. The dissolution of a membership club in Study 2 further supports the causal role of the paid membership club, as it resulted in the dissolution of positive brand perceptions and IBC. This implies that if it were not for the membership club, these perceptions would unlikely have been negated by the absence of the club. In Study 2, the nonsignificant difference between groups in terms of brand equity perception adds further confidence to this conclusion, suggesting that the overall results were not solely influenced by a more positive evaluation of the brand in general.

### **Key Contributions**

Our research aims to enhance our understanding of brand communities by examining the consumers within these communities. Firstly, we contribute to the existing literature on brand communities by exploring whether a revenue-generating marketing activity can serve as a foundation for an integrated brand community. Additionally, we investigate which aspects of the integrated brand community concept are influenced when individuals join a club. Secondly, our investigation expands the literature on paid membership clubs by examining potential benefits beyond customer retention and generating revenue. If membership clubs have the potential to foster integrated brand communities, managers need to prioritize brand community principles, such as cultivating relationships, when developing and implementing club practices. In this way, club members are seen not merely as assets but as valued partners.

**References are available upon request.**

## **FROM COMPLIANCE TO INTERNALIZATION: HOW TO MAKE PROVOCATIVE ADS EFFECTIVE?**

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**Keywords:** Provocative ads, Taboo, Normative social influence, Compliance, Internalization.

**Description:** This work questions the role (compliance and internalization of the norm) of the normative social pressure of a homogeneous majority (favorable or unfavorable to the provocative ad) on individual evaluations when confronted with provocative advertisements that transgress taboos.

### **EXTENDED ABSTRACT**

#### **Research Question**

Provocative advertisements are effective to differentiate one's product or service offering from competitors', to capture consumers' attention and promote memorization (Dahl, Frankenberger, and Manchanda 2003; Myers et al. 2020; Wirtz, Sparks, and Zimbres 2018). Nevertheless previous works have suggested provocative advertisements may also generate negative effects on individuals' attitudes and intentions (De Pelsmacker and Van Den Bergh 1996; Gramazio et al. 2021; Sabri and Obermiller 2012). Our work focuses on a solution to benefit from the attention-grabbing while avoiding negative effects. Norm violation is the essence of provocative advertising (Dahl et al. 2003; Huhmann and Mott-Stenerson 2008). Still, provocative ads appear as insufficiently explained by norm violation (Lee et al. 2020; Theodorakis and Painesis 2018). Some questions remain unaddressed, particularly regarding

the relationship between the normative pressure and individuals' attitudes and behaviors (Sabri 2012a). No research to our knowledge has considered the influence of a norm endorsed directly by a group. The literature remains silent on a potential compliance or social contagion effect. This work questions the effect of the social context (through normative social pressure) on the effectiveness of provocative advertisements.

### **Method and Data**

An experiment in three data collections has been conducted (individual response - accomplices group-facing response - individual response) to assess the compliance effect and verify whether the experimental subject internalizes the group norm after being exposed to it. We conducted two experimental manipulations with the same stimuli (four ads, two of them being cause-related and the two others product-related, with male and female models, pre-tested as taboo), same measurements and same time frame between collections (two weeks). During the second collection, we manipulated whether our respondents were immersed in a favorable or unfavorable group. Collection phases were as follows:

1. Setting the individual norm: individual online questionnaire.
2. Testing the compliance: each experimental subject was invited to answer a questionnaire via Zoom with a group of four other people being trained accomplices [based on recommendations of Asch (1955)]. The interviewer questioned the five people present in turn, always ending with the experimental subject. The latter therefore heard the homogeneous answers of the accomplices prior to answering.
3. Testing the group's norm internalization: individual online questionnaire, including manipulation checks and a verification that respondents had not guessed the aim of the study.

## Summary of Findings

In the first collection (watching ads alone, before exposition to the group's norm), we found no difference between respondents in the two conditions in terms of advertising effectiveness ( $M_{\text{favorable\_group}} = 3.06$ ;  $M_{\text{unfavorable\_group}} = 3.13$ ;  $p=0.643$ ). In the second collection (watching ads with a homogeneous group), the results show that the individuals in both conditions conform to the group's norm ( $M_{\text{favorable\_group}} = 4.19$ ,  $M_{\text{unfavorable\_group}} = 2.22$ ), the evaluations were significantly different from those they gave in the first collection ( $MD_{\text{favorable\_group}} = 1.131$ ;  $p<.001$ ;  $MD_{\text{unfavorable\_group}} = MD=0.910$ ;  $p<.001$ ). During the last collection (watching ads alone, knowing the group's norm), advertising effectiveness ( $M_{\text{favorable\_group}} = 3.51$ ,  $M_{\text{unfavorable\_group}} = 2.51$ ) still appears to be affected by the manipulation comparing to the first collection ( $M$  ( $MD_{\text{favorable\_group}}=0.449$ ;  $p<.001$ ;  $MD_{\text{unfavorable\_group}}=0.622$ ;  $p<.001$ ), although more attenuated than during the group phase, individuals have internalized and maintain their group norm. A favorable social context can push individuals to become more favorable to provocative ads.

## Key Contributions

We question the role of the social context and more precisely of the normative social influence on the evolution of individual reactions to advertising stimuli perceived as taboo. The objective was to demonstrate that when a group of individuals transgresses a taboo, it establishes a new norm and reduces the taboo perception, thus inducing a more favorable individual reaction towards provocative ads. As such, we address the theoretical and empirical gap regarding the role of normative social influence on reactions to provocative advertisements (Sabri, Manceau, and Pras 2010). Our results show that the strength of normative social pressure outweighs individuals' resistance to taboos. The content of the norm is secondary (Montmollin 1958) as both experimental conditions trigger individuals' compliance when facing the group. This conformity is not a matter of simple compliance, allowing the negative consequences of

disagreement with the group to be avoided, but appears to be at least a partial internalization (Kelman 1958). Indeed, even two weeks after being exposed to the group's norm (favorable to the ad), individuals tend to maintain a favorable attitude and intention towards the provocative ad, resulting in better ad effectiveness.

References are available upon request.

## **HOW EMOTIONAL VALENCE INFLUENCES CONSUMERS' RESPONSES TO A BRAND: THE ROLE OF ANTHROPOMORPHISM**

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Keywords: emotional valence, brand anthropomorphism, willingness to pay, brand likability

Description: In three studies, this paper explores how emotional valence (positive vs. negative) influences consumers' responses to a brand through anthropomorphism toward the focal brand.

### **EXTENDED ABSTRACT**

#### **Research Question**

Anthropomorphic brand design (i.e., imbuing human characteristics into a brand) is a marketing strategy widely used to create deeper emotional connections between consumers and their brands. Marketers develop characters such as the Michelin Man, playing on the consumers' social natures since they believe that consumers, to some extent, see them as humanlike (Hyland 2019). In the cognitive process view, anthropomorphic brand designs elicit emotions influencing consumers' behaviors, such as willingness to pay (Yuan and Dennis 2019). However, prior research mainly focused on how cognitive processes are related to anthropomorphic brand designs (e.g., Aggarwal and McGill 2012; Epley et al. 2007; 2008; Kim and McGill 2011).



Emotion can dominate cognition and significantly influence behavior (Ambler and Burne 1999). Research has shown that emotion can occur before cognitive processes and have the potential to shape consumer preferences based on feelings triggered by emotional cues rather than product information (Zajonc 1980). Despite this, very little research has explored the relationships between emotions and anthropomorphism from the perspective that emotion may precede cognition and, as a result, affect consumers' tendency to anthropomorphize a brand. This paper addresses this gap and explores how anthropomorphism results from emotional responses.

### **Method and Data**

We conducted a series of three studies on MTurk to test our hypotheses. In Study 1 ( $n = 96$ ,  $M_{age} = 3$ , 46% female), we investigated how emotional valence affects consumers' anthropomorphism toward a focal product. Using a two-level, single-factor (emotional valence: positive vs. negative) between-subjects design, we manipulated participants' emotion valence employing 2-min video clips of an art exhibition (positive) vs. movie *Champ* (negative). Then, participants viewed an iRobot Roomba<sup>®</sup> commercial and reported their anthropomorphism toward iRobot<sup>®</sup>, felt valence, and other measures. In Study 2 ( $n = 179$ ,  $M_{age} = 39$ ; 50% female), we explored the effect of emotional valence stimuli on consumers' willingness to pay (WTP) through anthropomorphism toward the focal brand. Participants were exposed to the same manipulations as in Study 1. In Study 3 ( $n = 438$ ,  $M_{age} = 40$ , 50% female), we tested the influence of emotional valence stimuli on consumers' brand likability and the moderating effect of preexisting anthropomorphism. Participants were randomly assigned to one of two groups (emotional valence stimuli: positive vs. negative) x 2 (preexisting anthropomorphism: high vs.

low). They watched a 20-second advertisement for Pedigree® (vs. Knaz®, a fictitious brand) dog food and then reported their likability to dog food brands and other measures.

### **Summary of Findings**

The three studies presented here provide insight into the relationships between emotional valence stimuli, anthropomorphism, and brand evaluations. Study 1 demonstrates that emotional stimuli can elicit felt valence and induce anthropomorphism to a focal brand. Study 2 reveals a serial mediation process from emotional stimuli to consumer WTP for a focal brand through felt valence and anthropomorphism. Study 3 sheds light on the influence of preexisting brand anthropomorphism on brand likability. Study 3 suggests that preexisting anthropomorphism can act as a buffer to a brand as consumers have higher likability to a brand with high preexisting anthropomorphism, regardless of the emotion they experienced. For brands with low preexisting anthropomorphism, such as a new brand or a brand with a common brand persona, marketers can use positive emotional stimuli to increase brand likability.

### **Key Contributions**

This paper makes several contributions to marketing literature. First, it explores the possibility that emotional valence can induce anthropomorphism among consumers and consequently influence their evaluations of brands. While there has been some research on the relationship between anthropomorphism and emotional stimuli, few studies have examined the perspective that emotional valence can trigger consumer anthropomorphism. This paper partially fills this gap in the literature.

Secondly, research on how anthropomorphism influences WTP is limited. While Yuan and Dennis (2019) focused on the effect of anthropomorphic product display on WTP, this paper provides a new perspective on how anthropomorphism can influence WTP. Specifically, this paper demonstrates that emotionally valenced stimuli can induce anthropomorphism to a focal brand and consequently increase WTP.

Thirdly, research investigating the influence of preexisting brand anthropomorphism on brand likability is rare. This paper examines this relationship and finds that consumers have higher likability for a brand with high preexisting anthropomorphism, regardless of the interference of felt valence from a stimulus. This suggests that the influence of preexisting anthropomorphism on brand likability can act as a buffer for marketers having desires to use sad cues in marketing campaigns. Future research is needed to explore this possibility in more detail.

References are available upon request.

## **INVESTIGATING THE MODERATING ROLE OF PERSONALITY TRAITS IN AUTHENTIC ADS**

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**Keywords:** authenticity, emotion, counterargument, brand attitude

**Description:** This study attempts to investigate whether emotional and counterargument responses might mediate the influence of advertising authenticity, taking into account the moderating role of personality traits.

### **EXTENDED ABSTRACT**

**Research Question** – An authentic advertisement effectively expresses brand value to customers; an advertisement without authenticity instead reduces people’s brand attitudes. As authenticity is helpful in building brand trust, using authenticity as a positioning tool has become a growing trend. Despite these advances, some issues need to be addressed. First, how do customers respond to authentic advertisements? Although prior research states authenticity in brand advertising, the mechanism of why or when customers respond to authentic advertisements is unclear. Second, different people assess advertisements vary. Prior research has proposed some advertising elements related to narratives; however, little research examined the effects of personality traits in authentic advertising.

**Method and Data** – An experimental design is used to examine the effect of the interaction of authenticity with personality traits on customer’s emotion and counterargument, and to investigate the mediating effects on brand attitude. To distinguish different authenticity advertisings, we used three print advertisements to describe the same product, respectively high iconic authenticity, high indexical authenticity, or no authenticity. To avoid occupations and social class concerns, undergraduate and graduate students were recruited as our samples, and they were randomly assigned to three conditions. 356 respondents participated in the experiment, and each condition included at least 110 responses.

**Results** – The results indicate that both indexically and iconically authentic advertisements produce more positive emotions and fewer counterarguments among extroverted and agreeable and open people. Conscientious and neurotic people produce more negative emotions and counterarguments when they read iconically authentic ads, rather than indexically authentic ones. The emotion evoked by the advertising in turn positively influences brand attitude; the counterargument has a negative impact.

**Summary of Findings** – Our results suggest that each type of personality trait generates different degrees of emotion and counterargument in response to different authentic advertisings. These results demonstrate that advertisers should customize their advertising, aligning different types of authentic ads with customers’ personality traits. By analyzing the dominant personality traits of target customers, advertisers can design appropriate authentic types of ads to attract their customers and enhance the advertising effectiveness. Therefore, advertisers should combine indexical with iconic authenticity and use them with different weights when designing an advertisement for companies.

**Statement of Key Contributions** – This research contributes to the literature on consumer attitudes toward authentic ads in several aspects. First, our results extend the research in

advertising from focusing on narrative forms to authentic aspects. The authenticity enables more granular depictions of consumers' perceptions in advertising by including both cues (i.e., indexical authenticity) and sense (i.e., iconic authenticity) features. Second, this research contributes to the SOR theory by offering a stimulus-organism-response mechanism perspective and examining the two types of perceptions (i.e., emotion and counterargument) in authentic advertising. Third, this research contributes to the personality literature by investigating the moderating effects of personality traits on the relationship between authentic ads and consumers' perceptions.

References are available upon request.

## JOINT ROLE OF COMMUNICATION BUDGETS AND INTERNET PENETRATION FOR CORPORATE BRAND EFFECTS ACROSS NATIONS

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Keywords: Cross-national research, Corporate brand equity, Communication budgets and communication, Internet penetration, Multilevel structural equation modeling.

We analyze the joint role of corporate communication budgets and Internet penetration in consumers' corporate brand associations and give novel insights into effective corporate communication budget allocation across nations.

### EXTENDED ABSTRACT

#### Research Question

MNCs like Coca-Cola face rapid changes as the growth of the Internet means that communication budgets need to be reallocated efficiently to accommodate countries' media habits and generate favorable consumer responses (e.g., Abedi, 2016; Katsikeas et al., 2020).

We refer to three research streams. First, studies analyzed *corporate brand associations* for consumer behavior in two or a few countries (e.g. Buil et al., 2013b; Zhang et al., 2014), or across at least 37 countries that additionally examined country contexts (e.g., Swoboda et al., 2017). Second, *digital media* was addressed in solely or together with brand associations in few studies with contradictory results (e.g. Godey et al. 2016, Hudson et al. 2016). Across 40 countries Internet penetration affect popularity of product brands but not corporate association effects (Kim et al., 2019; Swoboda et al., 2016). Third, regarding *communication budgets*, studies show budget alloca-

tion in few countries, across 37 countries linked to traditional media or countries' economy (Bahadir/Bahadir 2020; Deleersnyder et al. 2009). Links to local digital media penetration or brand-related consumer behavior are missing.

We aim to address these calls and gaps and analyze how local Internet context and managerial corporate communication budget allocation decisions jointly moderate consumers' brand association effects.

### **Method and Data**

The data derive from cooperation with a MNC globally offering skin and beauty care products. It centrally allocates corporate brand communication budgets across nations and uses a globally standardized corporate brand. The agency collected the data for the main study cross-nationally. Respondents were randomly selected following screening criteria. After eliminating Mahalanobis distance-based outliers (N=813), 31,951 respondents remained.

Individual-level variables were measured using five-point Likert-type scales. We relied on established scales to measure consumer-based corporate brand equity (CBE) and loyalty. We obtained data for Internet penetration from the We Are Social Report (2018, e.g., Oghazi et al. 2020) and used the proportion of Internet users compared to the total population (common in international research, Kozlenkova et al. 2021). The MNC provided annual data for corporate brand communication budget to us, which represents the relative spending in a country (as is) to country sales (common in IB research, Peers et al. 2017). We controlled for age, gender, number of respondents and MNC's experience.

Intraclass correlation of 14.7% show that MSEM is highly adequate. Reliability, validity, multi-level reliability and common method variance were satisfactory tested. Hypotheses were tested using multilevel mediation structural equation modeling with cross-level interaction effects in Mplus 8.3.

### **Summary of Findings**



Regarding our initial research question, we contribute to partly inconclusive IB research in few countries and generalize results across nations by showing a strong effect of consumer-based CBE on consumers' intentional loyalty. Consumers perceiving a corporate brand as strong, attractive and unique have a stronger loyalty intentions.

Regarding our second research question, we contribute to IB research by providing new insights into the joint role of communication budgets and Internet penetration for the effects of consumer-based CBE on consumers' loyalty, linking Internet, managerial decisions and consumer behavior. We identify no moderating role for Internet penetration and interestingly an inverted u-shaped moderation of corporate communication budget. It's not about more budgets, but about using the existing ones smarter across nations (Peers et al. 2017). Mainly, corporate communication budget cross-nationally tailored to the national Internet penetration strongly increases consumer-based CBE effects (explaining 57.1% of country level variance), however inverted u-shaped. We show that a fitting higher (vs. lower) internet penetration and budgets allocation in a country amplify brand equity effects stronger (weaker), but that also an overperformance emerges. Moreover, we discuss practically relevant country groups with a poor fit, namely a too low (high) budgets for a high (low) Internet penetration.

### **Key Contributions**

*First*, as minor contribution, we provide generalizable insights for cross-national effects of consumer-based corporate brand equity. The latter is focused as it contains extensive information about the value consumers have stored in memory about an MNC, is of high importance to attract consumers' responses and still needs further elaboration across nations (Chatzipanagiotou et al. 2019). Brand equity effects might be strong in one country but not in another country (Buil et al. 2013b; Zhang et al. 2014).

*Second*, we contribute to literature by providing new insights into the joint role of communication budgets and Internet penetration for the effects of consumers' corporate brand associations. We

focus on *Internet penetration* as rapid spread of Internet-based technologies is reshaping how MNC build brands (Steenkamp 2020). *Communication budget* decisions are part of a corporate communication strategy and a way to implement it (Bahadir and Bahadir 2020). They may support consumers' corporate brands effects in one but not in another country and thus may take advantage of local opportunities through efficient allocation (Abedi 2016). We assume an optimal corporate communication budget allocation across nations, individually and adapted to Internet penetration, and thus a curvilinear effect for consumer corporate brand responses (Peers et al. 2017).

References are available upon request.

## **OPTIMAL SUBSCRIPTION PLATFORM PROMOTION POLICY**

### **UNDER EVOLUTION**

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Keywords: subscription platform, dynamic promotion policy, evolution, cross-network effect

Description: This paper studies the dynamic optimal promotion policy of subscription platforms under evolution starting from its initial phase of operation under the presence of cross-network effect or cross-sided promotion/interaction of users.

### **EXTENDED ABSTRACT**

#### **Research Question**

Digital subscription platforms (e.g. LinkedIn, Upwork, Skillshare) often use their promotion to attract users despite the cross-network effect or user-generated cross-sided promotion/interactions – LinkedIn has offered sponsored content and ad options for business to promote their products and services, used content and email marketing, and partnership with companies and integration of its platforms with third-party service providers to attract potential users. Meanwhile, LinkedIn users have promoted themselves and their brands by optimizing their profiles, sharing content by posting on their profiles, endorsing and recommending their connections, and expanding their professional network. Historically, prices (subscription fees) of these platforms have remained relatively stable with few changes while their promotion is dynamic.

Past research has studied platform strategies including promotion in a static setting for mature platforms. There is little theoretical research in marketing on subscription platform promotion policy for the more realistic dynamic setting where the platform evolves starting from its initial phase of operation. The added complexities of time-varying nature of relevant variables make studying platform promotion in a dynamic setting an important exercise from a managerial perspective. Given that promotion is costly and the subscription platform wants to maximize profitability over time, what is its optimal promotion policy? How should subscription platforms manage promotion as they evolve?

### **Method and Data**

We model platform users varying from one period to the other depending on the net organic decay due to dissatisfaction (after taking into account growth due to same-sided user-user interaction) and growth due to platform promotion on prospective users along with organic growth due to interaction of current and prospective users. We use dynamic optimization deriving Euler equations which link the promotion effort of one period to the next and solve it using the value function iteration algorithm in MATLAB. We consider three cases: (i) the short-run case of sellers remaining fixed but buyers varying (time is required to verify sellers before allowing them to transact) (ii) both buyers and sellers varying for an infinitely repeated game (iii) the case of infinitely repeated game condensed to three period (or the case of short-lived platforms for limited time promotions, product testing, events, pilot projects) with start, growth and mature phase with the promotion in first two stages but no promotion in the last stage. For the first two cases, we derive steady-state values. Since several variables are interlinked with one another, we perform simulation changing one variable at a time and seeing the effect on others. We analytically derive all results of comparative statics using total differential, partial

differential, and Cramer's Rule. For the third case, we derive optimal promotion for the first two periods and perform comparative statics. The findings hold subject to the cross-network effect being relatively large (e.g. LinkedIn).

### **Summary of Findings**

Promotion in a particular period is dependent on three components: the difference between the price charged to users per unit cost of promotion (price-cost ratio) and the promotion in the previous period adjusted by the discount factor, the cross-sided effect of promotion on remaining (market potential minus present users) cross-sided users along with the cross-sided interaction of prospective and current users, and finally the net of total conversions minus the net organic decay due to dissatisfaction and the cross-sided organic growth due to buyer/seller interaction.

While for short-lived platforms, user decay on one side is to be countered with more promotion on that side, for long-term platforms at the maturity stage, user decay on one side needs to be countered with less promotion on that side and more promotion on the other side.

While more promotion is required to cater to a larger potential market for a traditional business, we find that given a level of cross-sided interaction, a larger potential market requires lesser promotion. This benefit to free-ride on cross-sided user interactions makes platforms lucrative. Engaged users enabling high cross-sided network effect lessen platform promotion. The platform may still advertise to achieve profitability results quickly under pressure from stakeholders. Promotion is path dependent as the timing and place or target population affect platform profitability. Platforms achieve steady-state and do not exhibit continuous growth in the long run. Short-term promotions are characterized by spikes to build critical mass while long-term promotion is gradually influenced by the cross-network effects.

For short-lived platforms, the second-period promotion on users is half the discounted price-cost ratio and independent of the initial number of users or the potential market size. Extra users gained per unit of initial/second stage promotion is directly proportional to the difference between users'/cross-sided users' market potential and the initial number of users.

### **Key Contributions**

Platform dynamic pricing and user growth due to the same-sided effect has been well studied in the past literature. Our paper focuses on the dynamic promotion of subscription platforms under evolution and how the cross-sided network effect affects promotion. We ignore uncertainty in the environment as it does not contribute to additional insights. Past research has studied mature platforms with mostly static models. We theoretically derive the platform's optimal promotion strategies in the presence of cross-network effect in a dynamic environment starting from its inception. We support our findings with simulation studies.

The managerial implication is that while the initial decay of users on one side of the platform may be countered with added promotion, the decay of users at a mature level must be countered with less promotion on the same side and more on the other side (e.g. Tinder). Engaged users lessen platform promotion even allowing it to cater to a larger potential market with little promotion. The platform may use screening as a strategy to bar certain users after doing a cost-benefit analysis. Platforms should incentivize users to share content, experience and recommendations, and positive ratings on social media, optimize their profile, create engagement and a sense of community with other users, use word-of-mouth to influence others and expand their network. Judiciously choosing the target market, place, and timing of initiation of the platform business can enhance profitability in the longer run.

**PL BRAND ARCHITECTURE – SHOULD RETAILERS LINK PL BRANDS WITH THEIR CORPORATE BRAND?**

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**Keywords:** Brand Architecture, Online Retailer, Private Label, Branding

**Description:** The paper investigates the effect of two PL branding strategy options (linked or stand-alone) on PL brand attitude considering PL tiers and degree of specialization of the online retailer as moderators.

**EXTENDED ABSTRACT**

**Research Question**

While marketing PLs managers have to decide between two PL branding strategy options: 1) PL is linked with the respective retailer brand name or (linked PL branding strategy 2) any link between the PL and the retailer brand should be avoided (stand-alone PL branding strategy) (Schnittka et al. 2015). The different studies come to conflicting results. In tendency, linking the PL with the superordinate brand has positive effects especially for higher price and quality PL tiers in stationary grocery retail. To put more emphasis on the online setting, the paper aims to:

- 1) *Investigating the effect of PL branding strategy options on PL brand attitude considering PL tiers as a moderator and considering the e-commerce context for the first time.*

Especially large online retailers, such as Amazon with a very huge assortment and a very low (almost no) degree of specialization on a definite product category need a special consideration as they lack benchmarks in the offline world. To address the issue of specialization in the online retailer's assortment, the second aim and key contribution of our paper is:

- 2) *Considering the degree of specialization of the online retailer brand as a new moderator.*

### **Method And Data**

The study uses a 2 (PL branding strategy options: linked vs. stand-alone) x 2 (PL tier: economy / premium) x 2 (degree of specialization of the superordinate online retailer brand: low / high) between-subjects design. In an online experiment study participants were presented a product page with a plain sweatshirt in a simple design to ensure that the offered product corresponds to the style preferences of as many participants as possible. To avoid that study participants already had associations with the presented PL a fictional PL was used (Schnittka et al. 2015). SYMBOL was selected as a fictional PL brand name because it is not used as a fashion brand in Germany. To create a realistic scenario the sweatshirt was presented with the PL brand name "SYMBOL" on a product page comprises typical elements of an online shop. This study considers 358 female participants between 16 and 35 years of age from Germany. Furthermore, it was ensured that study participants do not dislike the presented fashion product (sweatshirt). They were randomly assigned to one of the eight scenarios. For each scenario at least 38 participants were assigned.



### **Summary of Findings**

To test our hypotheses, an analysis of covariance (ANCOVA) is conducted. The results reveal a significant main effect of PL branding strategy on PL attitude ( $F = 3.96, p = 0.047$ ). However, the direction of this effect is not in line with our assumptions as the stand-alone PL branding strategy results in a significant higher PL attitude ( $M = 3.27, SD = 0.73$ ) than linking the PL ( $M = 3.07, SD = 0.80; t_{356} = 2.47; p = 0.014$ ). Furthermore, the analysis shows a significant interaction effect between PL branding strategy and PL tier on PL attitude ( $F = 8.75, p = 0.003$ ). However, the assumed main effect in this hypothesis (linked PL branding strategy positively influences PL brand attitude) is not confirmed. Further, the interaction effect between PL branding strategy and degree of specialization of the superordinate online retailer brand on PL attitude is not significant ( $F = 0.46, p = 0.496$ ). Moreover, the results of the ANCOVA reveal a significant 3-way interaction effect between PL branding strategy, PL tier, and degree of specialization of the superordinate online retailer brand on PL brand attitude ( $F = 6.58, p = 0.011$ ).

### **Statement of Key Contributions**

For the first time, this study contributes the moderating effect of the retailer brand's degree of specialization. It distinguishes focused and generic retailers strongly with regards to their PL branding strategy. Our results confirm the two-step integrative concept of the schema theory. Consumers evaluate a new PL brand and how typical it is for the superordinated retailer brand. If the object is overall typical consumers continue a detailed evaluation based on further attributes. The results are limited due to the applied industry context of online fashion retailing. Our main practical contribution is the demonstration that the suitability of PL branding strategies differs for focused retailers with a high vs. generic retailers with a low degree of specialization. Focused retailers, such as Zalando, About You and IKEA should

apply a linked PL branding strategy for premium PL brands and a stand-alone PL branding strategy for economy PLs. Interestingly, these results contradict their current branding approach, as so far, focused retailers mainly link economy PL brands with their retailer brand. In the case of generic retailers with a low degree of specialization (e. g., Amazon, Otto, Walmart, AliExpress), any kind of a linked PL branding strategy is not recommended.

*References are available upon request.*

## **THE EFFECT OF THE ZOOM-IN (VS. ZOOM-OUT) PRESENTATION**

### **FORMAT OF BRAND LOGOS ON PERCEIVED BRAND COMPETENCE**

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**Keywords:** brand logos; zoom effect; brand competence; cognitive focus

**Description:** This research seeks to investigate the effect of brand logo presentation formats (zoom-in vs. zoom-out) on brand perceptions and brand attitudes, which can be explained by the perceptions of brand growth.

## **EXTENDED ABSTRACT**

### **Research Question**

Previous research on brand logos mainly focused on how to design the brand logo itself, such as the circular vs. angular shapes of the logo (Jiang et al., 2016), complete vs. incomplete typeface of textual brand logos (Hagtvedt, 2011), symmetry or asymmetry design of the brand logo (Luffarelli et al., 2019), etc. However, less research has explored the dynamic presentation format of brand logos, which is widely adopted by companies to promote their brands on social media. Therefore, in this research, we investigate how logos in videos with the zoom-in (vs. zoom-out)

effect affects consumer brand perceptions.

### **Method and Data**

Our theory was tested through four field and experimental studies. Study 1a was a field experiment on Facebook's split testing platform, which used an A/B test to examine whether the zoom-in (vs. zoom-out) presentation format of the brand logo could increase consumers' interest in this brand. Study 1b was a lab experiment testing the main effect of brand logo presentation format (zoom in vs. zoom out) on perceived brand competence. Study 2 further tested whether perceived brand growth mediates the effect and included a static large logo condition to rule out perceived brand power as an alternative explanation. Study 3 intended to investigate whether participants' cognitive focus (focus on the logo size vs. focus on their distance to the logo) would moderate this brand logo zoom effect, which further tested perceived brand growth as the underlying mechanism of this effect using a moderation study.

The results showed that when participants' cognitive focus is shifted from the brand logo's size to their spatial distance to the brand logo, they would be less likely to associate the brand logo's zoom-in presentation with brand growth, which consequently weakens the brand logo zoom effect. Therefore, Study 3 further supported the.

### **Summary of Findings**

A series of four studies consistently supported our proposed brand logo zoom effect. The results revealed that a brand logo shot with the zoom-in (vs. zoom-out) effect evokes greater interest from consumers (Study 1a) and enhances the perception

that this brand is competent (Study 1b). We further find that the effect of brand logo presentation format on perceived brand competence is driven by brand growth perceptions (Studies 2). Furthermore, this research also finds that this brand logo zoom effect could be mitigated when consumers focused on the changes in distance to the brand logo rather than the changes in logo size (Study 3).

### **Key Contributions**

From a theoretical perspective, the contributions of this study are trifold. First, previous research on brand logos mainly focused on how to design brand logos, but less research explored the dynamic presentation format of brand logos. This research investigates an understudied presentation format of brand logos, namely the zoom-in versus zoom-out effect, enriching literature about brand logos and brand advertisement design. Second, previous research suggested that visual brand elements are perceived in terms of not only their technical properties but also their symbolic connotations. In a similar vein, this research suggests that brand logo zoom-in presentation format could activate stronger growth association, enriching literature about visual cues and brand association. Third, this research also enriches literature about the drivers of perceived brand competence, which previous research paid less attention to (Aaker et al., 2012; Zhou et al., 2022). This research enriches this stream of literature by showing that the zoom-in presentation format of brand logos could also serve as a driver of perceived brand competence. (This work was supported by the National Natural Science Foundation of China [grant numbers 72172072, 71772104, and 72162012]; and Hainan Natural Science Foundation [grant number

721RC517].)

**THE EFFECTS OF AD APPEALS ON LOW-FIT BRAND EXTENSION  
EVALUATIONS: A CONSTRUAL-LEVEL MATCHING PERSPECTIVE**

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**Keywords:** Brand extension; advertising appeals, construal level theory, consumer decision journey

This study shows that different advertising appeals can improve the evaluations of low-fit brand extensions when matched with consumer social power and decision journey stage in terms of construal level.

**EXTENDED ABSTRACT**

**Research Question**

Introducing low-fit brand extensions substantially benefits brands, yet their success is challenging (Hernandez et al. 2019). Prior research has established the important role of advertising in promoting brand extensions (e.g., Lane 2000; Sattler et al. 2010). However, it

has investigated limited ad appeals (e.g., Chang and Tung 2016; Dens and De Pelsmacker 2010). A few advertising studies also drew on construal level theory (CLT; Trope and Liberman 2010) to show the effectiveness of ad messages for low-fit brand extensions (e.g., Zhang et al. 2020). CLT postulates that individuals mentally represent information at different construal levels (Trope and Liberman 2010). However, existing brand extension research applying CLT has limitations. First, it favours ad messages that evoke high-level construal since they enhance brand extension evaluation by improving perceived parent-extension fit. Second, its findings would be ineffective for consumers with innate low construal-level. Third, it uniquely emphasises a cognitive process –perceived fit– and ignores information processing itself that may produce an affect to drive brand extension evaluation (Huang et al. 2017). Our research investigated the effect of the construal-level match between different ad appeals and consumer-side factors on low-fit brand extension evaluation and what underpins this effect. CLT suggests that individuals favourably evaluate a stimulus when their construal level matches the construal level of the stimulus (Trope and Liberman 2010).

### **Method and Data**

We conducted three studies to examine the impact of construal-level match on low-fit brand extension evaluation and uncover its underlying mechanism. US participants were recruited via MTurk (Study 1) and Prolific (Studies 2 and 3). Study 1 considered abstract and concrete ad appeals for Gillette running shoes and primed social power (Galinsky et al. 2003) to examine the effect of the construal-level match on low-fit brand extension evaluation. It then used a 2 (social power: high, low)  $\times$  2 (ad appeal: abstract, concrete) between-subjects design. Furthermore, Study 2 created desirability and feasibility ad appeals for Honda laptop and used consumer decision journey stages (Humphreys et al. 2021). Specifically, it applied a



2 (CDJ stage: informational, transactional)  $\times$  2 (ad appeal: desirability, feasibility) between-subjects experimental design. Finally, using an experimental-causal-chain design (Spencer et al. 2005), Study 3 conducted two experiments to test processing fluency as the underlying mechanism. Experiment 3a tested the impact of the construal-level match on processing fluency using a 2(CDJ stage: informational, transactional)  $\times$  2 (ad appeal: promotion, prevention) between-subjects design. Furthermore, Experiment 3b used a single factor, two-level (processing fluency: high, low) between-subjects design to test the influence of manipulated processing fluency on low-fit brand extension advertisement. The font style of the ad was altered to manipulate processing fluency.

### **Summary of Findings**

Consistent with our theorisation, the results of Study 1 demonstrated that a construal-level match between ad appeals (abstract vs concrete ad appeal) and social power (high-power vs low-power) improves the evaluation of low-fit brand extension and its ads. Study 2 provided additional evidence concerning the impact of the construal-level match on the evaluation of low-fit brand extension. Specifically, it found that the desirability (feasibility) ad appeal for a low-fit brand extension is more effective when the consumer is at the informational (transactional) stage of the decision journey because of a construal-level match. Finally, Study 3 confirmed that the processing fluency underpins the effect of the construal-level match between ad appeals and stage in consumer decision journey on low-fit brand extension evaluation.

### **Key Contributions**

This study makes several important contributions to an emerging body of literature on promoting low-fit brand extensions (Mathur et al. 2022; Miniard et al. 2018; Su et al. 2021).

First, it extends brand extension advertising research by demonstrating the effectiveness of construal-level match in low-fit brand extension evaluation. Second, extant brand extension literature has solely focused on the cognitive process of improving fit perceptions (see Huang et al. (2017) for exception). This study investigates an affective mechanism (i.e., processing fluency) that would similarly enhance low-fit extension evaluation. Third, context-wise, this study tests different ad appeals (e.g., abstract vs concrete; desirability vs feasibility) and situational factors (i.e., social power; informational vs transactional purchase-decision stages) that have not previously been considered to low-fit brand extensions. Fourth, this study offers a methodological contribution by causally testing the underlying mechanism via an experimental-causal-chain design. An important managerial contribution is that the findings inform marketers and guide their strategies for successfully promoting low-fit brand extensions.

References are available upon request.

## **THE IMPACT OF INCLUSIVE ADVERTISEMENTS ON CONSUMER WELL-BEING: THE MEDIATING ROLE OF BRAND WARMTH AND BRAND COMPETENCE**

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**Keywords:** *Inclusive Advertisements, Brand Warmth, Brand Competence, Troubled Brands, Popular Brands*

### **Description:**

The present study employed a quantitative approach to examine how inclusive advertising impacts consumer well-being in the presence of brand warmth and brand competence as mediators.

### **Research Question**

In recent years, there has been a rapid increase in advertisements promoting inclusion and diversity. The Advertising Standards Council of India (ASCI) has updated its code to widen the scope of inclusivity in advertising depictions (Financial Express, 2022). Many studies were carried out using brand attitude, purchase intention, customer attraction, brand trust and brand loyalty. Various previous studies have been conducted on Diversity in advertising on gender roles, cultural identity, political ideology, and religious and spiritual appeals. Very few studies were conducted regarding the relationship between inclusive advertising and consumer well-being. Hence this study aims to explore the following research Questions

1. What is the impact of Inclusive advertisements on the consumer well-being of middle-class family consumers in South India?
2. Does Brand Warmth mediate the relationship between Inclusive advertisements and Consumer well-being?
3. Does Brand Competence mediate the relationship between Inclusive advertisements and Consumer well-being?
4. Do Popular Brands or Troubled Brands act as a moderator in the mediating relationship of Brand Warmth between Inclusive advertisements and Consumer well-being?
5. Do Popular Brands or Troubled Brands act as a moderator in the mediating relationship of Brand Competence between Inclusive advertisements and Consumer well-being?

## **Method and Data**

A quantitative approach was used in the study to test the anticipated theory and research hypothesis. An online survey was employed among middle-class family consumers, and the response of 132 customers was taken for analysis. The instrument includes scales from previous literature. The dimensions related to Brand warmth and Brand Competence were adopted from Brands as Intentional Agents Framework (Kervyn, Fiske, & Malone, 2012), and the Asian consumer well-being scale was adopted for consumer well-being dimensions in the questionnaire (Leong et al., 2016). The analysis of mediated moderation was conducted using Process Macro Model-9 in SPSS.

The impact of Inclusive Advertisement on Brand Warmth is Significant ( $b=.6510$ ,  $t=6.6456$ ,  $p<0.05$ ). Both Popular Brands and Int\_1 (IA x PB) and troubled Brands and Int\_2 (IA x TB) are insignificant.  $X*W(IA*PB)$  and  $X*Z(IA*TB)$  cause an insignificant R-square change in the outcome-Brand Warmth.

The impact of Inclusive Advertisement on Brand Competence is Significant ( $b=.4916$ ,  $t=4.9730$ ,  $p<0.05$ ). Both Popular Brands and Int\_1 (IA x PB) and troubled Brands and Int\_2 (IA x TB) are insignificant.  $X*W(IA*PB)$  and  $X*Z(IA*TB)$  cause an insignificant R-square change in the outcome-Brand Competence.

The direct effect of Inclusive advertisements on Consumer well-being in the presence of mediators is significant. The indirect effect of Inclusive advertisements on consumer well-being through both Brand warmth and Brand competence is found to be insignificant.

Neither Popular Brands nor Troubled Brands moderate the indirect effects of brand warmth or Brand competence.

## **Summary of Findings:**

To measure consumer well-being, we have used the emotional and cognitive response of the consumer response in the consumption process. Fewer studies have been taken to understand the objective and subjective well-being cumulative constitutes consumer well-being in the consumer product life cycle. In our research, the direct relationship between inclusive advertisement and consumer well-being is significant as we have considered different dimensions of consumer well-being. All the hypothesis for direct relationship stands statistically significant. But the indirect relationship through the mediating variables like brand warmth and brand competence to consumer well-being in our analysis is insignificant. In terms of the moderating effect of Types of brands

adopted from the BIAF Framework, that is, the popular and troubled brands, all the interactive effects were statistically insignificant.

### **Key Contributions**

The current research found that product-focused Inclusive advertisements have a strong positive impact on consumer well-being. Inclusive advertisement enhances Brand Warmth and Brand Competence. The present study emphasizes the need to research further the underlying mechanism between inclusive advertising and consumer well-being. When consumers perceive that the brand is identical to themselves through inclusive advertisement, that brand can easily facilitate consumer well-being. Consumer well-being can enhance physical and mental health, strengthen consumer loyalty, and promote positive word-of-mouth. Inclusive advertising allows organizations to enhance consumer perceptions of brand warmth and brand competence and thus encourage purchase behaviour.

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## **The Impact of Color-Contrast and Color-Temperature on the Ability of Customers to Storage and Recall Information from Ads**

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### **Keywords**

Customers' Information Recall; Color-Contrast; Color-Temperature; Advertisement; Unconscious Thought Theory

### **Description**

This paper focuses on the ability of customers to store and retrieve information from an advertisement for a particular product within which both color-contrast and color-temperature have been systematically manipulated.

### **EXTENDED ABSTRACT**

#### **Research Question**

The digital advertising of products, persons or positions has been a popular approach to consumers for many years. Particularly due to the increasingly intensive use of digital or social media, it is important for both retailers and agencies to understand which influencing factors are important when it comes to the storage and reproduction of the information stored in the respective advertisements. Studies show that in this context not only the question of color selection plays a central role in the perception of advertisements, but also their temperature of color. In principle, our study focuses on a specific aspect of this and expand and specify it with regard to the different significance of the degree of color complementarity as well as the influence of the temperature of the color of the information. More concrete, it will be examined whether the targeted use of colors and the temperature of colors of an advertisement can increase the amount of information stored or perceived.

This Paper therefore pose the following research question: To what extent do the color-contrast and color-temperature of an advertisement influence the storage and recall-ability of information?

## **Method and Data**

Within the framework of this study, an experimental in between subject online survey was carried out (N=180) with the inclusion of unconscious information processing. It was shown that a higher degree of color-contrast but also a warmer color in the ad positively influences the memory and reproduction processes. The study was able to show that especially customers with a low attitude towards advertisements should be confronted with ads that contain complementary color schemes, since in contrast, an analog display leads to a lower share of information.

Based on the assumptions of unconscious information processing results give reason to believe that the subconscious perception and downstream internal processing of the information played out in the ad by the consumer constitutes an essential component in the processing and storage of this information. A complementary color-combination within the ad seems to stimulate the subconscious in a special way, which means that a more intensive, subconscious engagement with it takes place and ultimately leads to the information in the ad being stored more concretely. An analogue color-combination does not seem to achieve this level of cognitive, subconscious stimulation, resulting in less information being stored.

## **Summary of Findings**

Findings show a significant difference between the analogous and the higher the degree of color-contrast. Consumers seem to be able to remember more information about an ad when the color composition in that ad is more complementary. One could conclude that the integration of more strongly different colors triggers more intensive cognitive processes in the consumer than is the case with an analogue color combination, which in turn leads to a higher share of recalled items.

This paper can show that the warmer temperature of color of the ad has an overall more positive effect on the consumer share of recalled items than the colder temperature. However, an

interaction of color-contrast and color-temperature could not be realized. Moreover, a significant moderating effect of the general attitude towards ads on the influence of the color-contrast could be found.

Based on the assumptions of unconscious information processing results give reason to believe that the subconscious perception and downstream internal processing of the information played out in the ad by the consumer constitutes an essential component in the processing and storage of this information.

### **Statement of Key Contributions**

This study also provides numerous insights for practice, which are relevant for web designers of large retail chains as well as for smaller retailers during their product advertising. Overall, there is potential for anyone who deals with the topic of ad design because the fact that information from these is better processed when the colors are more complementary and warmer can also be used by more information heavy advertising messages, such as in the advertising of automobiles or electrical goods. But also, campaigns that focus more on emotions, as is the case in election campaigns, can be influenced by this. It is possible that the concrete storage of the integrated information does not play an overriding role here, but rather the mood of the poster. Furthermore, customers with a low attitude towards advertisements can store significantly more information when the colors in the advertisement were presented in a complementary manner than in analogous presentations.

In addition, there is a great deal of potential for further research, such as the question of whether different colors have different effects, or whether the choice of medium on which the advertisement is displayed has an influence.

**THE IMPACTS OF  
THE CROSS-PLATFORM TARGETED ADVERTISING STRATEGY**

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**Keywords:** platform collaboration, targeted advertising, web traffic, conversion; retargeted advertising

**Description:** This study employs a game-theoretical model to explore how the collaboration between an online marketplace and a social media platform alters online sellers' advertising and promotion strategies and reshapes the advertising market.

**EXTENDED ABSTRACT**

**Research Question**

Targeted advertising has emerged as a significant revenue generator for online marketplaces. For instance, Amazon reported a \$31.16 billion in advertising revenue in 2021, with projections suggesting a reach of \$64.3 billion by 2026. It has become a standard business practices for sellers on these marketplaces to vie for web traffic via *cost-per-click* based targeted ads, subsequently investing in sales efforts to convert webpage visitors into buyers. Moreover, online marketplaces proactively seek collaborations with social media platforms on targeted advertising, leveraging the latter's extensive user personal data. *Cross-platform targeted advertising* (CPTA) between online marketplaces and social media platforms has become a thriving trend. A burgeoning literature on CPTA has investigated the cross-platform spillover effects and impacts on online marketplace's profits, but has largely overlooked its impacts on the sellers' advertising and sales strategies. This

paper aims to bridge this gap by integrating macro-level platform collaboration decisions with micro-level seller digital marketing strategies. Specifically, our study focuses on: 1) How does platform collaboration, and accompanying retargeted advertising, alter sellers' optimal advertising and sales strategies? 2) How sellers' optimization strategies reshape the advertising marketing and platforms' profits? 3) How should platforms negotiate the collaboration transfer, considering the alteration in sellers' marketing strategies?

### **Method and Data**

To investigate the impacts of the cross-platform targeted advertising, we develop a game theoretical model where sellers advertise on an online marketplace and a social media platform. The online marketplace has two options: *Single-Platform Targeted Advertising* (SPTA) or *Cross-Platform Targeted Advertising* (CPTA). Sellers on the marketplace use ads to attract potential consumers to visit their product pages and invest in sales efforts to convert visitors to buyers. The online marketplace sells ads to sellers through *cost-per-click* (CPC) auctions. If the marketplace launches ads on the social media platform, a *cost-per-action* (CPA) cooperation transfer is paid to the latter. We first analyze the SPTA scenario where sellers' ads appear solely within the online marketplace. Following this, we delve into the CPTA scenario where, through a collaboration agreement, sellers' ads are displayed on both the online marketplace and the social media platform.

### **Summary of Findings**

Our model shows that the CPTA agreement between an online marketplace and a social media platform does not only expand the advertising market, but also motivate sellers to bid higher CPCs for web traffic and to exert more sales efforts to enhance webpage conversions. Consequently, targeted advertising becomes more efficient, and advertising revenue is boosted by both an enlarged volume of web clicks and elevated CPCs. Moreover, CPTA can lead to a Pareto

improvement, benefiting both the online marketplace and the social media platform. However, the profit distribution between the two platforms is contingent on how the cooperation transfer is defined in the CPTA contract. The conventional cooperation transfer commonly used in current business practices actually favors the online marketplace more. We suggest a “fair” cooperation transfer level derived from the Nash bargaining equilibrium. In addition, our study reveals that retargeted advertising — despite having higher conversion rates — does not always benefit the online marketplace’s profit if the cooperation transfer is high.

### **Key Contributions**

This research enriches the targeted advertising literature by modeling how online sellers optimally integrate their advertising and sales promotion strategies — a practice that is commonly adopted in e-tailers’ digital marketing operations but remains largely unexplored in academic studies. We unveil a unique mechanism in the targeted advertising market, where the larger the advertising market size, the more online sellers invest in both advertising and sales promotions. This results in higher advertising efficiency and a twofold increase in advertising revenue, a mechanism that propels the rapid growth of cross-platform targeted advertising.

Moreover, our work elaborates on the roles of retargeted advertising and cooperation transfer in cross-platform targeted advertising. By incorporating sellers’ strategic advertising and sales decisions, we illustrate the comprehensive impacts of retargeted advertising in CPTA and how the cooperation transfer distributes ad revenue between the online marketplace and the social media platform. Our findings provide a theoretical foundation for platforms to refine their CPTA contracts in real-world practices, thereby contributing valuable insights to the field.

*\*References are available upon request.*

**THE INFLUENCE OF INTERNAL BRAND KNOWLEDGE AND  
PSYCHOLOGICAL CONTRACT ON EMPLOYEE BEHAVIOURS**

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**Keywords:**

Internal brand knowledge, psychological contract, employee engagement, employee-based brand equity, employer brand patronage

**Description:**

Assessing the influence of internal brand knowledge and psychological contract on employee outcomes and customer-centric employee behaviors.

**EXTENDED ABSTRACT**

**Research Questions**

Employees’ internal brand knowledge (IBK) and the fulfillment of the psychological contract enable employees to deliver the desired brand promise to customers. The literature on these two constructs has largely proliferated independently, and we aim to join the research streams

on internal branding and psychological contract. Also, the role of employee engagement in customer-centric employee behaviors is under-researched. In this paper, we assess the influence of IBK and psychological contract on employee outcomes (i.e., employee-based brand equity and employer brand patronage) and customer-centric employee behaviors (i.e., customer-oriented behavior and participation in brand development). Specifically, we have the following research questions:

- (i) What is the impact of internal brand knowledge on employee-based brand equity and examine whether this relationship is serially mediation by employer brand identification and employee engagement?
- (ii) What is the impact of psychological contract on employee-based brand equity, employer brand patronage, customer-oriented behavior, and participation in brand development? and
- (iii) What is the mediating role of employee engagement between psychological contract and employee outcomes (i.e., EBBE and EBP) and customer-centric employee behaviors (i.e., COB and PBD).

### **Method and Data**

We collected data from the employees of various service sector industries such as banking and insurance, consulting and advisory services, education and e-learning industry, healthcare industry, hospitality, hotel and restaurants, IT and call centers, telecommunication, travel and tourism. We distributed over 1000 questionnaires. After screening for the required conditions, verifying for completion, and removing suspicious pattern data, the final useable total of responses was 235. 60 percent of respondents were in the age group of 21-30 years, around 66 percent were males, and around 49 percent of respondents had work experience of fewer than five years.



We adopted the existing operational definitions of variables/constructs given by various authors noted in the extant literature. All these scales were examined for reliability and validity. We used PLS-SEM (Partial Least Squares Structural Equation Modeling) to analyze the data. Since our sample size is comparatively small (235 cases) and we also found evidence of non-normality in the dataset using various checks, we chose PLS-SEM over CB-SEM (Covariance-Based Structural Equation Modeling). We used SmartPLS 4.0 (Ringle, Wende, and Becker, 2022) to run the analysis in the present study., James and Brett's (1984) recommendations have been adopted for performing mediation analysis.

### **Summary of Findings**

In this study, using the cognitive-affective-behavior model, we tested the effect of IBK and PC on employee outcomes (i.e., EBBE, EBP) and customer-centric employee behaviors (i.e., COB and PBD) based on the data collected from service sector employees. The findings show that the IBK leads to higher levels of EBI and EE, affecting EBBE. In other words, the relationship between IBK and EBBE is serially mediated through EBI and EE. We observed partial mediation in this relationship. Further, PC favorably affected EBBE directly and indirectly through EE supporting the partial mediation, implying both PC and EE parallelly influenced the EBBE. Interestingly, PC directly affected EBBE. However, it did not directly influence EBP, COB, and PBD; EE fully mediated the relationship between PC and these three outcomes.

### **Key Contributions**

This study contributes to the internal branding literature by highlighting the role of IBK and psychological contract on employee outcomes and customer-centric employee behaviors. We

find that employer brand identification (EBI) and employee engagement are the key intervening mechanisms that transform IBK into the employee-based brand equity (EBBE). We expand on earlier research by showing that IBK not only affects employee performance (Ngo et al., 2020) but also favorably affects the dimensions of EBBE. Furthermore, this relationship is serially mediated through EBI and EE. While the role of EBI in translating brand vision into reality is well established (Piehler et al., 2016), the addition of employee engagement in explaining this phenomenon is an incremental contribution to the literature.

Assessing the role of psychological contract in employer brand patronage (EBP), customer-oriented behaviour (COB) and participation in brand development (PBD) is a novel attempt. The evidence of the absence of a direct relationship between psychological contract and three outcomes (i.e., EBP, COB, and PBD) and employee engagement fully mediating the relationship between psychological contract and these three outcomes is a significant finding. Our novelty stems from the additional link (i.e., employee engagement and EBP) that we establish between psychological contract and EBP.

**References are available upon request**

# THE INFLUENCE OF PERCEIVED INCONGRUITY OF THE PRODUCT PRESENTATION ON CUSTOMER BEHAVIOR

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**Keywords:** Incongruity, Product Presentation, Information Processing, E-Commerce

**Description:** This study investigates customers' perception and reaction on incongruity within an online product presentation that creates a link between two brands that deliberately do not fit together and cannot be perceived by the customer as a matching entity.

## **EXTENDED ABSTRACT**

**Research Question:** The food sector, and in particular the healthy food sector, has become even more important in the wake of the COVID 19 pandemic. However, as customers pay more attention to the intangible values of this product category, such as health, nutritional content, environmentally friendly production, the promotion of healthy foods, like organic differs significantly from conventional food. To explicitly highlight and promote these aspects, retailers can use a variety of online product presentation formats (e.g., text, images, videos, virtual product experiences), which have been shown to significantly influence customers' perceptions and attitudes. Besides that, visual product presentations which deviate from the norm can also lead customers to pay more attention. Recent studies have shown that caused by contradictions information's cannot simply be incorporated and sorted into the expected schema, but rather must be perceived and processed quite consciously. Since there is no literature on this point so far, we are concentrating on to what extent contradictory advertising communication for healthier products increases attention (compared to a less healthy product) and thus also encourages the customer to make a purchase-related decision, or whether such communication can also have a counterproductive effect.

**Method and Data:** Based on information processing paradigm and theory of cognitive dissonance, an online experiment (N=154) was conducted, manipulating customers' perceived level of incongruity within the product presentation.

**Summary of Findings:** Results show that the level of perceived incongruity within a product presentation has a negative influence on customers' purchase intention of food products. Furthermore, we analyzed the role of customers' involvement and found support for a mediating effect of customers' involvement. Moreover, a significant difference between a low

and high level of product health was observed with respect to the impact of the level of perceived incongruity on customers' purchase intention and willingness to pay.

**Key Contribution:** The findings shed light on customers' perception and reaction on incongruity within an online product presentation. In line to the information processing paradigm and the theory of cognitive dissonance, findings suggest that incongruity within the product presentation influence customers' perception and behavioral outcomes significantly. Overall, it seems that online retailers are able enhance customers' virtual product experience through a higher level of incongruity within the product presentation as it has shown to strengthen customers involvement and attention. On the other hand, retailers should be careful as a higher level of incongruity within the product presentation increases customers' information processing as it could be seen as an incorrect and distracting product presentation and therefore seen as less informationally comprehensive finally decreasing customers' intention to purchase. The results show that this is especially true for healthier products as customers pay more attention to their intangible values. Therefore, especially when it comes to the promotion of healthy products, it is particularly important for retailers to choose a balanced level of incongruity, which on the one hand attracts customers' attention, but on the other hand does not strengthen customers' information processing in such a way that it negatively influences customers' purchase related behavior.

## **THE POWER OF GROUNDEDNESS: HOW COMMUNICATION CUES AFFECT AUTHENTICITY PERCEPTIONS**

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**Keywords-** Perceived authenticity, Groundedness, Marketing communications, Perceived price fairness, Cultural Products

**Description-** The present article examines the role of communication cues in making consumers feel grounded and affecting authenticity perceptions.

### **EXTENDED ABSTRACT**

#### **Research Questions**

1. Can authenticity perception for cultural products be affected by consciously designing marketing communications?
2. As cultural products relate to one's origin and roots can we expect the role of groundedness in driving authenticity perceptions? What are the boundary conditions of such effect?
3. As consumers perceive that cultural products are costly and are priced unfair, can we affect price fairness perception by highlighting authenticity of cultural offerings?

#### **Method and Data**

We conducted four experiments. Study 1 and 2 used within-subjects designs while study 3a and 3b employed 2×2 mixed factorial designs to demonstrate the impact of communication cues in affecting authenticity perceptions specifically when such cues make consumers feel grounded. Study 1 (n= 154) demonstrated the role of storytelling in evoking feelings of groundedness and thereby impacting authenticity perceptions.

Participants were exposed to products sold by two sellers. We manipulated which seller used storytelling cues while communicating about its offering. Study 2 (n= 130) used nostalgia as communication cue to demonstrate the predicted effect. Participants were sensitized about relocations and were then exposed to print advertisements of two sellers dealing in cultural products. We manipulated which seller used nostalgic cues. Study 3a (n= 168) employed 2 (cultural sustainability: cue vs. no-cue)  $\times$  2 (Type of seller: Government Seller vs. Private Seller) mixed factorial design with cultural sustainability manipulated as within-subject factor and type of seller manipulated as between- subject factor. Study 3b (n= 172) employed 2 (environment sustainability: cue vs. no-cue)  $\times$  2 (price level: low vs. high) mixed factorial design with environment sustainability manipulated as within-subject factor and price level manipulated as between-subject factor. Study 3b replicated the findings of previous studies and pointed to boundary condition of the impact of sustainability on groundedness.

### **Summary of Findings**

One-way ANOVA results show that our manipulation for study 1 was successful, participants felt grounded when the seller used storytelling in its product description. Also, the product was perceived as more authentic when the seller used storytelling. We also used simple mediation model to better understand if groundedness mediated the effect of storytelling on perceived authenticity. Results for the mediation effect were significant. Similarly, for study 2 one-way ANOVA results revealed that participants felt grounded in the presence of nostalgic cues and perceived the offerings as more authentic than in the absence of it. We went further to understand if groundedness mediated the relationship between nostalgia and perceived authenticity & check affective attachment to hometown as boundary condition to nostalgia's effect on groundedness. The results for our predictions for study 2 were found significant. Study 3a tested the impact of cultural sustainability cues in evoking feelings of groundedness and affecting authenticity perceptions. We also introduced another variable-

type of seller and observed the effect through a 2×2 mixed design. The interaction between cue and type of seller was found significant. Through a serial mediation model, we found the significant role of perception of help and groundedness in driving the effect between cultural sustainability cues and perceived authenticity. Lastly, study 3b examined the role of environmental sustainability cues in affecting authenticity perceptions. We also included price level (low vs. high) as a variable and observed the effect through a 2×2 mixed design. The interaction between cue and price level was found significant. Through another serial mediation model, we again found the significant role of perception of help and groundedness in driving the effect between environmental sustainability cues and perceived authenticity. In study 3b we also checked sustainability consciousness as boundary condition to sustainability cue's effect on groundedness. The study also proves that when the offerings are perceived as authentic their price is also perceived fair.

### **Key Contributions**

The current article explains how marketers can favorably impact authenticity perceptions by mindfully implanting cues in their marketing communications. Specifically, we bring forth the role of storytelling, nostalgia, and sustainability, and the role of groundedness in affecting authenticity perceptions. The article also provides actionable implications by testing the impact of such perception on various product-related attitudes including price fairness perception.

The present article also contributes to literature in several ways. Firstly, the article contributes to the authenticity literature by establishing the utility of the construct of groundedness. Many studies highlight that authenticity is the central concern while evaluating cultural products but very few studies have empirically tested how these perceptions can be affected. This article is the first to test the role of groundedness in marketing cultural products as well as affecting authenticity perceptions. Secondly, the article enriches the literature on groundedness. The



role of groundedness is important for cultural products as these products relate closely to one's origin. Eichinger et al. (2021) while introducing the construct of groundedness made a call to explore more ways which make consumers feel grounded. The current article responds to it by testing the role of storytelling, nostalgia, and sustainability in evoking feelings of groundedness.

*References are available upon request.*

## UNDERSTANDING PROMOTIONAL STRATEGIES IN E-SERVICES CONTEXT

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**Keywords:** Online promotions, Tech based services, Non-monetary promotions, Coupons, Free gifts

**Description:** This study focuses on different types of online promotion mix for technology based service aggregators. It primarily focuses on provision of positive affirmation for non-monetary promotions.

### EXTENDED ABSTRACT

#### Research Question

The first objective of this study is to examine whether there is a provision of consumer positive affirmation for a non-monetary promotion with a concurrent exposure of different monetary incentives. The second objective of this study is to identify a boundary condition that qualifies the stable psychological variable formulating the consumer's automatic response for a promotion. Third objective is to examine the role of deal proneness in the interplay of monetary and non-monetary promotions in platform based services.

#### Method and Data

The study was designed using a structured questionnaire with experiment design. Online quasi experiments were conducted using three scenarios. Monetary and non-monetary promotions were designed and verified on a small sample size for validity. Three types of platform based services were used for the data collection namely: online food services, online cab services and online ticket booking services. All three were technology based aggregator platforms. Consumers chose to opt for the service which they had previously used in the near future. The respondents were asked to imagine that they have encountered the four promotions while they were looking to make a purchase for that e-service. They evaluated the four promotions independent of each other. Two hundred and eighty-seven respondents from an online pool

became the part of the experiment. Two monetary promotions studied were: direct percentage off and coupon code applicable on next transaction. Two non-monetary promotions included: Free gift and sweepstake. All scales used in the experiments were adapted from previous studies in the literature.

### **Summary of Findings**

The results find that regulatory focus, the stable psychological variable can be used to segment the consumers in order to understand the propensity of different promotions used. The promotion and prevention focus have different preference for monetary and non-monetary promotions. Promotion focused consumer overall preferred both types of promotion more over prevention focused consumer. However, prevention focused consumer only preferred instant discount over delayed coupon consumption. Deal proneness acted as an important mediator between the two regulatory foci (promotion and prevention focus) of the consumers. Monetary promotions mediated the positive sentiment of consumer's consumption of non-monetary promotion. The strength of the relationship however was not the same for three different services chosen for the experiment. It was most significant for technology based cab services followed by food services and event ticket booking. Out of the two non-monetary promotions sweepstakes were not significant either for standalone preference or through monetary promotion mediation.

### **Key Contributions**

The primary contribution of this study is to empirically assess the relationship between two types of promotion mix and regulatory focus. Second, the role of deal proneness came as a significant mediator which plays a strong interplay role between promotions and regulatory foci. This study has strong managerial implications on how the promotion mix can propel the positive response for consumer preference for non-monetary promotions. In the platform based services where the aggregator has an access to big data about the past purchase behaviour consumer can be segmented on the basis of their regulatory foci and thus personalized offers can bring down the cost to company. Customization of promotional deals in technology based services can make huge difference in future profitability of the organization. From the academic point of view, this study adds on to the literature of technology based services and the design of promotion mix. It also adds to the literature of promotion design for service marketers.



## **UNINTENDED OUTCOMES OF ADVERTISING DIVERSITY**

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Keywords: diversity, diversity in advertising, ulterior motive

Description: This paper documents that not advertising corporate diversity in business ads will be better than advertising corporate diversity in business ads.

## **EXTENDED ABSTRACT**

### **Research Question**

Will advertising corporate diversity in business ads lead to favorable outcomes?

### **Method and Data 1**

315 MTurk participants (163 females; 79% White;  $M_{\text{age}} = 41$  years) were randomly assigned to one of four conditions in a between-subjects design (diversity absent vs. more diverse vs. less diverse-White vs. less diverse-Black). The diversity-absent condition consisted of an airplane in flight, two slogans, and one call-to-action button for booking. The more-diverse condition additionally showcased the flight crew consisting of four White, and four Black,

employees. The less-diverse-White condition additionally showcased the flight crew consisting of eight White employees. The less-diverse-Black condition additionally showcased the flight crew consisting of eight Black employees. Participants finally indicated ad attitude ( $\alpha = .97$ ; Joshi and Kronrod 2020). A one-way ANOVA revealed a significant difference ( $F(3, 311) = 11.43, p < .001, \eta_p^2 = .10$ ). Participants in the diversity-absent condition ( $M = 5.29, SD = 1.14$ ) indicated more favorable attitude toward the ad than those in the more-diverse condition ( $M = 4.75, SD = 1.52; p = .02$ ), those in the less-diverse-White condition ( $M = 4.11, SD = 1.60; p < .001$ ), and those in the less-diverse-Black condition ( $M = 4.22, SD = 1.41; p < .001$ ).

## Method and Data 2

178 MTurk participants (96 females; 76% White;  $M_{\text{age}} = 41$  years) were randomly assigned to one of two conditions in a between-subjects design (diversity absent vs. diversity present). The diversity-absent condition featured an ad using Study 1's diversity-absent ad. The diversity present condition featured an ad using Study 1's more diverse ad. Participants then answered the same attitude questions ( $\alpha = .97$ ). Next, participants answered two questions on the advertiser's ulterior motive to pander ( $r = .82$ ; McGraw, Lodge, and Jones 2018). Afterward, participants indicated perceived credibility ( $r = .82$ ), perceived realism, and persuasive intent (Berman et al. 2015; Campbell and Kirmani 2000; Williams and Drolet 2005). Participants in the diversity-absent condition ( $M = 5.34, SD = 1.23$ ) indicated more favorable attitudes toward the ad than the diversity present condition ( $M = 4.77, SD = 1.53; t(1, 176) = 2.76, p = .006, \eta_p^2 = .04$ ). Participants in the diversity present condition ( $M = 4.09, SD = 1.76$ ) inferred that the advertiser had a stronger pandering motive than those in the diversity absent condition ( $M = 3.18, SD = 1.79; t(1, 176) = -3.41, p < .001, \eta_p^2 = .06$ ). Independent-samples t-tests did not detect

significant advertising diversity effects for perceived credibility, perceived realism, or persuasive intent ( $ps > .15$ ), but found a significant effect for bragging ( $t(1, 176) = -3.41, p < .001, \eta_p^2 = .06$ ). A mediation analysis (PROCESS Model 4; Hayes, 2017) found that perceived pandering motive mediated the effect ( $b = -.14, SE = .08, 95\% CI [-.3189, -.0112]$ ). The same mediation analysis using perceived bragging as the mediator did not reveal a significant mediation ( $b = -.07, SE = .07, 95\% CI [-.2298, .0450]$ ).

### **Method and Data 3**

Study 3 was a  $2$  (corporate diversity: absent vs. present)  $\times$   $2$  (country type: a less racially diverse country vs. a more racially diverse country) between-subjects design. Two-hundred-one American participants from Amazon's MTurk via CloudResearch were randomly assigned to one of two corporate diversity conditions. Two participants were excluded for not passing the attention check. Two hundred Chinese participants from Credamo were randomly assigned to one of two corporate diversity conditions. Three participants were excluded for not passing the attention check. In total, three-hundred-ninety-six participants (241 females;  $M_{age} = 37$  years) remained in this study for further analyses. Participants were asked to view an advertisement. We used the same ads in Study 2 but replaced the flight crew with two White, two Black, and four Asian employees. After viewing the ad, participants answered the same attitude questions ( $\alpha = .93$ ). A  $2 \times 2$  ANOVA revealed a significant interaction effect ( $F(1, 392) = 4.34, p = .038, \eta_p^2 = .011$ ). Participants in the diversity absent condition ( $M = 5.38, SD = 1.26$ ) indicated more favorable attitude toward the ad than those in the diversity present condition ( $M = 4.88, SD =$

1.51;  $F(1, 392) = 7.84, p = .005, \eta_p^2 = .02$ ) only in the more racially diverse country (the U.S.) but not in the less racially diverse country (China;  $M = 5.33, 5.36; p = .88$ ).

## Method and Data 4

445 MTurk participants (242 females; 76% White;  $M_{\text{age}} = 40$  years) were randomly assigned to one of three conditions in a between-subjects design that varied in corporate diversity (diversity absent in the ad vs. diversity present in the ad vs. diversity present on the brand website). The diversity absent condition did not showcase any diversity information. The diversity-present-in-the-ad condition additionally claimed diversity (“We are committed to diversity for our flight crew, with 51 percent of our workforce being Caucasians and 49 percent being non-Caucasians.”). The diversity-present-in-the-brand-condition used the same ad from the diversity-absent condition, and informed participants that “You go to the official website of Phoenix Airlines. You read that Phoenix Airlines is a firm that is committed to diversity, with 51 percent of its workforce being Caucasian and 49 percent non-Caucasian, although Phoenix Airlines does not advertise it in its marketing.” Next, participants indicated their attitude toward the brand ( $\alpha = .97$ ). A one-way ANOVA revealed a significant difference;  $F(2, 442) = 14.77, p < .001, \eta_p^2 = .06$ . Participants in the diversity-on-the-brand-website condition ( $M = 5.11, SD = 1.34$ ) indicated more favorable attitude toward the brand than those in the diversity-absent condition ( $M = 4.79, SD = 1.20; p = .048$ ) and those in the diversity-present-in-the-ad condition ( $M = 4.24, SD = 1.59; p < .001$ ).



## Summary of Findings

We show that ads with images of diverse employee groups (Study 1) receive lower evaluations than similar ads void of that information. Furthermore, the results indicate that consumers infer that diversity advertisements are the result of corporate pandering (Study 2). In Study 3, we conduct cross-cultural analysis to confirm that diversity is perceived as a social construct in the U.S. leading U.S. consumers to suspect pandering motives more than consumers in China. Finally, we discover the former negative outcomes are mitigated when businesses communicate corporate diversity in less sales-oriented media. (Study 4).

## Key Contributions

First, our work contributes to the recent literature on diversity, equity, and inclusion (e.g., Arsel, Crockett, and Scott 2022). While previous research documents a positive effect of disclosing corporate-team diversity in the news (Khan and Kalra 2022), we document a negative effect of publicizing corporate diversity in a business sales ad, and a positive effect of disclosing corporate diversity on the brand website instead. Moreover, prior research mainly examines the effect of diversity/mixed race versus homogeneity/same race (Bhat, Myers, and Royne 2018; Davis, Smith, and Sevilla 2021; Khan and Kalra 2022; Mai, Haytko, and Taillon 2022). Our work adds to this stream of research by investigating the effect of (1) diversity versus (2) homogeneity versus (3) neither diversity nor homogeneity. Second, our work contributes to the literature on unintended consequences of advertising. Prior advertising research has documented various negative effects associated with advertising prosocial behavior (Berman et al. 2015), green consumption (Nyilasy, Gangadharbatla, and Paladino 2014), and corporate social

responsibility practices (Oh, Bae, and Kim 2017). Our work adds to this research stream by identifying the negative effects and unintended consequences of advertising diversity.

**UNRAVELLING THE DETERMINANTS OF CO-BRANDING SUCCESS: THE  
ROLE OF CONSTITUENT BRANDS' SIGNALING STRENGTH AND CO-BRAND  
FIT**

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**Keywords/Phrases:** Brand alliance, co-brand, signaling, perceived fit, co-brand success

**Description:** This paper investigates the impact of constituent brands' signaling strength on consumers' perceptions of fit and the success of a co-branded product.

**ABSTRACT**

This study examines how constituent brands' signaling strength impacts consumers' perceptions of fit and the success of a co-branded product. The study's findings suggest signaling strength significantly influences perceived fit, and perceived fit mediates the relationship between signaling strength and co-brand success.

**1. INTRODUCTION**

The increasing market competition coupled with brands' difficulty in penetrating other product categories have resulted in brands having to form alliances (Malhotra and Bhattacharyya 2022). Co-branding is one of the branding alliance strategies used by marketers to introduce new products to the market. Co-branding is defined as “the short or long-term association or combination of two or more individual brands, products, and/or other distinctive proprietary assets” (Rao, Qu, and Ruekert 1999, p. 259). Co-branding has emerged as an important brand alliance strategy that is used to establish strategic brand partnerships (Murtas et al. 2022), with co-branding activities ranging from ingredient co-branding to joint venture co-branding (Shen, Choi, and Chow 2017). Ingredient co-branding occurs when a brand serves as an important primary element in producing another brand – for example, Dell uses Intel processors in its computers. Joint venture co-branding involves the pairing of brands to create

a co-brand – for instance, Taco Bell and Frito-Lay co-created Doritos Locos Tacos. Similarly, Apple and MasterCard collaborated to co-create the Apple Pay app that enables consumers to pay from their iPhone or Apple Watch. In the same way, Apple and Nike paired up to create the Apple Watch Nike+.

The increasing popularity of co-branding has led to a corresponding increase in academic research on various issues related to co-branding. Previous research (Singh, Kalafatis, and Ledden 2014) has examined the impact of parent brands' positioning strategy on consumers' perceptions of the positioning of the co-brands. Previous co-branding studies have also examined the impact of co-branding on the equity of both the co-branded product and the constituent brands (Washburn, Till, and Priluck 2000), consumers' evaluation of the co-branding alliances between dissimilar constituent brands (Decker and Daade 2016), factors underlying consumers' evaluation of co-brands (Gammoh and Voss 2011), and perceived fit of constituent brands (Huertas-García, Lengler, and Consolación-Segura 2017; Park, Jun, and Shocker 1996; Thompson and Strutton 2012). Although the fit between constituent brands has been examined extensively, relatively little research has been conducted on how constituent brands' signal strength influences consumers' perceptions of the co-brand's fit and its impact of the success of the co-brand. Sood and Keller (2012) contended that the signaling of constituent brands could be instrumental in diffusing the attributions that separate the parent brand and the extension.

This study examines the impact of constituent brands' signaling strength on consumers' perceptions of co-brand's fit and the effect on the co-brand's success. Additionally, the study examines if the relationship between the constituent brands' signaling strength and the co-brand's success is mediated by the perceived co-brand's fit. Co-branding may be the ultimate form of alliance between two or more firms as they seek to bolster their competitive positions in the market by appealing to wider market segments. Therefore, factors that influence the success of co-brands must be analyzed theoretically and empirically. The limited knowledge on the impact of constituent brands' signaling strength on consumers' perceptions of the co-brand's fit with the constituent brands and its impact on the success of the co-brand could result in failed co-branding strategies.

## **2. THEORETICAL BACKGROUND AND RESEARCH HYPOTHESES DEVELOPMENT**

The signaling theory (Spence 1974) provides a basis for explaining how an organization's outsiders, including consumers and investors, assess the quality of the business. The theory explains the how the cues of an organization influence its outsiders' information asymmetries and assuage the uncertainties associated with their decisions (e.g., purchase decisions) regarding the organisation (Smith and Font 2014). The theory argues that firms can successfully influence positive consumer perceptions and decision-making in favor of their products if they convey relevant information and minimize sources of firm-consumer information asymmetry. The signals that a firm sends out involve observable and adaptable attributes that it can invest in to communicate superior hidden ex-ante and intricate attributes (quality and customer satisfaction) of the product and/or services offered (Spence 1973). In branding literature, signaling theory has emerged as useful due its ability to explain how a brand's attributes and activities communicate signals to its target market about its quality and potential to satisfy consumers' needs (Pappu and Quester 2016; Rao, Qu, and Ruekert 1999). Consumers depend on firms' activities, such as price, advertising, brand name, and warranty, as signals to deduce quality and value (Erdem and Swait 1998). Based on this, the current study presents a research model (see Figure 1) and argues that the strength of the signals that constituents' brands portray about a co-brand could not only promote consumers' perceptions of the co-brand fit, but also culminate in consumers' intentions to buy the product and impact their willingness to recommend the co-branded product.

Co-branding research (Decker and Baade 2016; Rao, Qu, and Ruekert 1999) suggests that co-brand alliances enable brands to convey signals of quality, innovation, and credibility. In co-branding efforts, consumers are often aware of the different brands behind co-branded products (Newmeyer, Venkatesh, and Chatterjee 2014). They analyze the salient characteristics of the constituent brands and use them as proxies to assess the value of and behavior towards the co-branded products (Brown and Dacin 1997). Correspondingly, this study argues that consumers infer the fit between the co-brand and its constituent brands from the signals that constituent brands give. Moreover, the strength of the signals that the constituent brand sends out will significantly influence the success of the co-brand in terms of consumers' purchase intentions and willingness to recommend the co-branded product. Based on the foregoing arguments, the following hypotheses are posited:

**H1:** Constituent brands' signaling strength will have a significant positive effect on consumers' perceptions of fit between the constituent brands and the co-branded product.

**H2:** Constituent brands' signaling strength will have a significant positive effect on consumers' intentions to purchase the co-branded product.

**H3:** Constituent brands' signaling strength will have a significant positive effect on consumers' willingness to recommend the co-branded product.

Co-brand fit is the extent to which the target market perceives the co-branded product as being compatible in the representation of a single brand. Research (Swaminathan et al. 2015) has shown that consumers are likely to act favorably to a co-brand that portrays a single brand. In this regard, findings of previous studies suggest that consumers' perceptions of fit predispose them to evaluate the brand alliance favorably or unfavorably (Sénéchal, Georges, and Pernin 2014). Furthermore, it is argued that the extent to which constituent brands' signaling strength promotes the success of the co-branded product will be mediated by consumers' perceptions of the co-brand fit. Prior studies (e.g., Martin and Stewart 2001) have emphasized that the perceived fit of the co-brand promotes the transfer of knowledge, affect, and purchase intentions from constituent brands to the co-branded product. Consequently, the following hypotheses are proposed:

**H4:** Customers' perceptions of fit between the co-brand and its constituent brands have a significant positive influence on their buying intentions of the co-brand product.

**H5:** Consumers' perceptions of fit between the co-brand and its constituent brands have a significant positive influence on their willingness to recommend the co-branded product.

**H6:** The impact of constituent brands' signaling strength on (a) consumers' intentions to purchase the co-branded product and (b) their willingness to recommend the co-branded product will be positively mediated by their perceptions of the co-brand fit.

### **3. METHODS**

#### **3.1. Measurement**

Multi-scaled items adapted from prior studies were utilized to measure the constructs employed in this study. The items used in measuring constituent brands' signaling strength were adapted from the study of Sood and Keller (2012). Perceived co-brand fit was operationalized as the extent to which consumers perceive the constituent brands as similar and relevant to the co-brand. The items for measuring the construct were adapted from Spiggle, Nguyen, and Caravella (2012). Co-brand success was conceptualized as consumers' intentions to buy the co-branded product and their willingness to recommend the co-branded product to

others. The items used to measure consumers' willingness to recommend the co-brand and co-brand purchasing intentions were adapted from Lo, Tsarenko, and Tojib (2019) and Sichtmann and Diamantopoulos (2013) respectively. All items, except for intention to purchase the co-branded product, were measured on a five-point Likert-style response scale, with anchors ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The measurement items for the corresponding constructs are presented in Appendix 1. Three marketing researchers assured the content validity of the initial measurement instrument. Following this process, the initial questionnaire was pilot-tested on a convenience sample of 30 respondents. This process resulted in a few modifications to the questionnaire to improve the clarity of the instructions and the wording of the statements.

### 3.2. Procedure and Data Collection

The study involved a real co-branded product (i.e., Apple Watch Nike+). Apple collaborated with Nike to co-create a version of Apple Watch targeted to runners. It features a uniquely designed strap and is user-friendly, making it easier for users to put it on faster. The watch has a waterproof design and features cellular and GPS connectivity, and the Nike+ Run Club app provides audio-guided runs weekly with the voice of a guest coach, a curated soundtrack, detailed in-run metrics, and even custom cheers. The watch enables users to track their runs and view their running history. Moreover, users can stay motivated during their workout by streaming their favorite music and/or podcasts. The preceding information, a picture of the Apple Watch Nike+, and a brief definition of term co-branding were provided on the first page of the questionnaire to reduce ambiguity (Norman and Smith 1995).

To ensure familiarity with the brand, only consumers who had used or were using the Apple and/or Nike brands at the time of the study were selected to partake in the research. A group of trained research assistants intercepted potential consumers fitting these criteria at various places, including homes, public parks, and shopping malls. After explaining the purpose of the study and the ethical measures being implemented, including anonymity, confidentiality, and voluntary participation, the participants who agreed to partake in the study were given a copy of the questionnaire to complete. They were also informed of their right to withdraw from the study at any given point, without any negative repercussions to them. A total of 200 usable responses were realized after the four weeks of the survey. Of this sample, 51.0% (102 participants) identified as male, while 49.0% (98 respondents) identified as female. This indicates a relatively balanced gender distribution in the sample, albeit a slightly higher representation of males. The mean age of 30.97 (standard deviation

= 7.27). Most participants (46.5%) reported having a bachelor's degree (23.5%) and a monthly income of ZAR 40 000 and above.

### 3.3. Common Method Bias

The study was cross-sectional in nature and participants provided perceptual responses to all the measures of the constructs. Therefore, the data obtained for this study may be affected by common method bias (CMB). Following the recommendation of Podsakoff et al. (2003), during the data gathering phase, participants were assured of their confidentiality and informed that there were no right or wrong answers to the statements measuring their perceptions. This reduced respondents' evaluation apprehension. Following the data gathering, Harman's single-factor test was conducted as a post-hoc analysis to ascertain the threat of CMB by entering all the measures in unrotated exploratory factor analysis and restricted to extract a single factor. The results showed that the one-factor solution extracted a variance of 29.905%, which is less than the 40% recommended conservative threshold (Babin, Griffin, and Hair 2016). Therefore, CMB did not pose a critical threat to the study.

## 4. DATA ANALYSIS AND RESULTS

### 4.1. Scale Validation

The validation of the scale used in the study was carried out using partial least squares (PLS). It is widely agreed that PLS is advantageous over methods when performing analysis with small sample sizes or data with non-normal distributions (Goodhue, Lewis, and Thompson 2012). In validating the scales, convergent validity and discriminant validity were assessed. Convergent validity was assessed using the standardized factor loading, composite reliability, and average variance extracted (AVE). To attain convergent validity, the standardized factor loading should exceed 0.708, the composite reliability should be greater than 0.7, and the AVE should exceed 0.5 (Hair, Howard, and Nitzl 2020). The results of the initial measurement model analysis showed that the factor loadings of two measures of perceived co-branding fit (PCF1 and PCF5) were less than the 0.708 threshold. These were deleted and the model was re-specified. The final results of the convergent validity analysis are presented in Appendix 1.

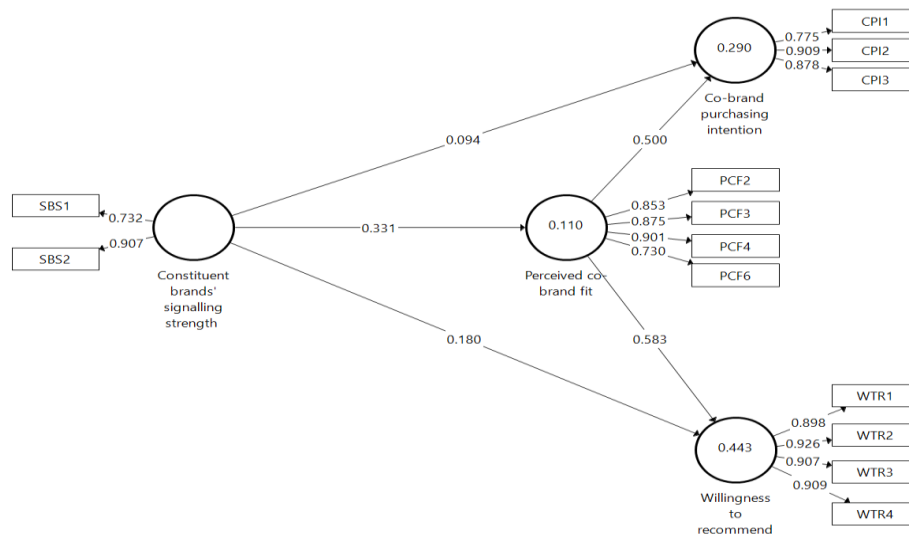


The results showed that the factor loadings were greater than the 0.708 threshold. The composite reliability and AVE estimates also exceeded the 0.7 and 0.5 thresholds respectively, thus confirming the convergent validity of the measurement scale.

Following the convergent validity, discriminant validity was confirmed using the heterotrait-monotrait (HTMT) ratio of correlations (Henseler, Ringle, and Sarstedt 2015). According to this criterion, a discriminant validity is achieved if the HTMT estimate is less than a conservative threshold of 0.85 or a liberal threshold of 0.9. The results obtained show that the highest HTMT estimate is 0.756, which is lower than the conservative threshold of 0.85, providing support for the convergent validity of the measurement scales.

#### 4.2. Hypotheses Testing

After confirming the validity of the measures of the constructs, the proposed model was analyzed to test the hypotheses proposed for the study. Prior to analyzing the proposed model, the threat of collinearity among the exogenous constructs was examined using the variance inflation factor (VIF). The VIF values estimated for the research model ranged from 1 to 1.23. Given that these values were below the recommended threshold of 3 (Hair, Howard, and Nitzl 2020), it was concluded that the collinearity did not pose a significant threat to the exogenous variables in the model. The results of the hypotheses are presented in Figure 1 and Table 1. The results suggested that constituent brands' signaling strength had a significant positive impact on consumers' perceptions of co-brand fit ( $\beta = 0.331, p < 0.001$ ) and their willingness to recommend the co-branded product ( $\beta = 0.180, p < 0.01$ ), thus providing empirical support for H1 and H3. Surprisingly, the impact of the constituent brands' signaling strength on consumers' intentions to purchase the co-branded product was not statistically significant ( $\beta = 0.094, p > 0.05$ ), hence H2 was not supported. The results further suggested that consumers' perceptions of the co-brand fit influence their intentions to purchase the co-branded product ( $\beta = 0.500, p < 0.001$ ) and their willingness to recommend the co-branded product to others ( $\beta = 0.583, p < 0.001$ ). These results provided support for H4 and H5.



**Figure 1:** Research model with path coefficients

**Table 1:** Path coefficients, path significance, and effect sizes for the direct relationships

	Beta	95% BCa CI	Supported?	f <sup>2</sup>
Constituent brands' signaling strength → co-brand fit	0.331**	[0.176, 0.466]	Yes	0.123
Constituent brands' signaling strength → purchasing intention	0.094 <sup>na</sup>	[-0.039, 0.216]	No	0.011
Constituent brands' signaling strength → willingness to recommend	0.180*	[0.045, 0.298]	Yes	0.052
Perceived co-brand fit → co-brand purchasing intention	0.500**	[0.372, 0.601]	Yes	0.543
Perceived co-brand fit → willingness to recommend	0.583**	[0.473, 0.672]	Yes	0.313

Notes: BCa CI = bias-corrected confidence interval; f<sup>2</sup>= effect size

To examine the mediating role of perceived co-brand fit in the relationships between constituent brands' signaling strength and co-brand purchase intention on the one hand, and constituent brands' signaling strength and willingness to recommend constituent brands on the other, the four-step mediating analysis technique recommended by Baron and Kenny (1986) was implemented. First, the results of the analysis showed that the direct relationship between constituent brands' signaling strength and intention to purchase the co-brand was significant ( $\beta = 0.263, p < 0.001$ ). Similarly, the direct relationship between constituent brands' signaling strength and willingness to recommend the co-brand was significantly positive. When the mediator was introduced into the model, the direct relationship between the constituent brands' signaling strength and intention to purchase the co-brand was not significant ( $\beta = 0.094, p > 0.05$ ), but the indirect relationship was significant ( $\beta = 0.166, p < 0.001$ ). This implies that perceived co-brand fit fully mediated the relationship between constituent brands' signaling strength and consumers' intentions to purchase the co-branded product. The mediating role of the perceived co-brand fit in the relationship between constituent brands' signaling strength

and consumers' willingness to recommend the co-brand was significant and positive ( $\beta = 0.375, p < 0.001$ ). When the mediator (perceived co-brand fit) was introduced, the direct relationship remained significant ( $\beta = 0.180, p < 0.01$ ), but the path coefficient was reduced in size. Moreover, the indirect relationship (constituent brands' signaling strength  $\rightarrow$  perceived co-brand fit  $\rightarrow$  willingness to purchase co-brand) was significant ( $\beta = 0.193, p < 0.001$ ). This suggested that perceived co-brand fit partially mediated the relationship between constituent brands' signaling strength and consumers' willingness to recommend the co-brand. The results of the mediation analysis provided empirical support for H6.

## 5. DISCUSSION AND IMPLICATIONS

The study examined the impact of constituent brands' signaling strength on consumers' perceptions of fit between the constituent brands and a co-branded product, and its impact on the success of the co-branded product. Moreover, the study ascertained if the perceived fit between the constituent brands of the co-branded mediated the relationship between the constituent brands' signaling strength and the success of the co-branded product. The findings show that constituent brands' signaling strength significantly and positively influence consumers' perceptions of the perceived fit of the co-branded product. This suggests that the stronger the signal of the constituent brands, the higher the likelihood of perceived fit of the co-branded product. This finding provides initial evidence of the role of constituent brands' signaling strength on customers' perceptions of fit between the constituent brands and the co-branded product.

However, the study's findings suggest that constituent brands' signaling strength is not directly related to consumers' intentions to purchase the co-branded product. This finding is contrary to our expectation that constituent brands' signaling strength directly influences consumers' intentions to purchase the co-branded product. Conversely, the results suggest that constituent brands' signaling strength is positive and directly related to consumers' intentions. Thus, the higher the signaling strength of the constituent brands, the more likely it is that consumers will be willing to recommend the co-branded product.

The findings suggest that consumers' perceived fit between the constituent brands and the co-branded product directly influences their intentions to purchase the co-branded product as well as their willingness to recommend the co-branded product. These findings present a South African validation of these relationships and highlight the importance of fit in achieving co-brand alliance success (Milberg et al. 2013; Sichtmann and Diamantopoulos 2013).

The results show that perceived fit fully mediates the relationship between constituent brands' signaling strength and intention to purchase the co-brand. It infers that constituent brands' signaling strength influence consumers' intentions to purchase co-brand products through perceived fit. Put differently, constituent brands' signaling strength cannot induce consumers' intentions to purchase unless it influences their perceptions of fit between constituent brands and the co-brand. Moreover, the results suggest that fit partially mediates the relationship between constituent brands' signaling strength and consumers' intentions to recommend the co-branded product. These findings are interesting, as they draw attention to the mechanism under which constituent brands' signaling strength may contribute to the co-brand's success.

The findings of this study have Implications for marketers in their efforts to promote the success of their co-branded products. The study's findings underscore the importance of constituent brands' signaling strength in the promoting of perceived fit and co-branding success. This suggests that marketers need to reinforce the signals that they convey to their target market if they are to succeed in building brand alliances that will gain consumers' acceptance and engender positive behavioral responses.

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### Appendix 1: Measurement items, and convergent validity of the measurement instruments

<i>Constructs and items</i>		<i>Loading</i>
<b><i>Constituent-brand signaling strength: CR=0.810, AVE=0.682</i></b>		
SBS1	I expect the Apple Watch Nike+ product to embody the characteristics of Apple and Nike because of its brand name.	0.732
SBS2	Apple and Nike are telling me to expect the same attributes in this co-branded product by naming it Apple Watch Nike+.	0.907
<b><i>Perceived co-brand fit: CR=0.907, AVE=0.710</i></b>		
PCF1	The benefits I associate with Apple and/or Nike are not relevant to the Apple Watch Nike+.*	0.853
PCF2	The characteristics I associate with Apple and/or Nike are relevant to the Apple Watch Nike+.	0.875
PCF3	The associations that I have of Apple and/or Nike are important to the Apple Watch Nike+.	0.901
PCF4	The Apple Watch Nike+ is a good fit with Apple and/or Nike products.	0.730
PCF5	The Apple Watch Nike+ is inconsistent with Apple and/or Nike products.*	0.853
PCF6	The Apple Watch Nike+ is similar to Apple and/or Nike’s products.	0.875
<b><i>Willingness to recommend co-branded product: CR=0.951, AVE= 0.828</i></b>		
WTR1	I would recommend Apple Watch Nike+ to others who are considering buying a sport watch.	0.898
WTR2	I am willing to tell others to try the Apple Watch Nike+.	0.926
WTR3	I am willing to share with others information about Apple Watch Nike+.	0.907
WTR4	I am willing to share positive information about the Apple Watch Nike+ product.	0.909
<b><i>Purchase intention: CR=0.891, AVE=0.732</i></b>		
CPI1	I will likely try the Apple Watch Nike+.	0.775
CPI2	The likelihood that I buy co-branded product next time I need [a product in the fitness trackers category] is very low/high.	0.909
CPI3	The probability that I will purchase Apple Watch Nike+ is (0%–100%)	0.878

Note: \*Recorded

## **UNVEILING THE DARK SIDE OF MARKETING: A SYSTEMATIC LITERATURE REVIEW OF NEGATIVE PUBLICITY**

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**Keywords:** Negative publicity, Drivers, Consequences, Strategies, Systematic review

**Description:** This paper provides a comprehensive overview of negative publicity, strategically connecting its drivers, consequences, and recommended strategies, offering a holistic and unified understanding of the topic in the field of marketing.

### **EXTENDED ABSTRACT**

#### **1. Research Question**

In today's complex marketing landscape, firms navigate many information sources that expose consumers to both positive and negative content. Negative publicity refers to the publication of a problematic incident in the news, which can have a detrimental effect on the reputation of the individuals or brands involved (Dean 2004). Despite the frequent occurrence of negative publicity and its harmful effects on consumer trust in the companies concerned, there is still little knowledge

about how consumers process such information and how companies can repair consumer trust. In addition, little theoretical research has been published on the diverse response strategies that firms could implement to respond to negative publicity, and their match with the distinctive features of negative publicity. To address this gap, our study aimed to answer the research question: “What are the different strategies that organizations can use to mitigate the risks of the diverse consequences of negative publicity?”

## **2. Method and Data**

A systematic literature review (SLR) was done in this study to synthesize and organize current knowledge on negative publicity. In this study, we followed Tranfield, Denyer, and Smart's (2003) guidelines for performing an SLR. This review relied on three databases: EBSCO, Scopus, and Web of Science. The emphasis was on scientific works published in English-language peer-reviewed journals after 2008. The initial search produced 2067 articles, which were assessed based on their titles and abstracts. After removing duplicates and unrelated articles, 117 remained. The entire texts of these selected articles were thoroughly reviewed, and more articles were included based on manual searches and citation monitoring, yielding a final sample of 63 relevant publications from 2008 to 2022. The publications that were included were then categorized based on their study aims and analytical units. The coded articles were divided into two categories: the consequences of negative publicity and strategies for dealing with negative publicity. These broad categories were further subdivided to provide a thorough understanding of the related fields.



### **3. Summary of Findings**

Our research focuses on the drivers, consequences, and strategies associated with negative publicity. Based on the examination of existing literature, we identified three key drivers of negative publicity: consumers, employees, and the company.

The consequences of negative publicity can be both negative and positive. Negative consequences include damage to the company's image, reputation, and market share, as well as negative effects on brand attitudes, purchase intentions, negative spill over effects, and a bad influence on candidate recruitment, etc. Positive consequences of negative publicity, on the other side, can include increased awareness and sales, particularly when it leads to increased information search.

To handle the consequences of negative publicity, our research explores the strategies organizations can employ to effectively manage negative publicity. We divided strategies into two categories: pre-negative publicity response strategies and post-negative publicity response strategies. Pre-negative publicity strategies try to avoid negative publicity by fostering positive relationships, pro-brand feelings, and strategic collaborations, etc. Post-negative publicity strategies are aimed at mitigating the damage caused by negative publicity and include offensiveness reduction strategies like refusing responsibility and issuing apologies, as well as corrective actions such as compensation, trust restoration, and marketing strategies, etc.

### **4. Key Contributions**

The current study rationally combines the drivers and consequences of negative publicity with situation-specific strategies, adding to the existing body of knowledge on negative publicity and providing a comprehensive understanding of this subject. By building on existing literature on reputation, we contributed to the marketing literature by introducing three main drivers of negative

publicity: consumers, employees, and the company. Second, we developed a framework that identifies both the negative and positive consequences of negative publicity and logically linked these consequences to specific strategies found in the literature. Our findings shed light on situation-specific strategies for preventing negative publicity consequences, filling a gap in the marketing literature. Third, our research revealed that response strategies to negative publicity could be categorized as either pre- or post-negative publicity strategies. This classification provides a clearer understanding of the strategies available for mitigating the effects of negative publicity.

Overall, our study offers a valuable contribution to the marketing literature by providing a comprehensive framework for managing negative publicity. Furthermore, our study offers marketers and stakeholders significant insights into the drivers that contribute to negative publicity, its consequences, and a variety of risk-mitigation strategies, allowing them to adjust their responses to negative publicity.

# **B2B Marketing and Global Markets**

## **A CONCEPTUAL MODEL FOR A B2B GROWTH FUNCTION, COMBINING MARKETING AND SALES AND RESEARCH IMPLICATIONS**

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Keywords - Marketing & Sales Collaboration, Chief Growth Officer, Growth function, CMO

Description - The paper provides a conceptual model for setting up a growth function in a B2B company and explores the circumstances under which marketing or sales is better placed to lead

### **ABSTRACT**

The collaboration between Marketing and Sales (M&S) teams in B2B organizations significantly impacts business performance. A new trend called "Growth" integrates these teams under unified leadership. This paper investigates the advantages and disadvantages of this approach through interviews and proposes a conceptual model to analyze its impact on revenue and brand growth. It also explores the potential for the Chief Marketing Officer to transition into the Growth role

### **INTRODUCTION**

M&S are vital revenue drivers in B2B organizations. However, they have historically operated independently, resulting in silos and conflicting views on goals and lead ownership. This has raised doubts about the ability of Chief Marketing Officers (CMOs) to impact business performance without sales involvement. Despite these challenges, there is a strong need to enhance collaboration between these functions for improved business performance. A Chief marketing officer (CMO) is responsible for an organization's marketing department and is responsible directly or indirectly for revenue generation, brand management, marketing

communications, market research, product marketing, distribution channel management, pricing and customer service.(Gartner, 2023). The extent of ownership or influence of the CMO on these dimensions depends on whether the company is B2B/B2C focused.

### **LITERATURE REVIEW ON M&S COLLABORATION**

Integrating M&S within the same department has a positive impact on firm performance and reduces conflict (Fitzhugh & Massey, 2019). Collaboration between M&S is influenced by external factors as well as internal factors (Le Meunier et al., 2010). This integration is crucial for reducing conflict, enhancing customer trust, and improving performance (Madhani, 2016). Impact of connecting M&S can be seen in the gathering of market intelligence (Lys, Rogers, & Sims, 2011). Improved collaboration between these functions enhances market orientation and business performance (Le Meunier-FitzHugh et al., 2009). Antecedents for effective collaboration include positive senior management attitude, reduced interdepartmental conflict, improved communication, organizational learning, and effective market intelligence systems (Le Meunier-FitzHugh, Piercy, Nigel, 2007). Research themes on M&S interface stretched across culture & process, power & structure, human capital and interpersonal relationships between 1984-2020. (Chernetsky, Hughes, Schrock, 2022). No organizational structure has been found to be inherently ideal. Different structures have certain strengths and weaknesses. Further, modified structures may have no immediate impact (or payoff), while different structures can result in similar outcomes (Biemans et al., 2010; Homburg, Jensen, & Krohmer, 2008). There are voices of support for the integration of M&S into one department (Kotler, 1977) wherein both functions report to the same senior executive (Nath & Mahajan, 2011). A combination of M&S under the same senior executive has been found to be problematic due to the different nature of the functions (Drucker, 2006). Reorganizing M&S functions to report to one position introduces

significant coordination costs, while announcements of joint M&S senior executive appointments hurt firm value (Vaid, Ahearne, & Krause, 2020). If M&S are structured within the same department it was shown to have a positive impact on firm performance and can reduce conflict.(Fitzhugh and Massey,2019). M&S coordination has also been examined in a related field of sales enablement, which can be defined as empowerment of the sales organization to achieve consistent and predictable results (Rangarajan et al, 2020) either through the provisioning of information, content, and tools and requires technology usage, M&S coordination, and training. The following areas for further research have been outlined with respect to organizational structure, to foster M&S collaboration (Chernetsky, 2022) - What factors or conditions drive decisions to integrate or separate Market into a Single department? Under what conditions should both M&S functions report to one senior executive? Can/Should it be the CMO? What skills, abilities, or backgrounds should senior executives possess to efficiently manage both M&S? What leadership styles and behaviors are most (least) effective in facilitating M&S collaboration? A CGO is responsible for assisting their organizations to maintain sustained growth (Arcasoy, 2023). A CGO is a multi-disciplinary role that integrates various departments cutting across sales, marketing, product, customer success and finance. The CGO becomes a trusted hand for a CEO, to drive a growth mindset across the company and oversee execution. The role of the CGO has become more pervasive in recent times. Coca-cola, in 2017, appointed a CGO. Other FMCG companies like Hershey's and Kellogg's have appointed CGOs. There are more than 97,000 Chief Growth Officers (Linkedin, 2023). Their distribution across key geographies - 38,000 in USA, 5,900 in UK, 4,500 in India, 3,400 in Australia, 2,400 in South East Asia, 1,800 in Middle East, 1,600 in France and Germany each. Their distribution across key industries (Linkedin, 2023) - 12,000 in Technology, Media and

Internet, 8,400 in IT Services and Consulting, 8,600 in Banking, Insurance and Financial Services, 6,200 in Manufacturing, 3,900 in Hospitals and Healthcare, 2,300 in Retail, 1,500 in Media and Telecommunications, 1,100 in Chemical Manufacturing

### **EXPLORATORY INVESTIGATION AND METHODOLOGY**

This paper used the Theories-in-use (TIU) approach (Jeithami, et. al, 2019). The TIU approach involves soliciting from study participants—the theory holders—the ideas they feel are important and how they are linked to one another. The emerging constructs become a researcher’s starting point for harvesting constructs, propositions, and arguments. Because the literature on the creation of a Growth function is not rich enough to provide a strong conceptual foundation to investigate its antecedents and effectiveness an exploratory interview-based qualitative study was undertaken with a group of Growth leaders in companies of various sizes including a Analyst who covers CMO research. There is no one-size-fits-all M&S organizational configuration (Chernetsky, 2020) and factors such as industry, firm size, firm goals, organizational culture and leadership can influence it. Ten in-depth interviews were conducted with Growth executives from various industries and firm sizes, including VP Growth Initiatives, Marketing & Growth Head, Chief Growth Officer, Head of Growth Principal Analyst, and Chief Revenue Officer. The interviews, conducted virtually and lasting 20-30 minutes each, focused on collaboration between M&S, the impact on business performance, and the potential benefits of combining them into a growth function. Executives from different stages of growth and B2B verticals were selected, with some B2C executives included. The participants had diverse backgrounds (sales, marketing, product), and the questions evolved based on iterative feedback.

### **INSIGHTS FROM EXPLORATORY INVESTIGATION**

Designation	Industry	Product/Service Offering	Firm size (employees)

Head of Growth	IT Services & IT Consulting	Consulting services in the area of cyber security, machine learning and data analytics.	40
<p>“a separate growth function will definitely help certain kinds of businesses to grow faster, however, in certain industries where the fulfillment is offline, it's probably better to stick to the traditional approach”</p>			
VP Sales & Marketing	Software Development	Skill Intelligence Platform to recruit top talent and improve your hiring metrics.	101
<p>“When M&amp;S work hand in hand - it is not a relay race. They sit together during the planning process. Clarity on sales focus leads to alignment to the same target. They share goals, common path, common destination. Feedback from sales is a straight line so that they course correct”</p>			
Chief Growth Officer	Business Consulting and Services	Customer service platform integrates with the google workspace	4.352
<p>“Sales head becoming a CGO is more common. 1-2 cases where the marketing person has become the CGO. Marketers are not tuned to revenue targets. When marketers become CGOs, they would have had a stint in sales or they are tenured in the organization. Else this becomes difficult”</p>			
Chief Growth Officer	Software Development	Customer service platform integrates with the google workspace	180
<p>“CGO is the CRO. Concept of growth is revenue and profit. Primary accountability is not building a brand but in getting revenue. If the person has no marketing background it becomes detrimental to building brand and driving campaigns around strategy, product, hr, operations function”</p>			



Chief Marketing Officer	Consumer Services	Managed home rental company attempting to provide better rental solutions via design and technology	960
<p>“It’s an interesting thought. In my view, this (CGO) can work in companies where the consumer journeys are largely digital and fulfillment happens online (like insurance, classifieds, SaaS etc.), however this may not be suited for sectors (like real-estate, retail etc.) where the fulfillment is still largely offline”</p>			
Vice President Growth Initiatives	Software Development	Autonomous Finance for Order to Cash, Treasury & Record to Report	4,591
<p>“As the next generation of marketing leaders will be digital-natives and will have a deeper expertise of digital and performance marketing channels, compared to traditional media like TV, Print etc, I see them playing growth roles and more in the future”</p>			
CMO Analyst & Principal Analyst - Marketing Services	Research Services	Research and advisory firm	2,195
<p>“CGO needs to understand what marketing brings to the table. An understanding of marketing is needed. Else marketers don’t always talk about all their achievements internally”</p>			

Table 1: Summary of Key Quotes and Profiles interviewed

**PROPOSITIONS GENERATED**

<b>Factors driving creation of a growth function</b>	<b>Factors driving the leadership choice of the growth function</b>	<b>Factors increasing collaboration between M&amp;S collaboration</b>

<p>Proposition 1: A key driver of the creation of a growth function is the level of digitization of the customer acquisition journey</p> <p>Proposition 2: The ability to create a common targeting mechanism is a driver of the creation of a growth function</p>	<p>Proposition 5: A CMO can become a CGO if the person has had a stint in sales or is tenured in the organization</p> <p>Proposition 6: A CMO can become a CGO if he/she is a digital native and the organization’s customers are digital natives</p> <p>Proposition 7: A sales leader can become a CGO if the product or service is people-led</p> <p>Proposition 8: A sales leader can become a CGO when the product or service is digital if they can upskill their knowledge of digital marketing</p>	<p>Proposition 3: A direct feedback mechanism between M&amp;S will strengthen M&amp;S collaboration</p> <p>Proposition 4: The level of understanding of marketing by a CGO will drive the performance of a growth function in terms of non-revenue objectives</p> <p>Proposition 9: Increasing awareness of marketing activities within the sales team leads to better M&amp;S collaboration</p> <p>Proposition 10: A negative view of marketing’s compensation structure held by sales can be detrimental to M&amp;S collaboration</p>
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Table 2: Summary of key propositions

Proposition 1: A key driver of the creation of a growth function is the level of digitization of the customer acquisition journey. 1.a A more digitalized customer acquisition journey will drive the creation of a growth function. 1.b A more physical customer acquisition journey will see M&S remain in separate organizations. M&S often lack alignment, with marketing unaware of sales plans and goals, leading to misalignment in their strategies. The setting of segment-based targets by marketing and personalized targets by sales exacerbates the coordination issue, as marketing aims for broad appeal while sales focuses on individualized approaches. The need for a common boss to address these challenges remains a topic of divided opinion. Proposition 2: The ability to create a common targeting mechanism is a driver of the creation of a growth function. High

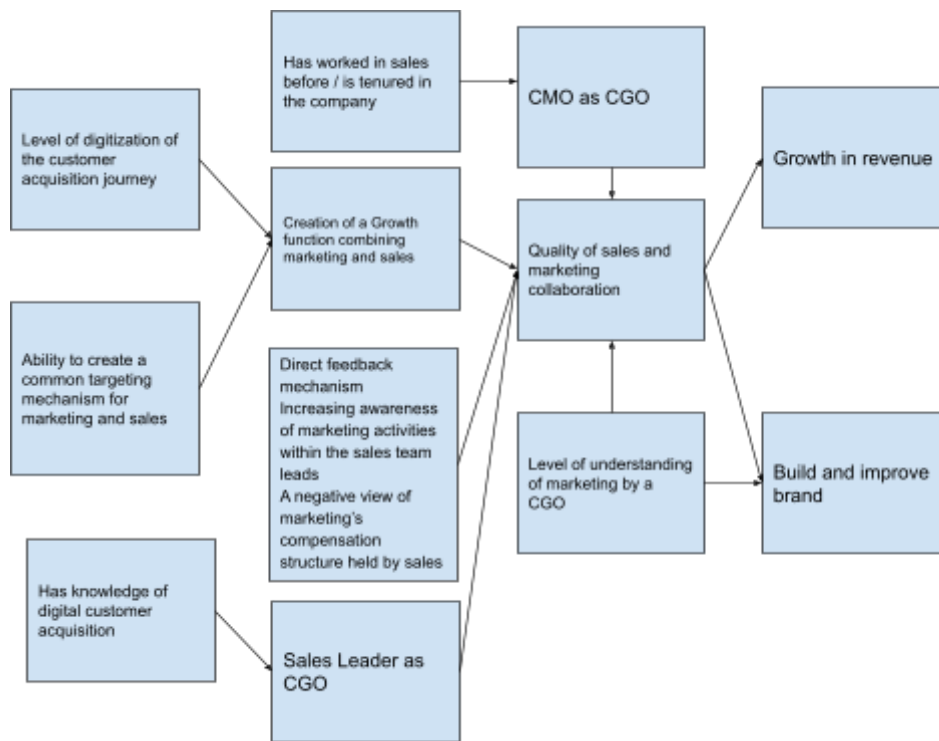
quality sales marketing collaboration goes a long way in making sure marketing dollars are spent on bringing in high quality revenue. Based on feedback from sales teams, marketing teams maintain a healthy balance between performance marketing and brand and continue to work on nurturing new channel(s) of growth. Similarly, based on feedback from marketing teams, sales teams understand customer preferences better and are able to tailor the offering for different customer segments. Proposition 3: A direct feedback mechanism between M&S will strengthen M&S collaboration. Combining M&S into a growth function can be effective for digitally-driven industries like insurance, classifieds, and SaaS, but may not be suitable for sectors such as real estate and retail where offline fulfillment is prominent. For successful collaboration, M&S should work together during the planning process, aligning goals and sharing feedback to ensure a common destination. While the Chief Revenue Officer (CGO) focuses on revenue, it is essential for them to understand the value that marketing brings in building a brand and executing campaigns. Proposition 4: The level of understanding of marketing by a CGO will drive the performance of a growth function in terms of non-revenue objectives. Sales head becoming a CGO is more common as compared to CMOs becoming CGOs. CMOs are not tuned to revenue targets. Before marketers become CGOs, they should have had a stint in sales or be tenured in the organization. Else this becomes difficult. Even in B2C the rules of the game do not change. Basics of M&S do not change. Proposition 5: A CMO can become a CGO if the person has had a stint in sales or is tenured in the organization. CMOs can lead the growth function when the nature of the business caters to digital natives and when the CMO is one and has deeper expertise on digital and performance marketing channels, compared to traditional media like TV, Print etc, Sales Leaders can lead the growth function where product or service is people-led. If not, the sales leader needs to upskill their knowledge of digital M&S channels for them to excel

in this role of Growth leader. Proposition 6: A CMO can become a CGO if he/she is a digital native and the organization's customers are digital natives. Proposition 7: A sales leader can become a CGO if the product or service is people-led. Proposition 8: A sales leader can become a CGO when the product or service is digital if they can upskill their knowledge of digital marketing. Combining M&S into a growth function can be effective for digitally-driven industries like insurance, classifieds, and SaaS, but may not be suitable for sectors such as real estate and retail where offline fulfillment is prominent. For successful collaboration, M&S should work together during the planning process, aligning goals and sharing feedback to ensure a common destination. While the Chief Revenue Officer (CGO) focuses on revenue, it is essential for them to understand the value that marketing brings in building a brand and executing campaigns. Proposition 9: Increasing awareness of marketing activities within the sales team leads to better M&S collaboration. Compensation structures also are different with sales taking up a higher variable component than marketing which translates to a higher "skin in the game". But in a good year, sales compensations can go beyond the stated limit through multipliers and kickers while marketing compensations remain stable. In a bad year, sales compensation dwindles while marketing compensation takes a lower hit. But working towards having a good year will unite both teams to a common objective. Proposition 10: A negative view of marketing's compensation structure held by sales can be detrimental to M&S collaboration

### **A CONCEPTUAL MODEL FOR COMBINING M&S INTO GROWTH**

The principles of the proposed model are - The level of digitization of the customer acquisition journey needs to be examined before combining M&S into growth. The ability to create common targets for M&S needs to be there before combining the two teams

The leader of the growth function can be a sales head or a marketing head. If it is the marketing head then a tenured employee or one that has had sales experience would be preferred. If it is a sales head then training on principles of marketing, customer acquisition principles and digital platforms would be needed. Within the growth function, factors that will improve quality of M&S collaboration are Direct feedback mechanism between M&S, Increasing awareness of marketing activities within the sales team and lead qualification process within the marketing team, Avoidance of negative view of marketing's compensation structure by sales so that both teams are seen as having an equal "skin in the game", The level of understanding of marketing by the CGO will influence non-revenue outcomes related to brand



## DIRECTIONS FOR FUTURE RESEARCH

The proposed Growth function model, based on qualitative data from executive interviews, suggests avenues for further research. This includes developing an instrument to identify antecedents to creating a growth organization, measuring the impact of criteria accurately,

examining the association between the growth function and sales/marketing collaboration, and exploring the role of the Chief Growth Officer (CGO) as a position for a Chief Marketing Officer (CMO). Additionally, expanding research participants and evaluating the impact of industry, organization size, and experience on the decision to appoint a CMO as the CGO are worthwhile endeavors.

## **CONCLUSION**

The exploratory research reported in this article offers several insights and propositions concerning the creation of a growth function that combines M&S into one organization. Specifically, the research revealed 10 propositions that need to be examined to determine when a growth function needs to be created, who needs to head it (between M&S) and the factors that moderate the impact on firm revenue and non-revenue performance. The major insights gained through the research suggest a conceptual growth function model that will spawn both academic and practitioner interest and serve as a framework for further empirical research in this important area

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## **B2B RELATIONSHIPS IN GEOGRAPHICAL INDICATION (GI) FOOD NETWORKS**

### **Abstract**

Extrinsic factors such as the Russia-Ukraine war and COVID-19 pandemic have negatively impacted the ability of food supply chain (FSC) networks to operate effectively. This research explores FSC network performance, operating under the auspices of geographical indication (GI) legal protection. Our study examines a FSC network within five agricultural regions in Turkey that distributes products to local, national, and global markets. Information from 30 key informants using a semi-structure research protocol was collected. From that a conceptual framework was developed to show how the underlying elements inherent in B2B relationships impact overall GI FSC network performance. Key findings indicate the role relationship marketing (RM) plays and the need to ground GI network B2B relationships in the theories of social exchange and social capital - due the presence and impact of psychological contracts and trust on network performance. Both for-profit, government and policy makers need to understand that whilst GI legal protections are critical to preserve the cultural and geographical heritage of regions this may not be a guarantee of network performance in the food sector.

### **Statement of Key Contributions**

Although relationship marketing (RM) is well established, to the best of our knowledge no studies examine the role B2B relationships play on geographical indication (GI) food network performance. This research makes several contributions. First, we help to understand the role RM plays in building robust relationships in GI food networks. Second, our framework encapsulates the various drivers underpinning performance in these networks. Third, we reveal the underlying network governance mechanisms also comprise trust and psychological



contracts (PCs). Finally, we identify the GI network conceptual underpinnings to be social capital and social exchange as this helps explain the inherent B2B relationships. This research provides valuable insights to for-profit firms, as well as government agencies and policy makers. Accordingly, our findings indicate several managerial implications. Whilst PCs exist in B2B relationships, decision makers should be cognizant that since the PC is idiosyncratic to the individual, and GI networks comprise multiple B2B relationships, multiple PCs are likely to exist. Since PC breaches and violations have negative implications for B2B relationships, understanding that PC failures in one network relationship may reduce network performance as well as undermine the whole network. Moreover, despite legal protections accompanying GIs firms - the network also relies heavily on trust as an additional governance mechanism. Thus, understanding how to navigate complex GI network relationships that comprise both formal legal and informal governance mechanisms as a driver of performance is tantamount. Governments and policy makers should be aware that whilst providing legal protection for GI based products are important this does not necessarily guarantee GI FSC performance, due to the inherent social exchange-based underpinnings between B2B relationships in these networks. Thus, general GI legal frameworks providing protection may not be fully effective, but rather needs to be bespoke to each network to catering to its inherent B2B relationship dynamics.

### **Competitive Paper**

Introduction and Conceptual Underpinning: Supply chain (SC) and network performance has been examined from various perspectives and disciplines (e.g., Alnaqbi et al., 2022), including the effects environmental uncertainty and disruption potentially have on SC performance (e.g., Juan et al., 2021). The current Covid-19 pandemic and Russia-Ukraine war has further intensified the need to better understand what drives SC performance as these

factors have collectively resulted in reduced global economic growth and prosperity (Ahmed et al., 2022; Martin, 2021), escalated a global energy crisis (Zhou et al., 2022) and severely disrupted numerous global supply chains and networks (Paul et al., 2021). Whilst these events have clear implications for SC performance, one area of immediate and ongoing concern is the negative implications such disruptions have on food SC (FSC) performance and overall food security (Zhou et al., 2022). This has prompted a call to build robust and resilient FSCs capable of withstanding environmental shocks as a key strategic priority facing nations (Kumar and Singh, 2022), and has prompted this research.

This is an important narrative to understanding because notwithstanding any humanitarian disaster failures that poor FSCs efficiencies can bring, there are other societal and national factors addressed by ensuring effective and more robust FSCs operate both within and across national boundaries. For instance, in addition to harmful economic consequences (Rathore et al., 2017), FSC failures can diminish socio-economic growth, reduce food and nutrition security, and this can directly lead to increase overall poverty (Mishra et al., 2022). We posit that a clearer understanding of the relational dynamics between firms in these GI food networks will not only provide the key to help inform decision makers how to best build robust FSCs, but this will lead to improved performance for firms in the B2B relationships that exist between them, well as overall FSC network performance. These assertions are based on the empirical reality that GIs not only comprise the production of quality products and services tied to a specific geographical location (Girard, 2022) but also bring stability to participants in that network due to their legislative protection (Curzi and Huysmans, 2022), and through that help to create more sustainable development to local areas (Sgrio, 2021). The core proposition we make herein is that when robust relationships exist at the localised

level, namely in B2B relationships in GI food networks, this helps contribute to overall FSC stability and performance.

Typically, the stream of GI literature reveals that successful relationships within GI network contexts result from “technical, social and economic interactions” (Belletti et al., 2017, p. 45) between individuals and entities, and further that success therein requires cohesion between the actors involved (Sgrio, 2021). The inference we draw from this is that social exchanged based relationships are core aspects that help to underpin FSC network outcomes, which adds another layer of complexity to GI networks that are also governed by formalized legal protections. Thus, to examine the relational dynamics between firms in the GI food network, we posit that relationship marketing (RM) literature helps to understanding the relationship dynamics between entities in these networks by viewing them through the lens of social exchange theory (Thibaut, 2017). Given the paucity of studies in this domain of the SC networks and RM literatures, we adopt this perspective and aim to better understand and define the relationships between B2B firms in GI food networks, and the underlying factors impacting GI FSC network performance. Our method and findings are now discussed.

Methodology and Findings: A grounded qualitative approach (e.g., Strauss and Corbin, 1997) using a semi-structured research protocol was used to capture data from key informants within a FSC network in 5 the agricultural regions in Turkey, namely Eastern Anatolia, Black Sea, Mediterranean, Aegean and Marmara. Interviews were conducted with 30 key informants that represented 17 firms in the GI FSC network - which lasted on average approximately 45 minutes to one-hour. Interviewees across the firms surveyed include agricultural cooperative Board Chairpersons, General Managers, GI Producers and Managers, GI Managers and Assistant Managers, GI Food Production General Managers, GI Food

Engineers, GI Business Owners, and Retail and Wholesalers Managers, among others. Since the regions under investigation also had various legal protections under the auspices of geographical indications, that meant examining this network helped provide an exemplar GI food network contextualize for this research. The sample thus encompassed core firm participants in the GI network, such as farmers, retailers, policy makers, local government, and various policy departments responsible for managing GI regulations in the regions under investigation. Based on the in-depth interviews (n=30) we were able to glean the underlying themes that helped to better explain factors impacted each of the firm's key informant views of their firm and overall GI FSC network performance. Based on the findings we propose a conceptual model (see Figure 1) that highlights key drivers of GI FSC network performance.

Overall, our findings reveal that the central concern for B2B partner firms within FSC networks in the GI context examined is the need for effective governance mechanisms, as these not only help ensure each of the firms can effectively play their role in contributing to joint GI network outcomes but underpin the interviewee firm's reliance on other network B2B partner firms to contribute to the network's outcomes. Typically, the findings reveal elements expected in these GI networks, such as social interactions, network transparency, and GI supply chain traceability were seen to be key drivers of trust (proposition 1) and effective GI FSC governance (propositions 2, 3 & 4) between network partners. Furthermore, the interview data also indicated that psychological violations (in the form of not fulfilling relationship expectations) served to erode trust (proposition 5) within the network. The inference being that psychological contracts (PCs) are present in the network relationships between partner firms, which has ramifications for the network. As anticipated, trust within the network served to positively impact the presence of effective GI FSC governance (proposition 6). The presence of these two core relational elements (i.e., trust and

governance) were also perceived to improve overall GI FSC network performance (propositions 7 & 8).

Whilst these two relational elements are shown elsewhere in the B2B literature our findings tend to indicate that both informal and formal governance mechanisms are important factors underpinning the performance within the network and individual firms therein. Our study thus provides some evidence that despite the various legal protections afforded to firms that operate in GI contexts, there is still a need for informal control mechanisms, in the form of PCs and underlying trust. The various implications of our findings are now discussed.

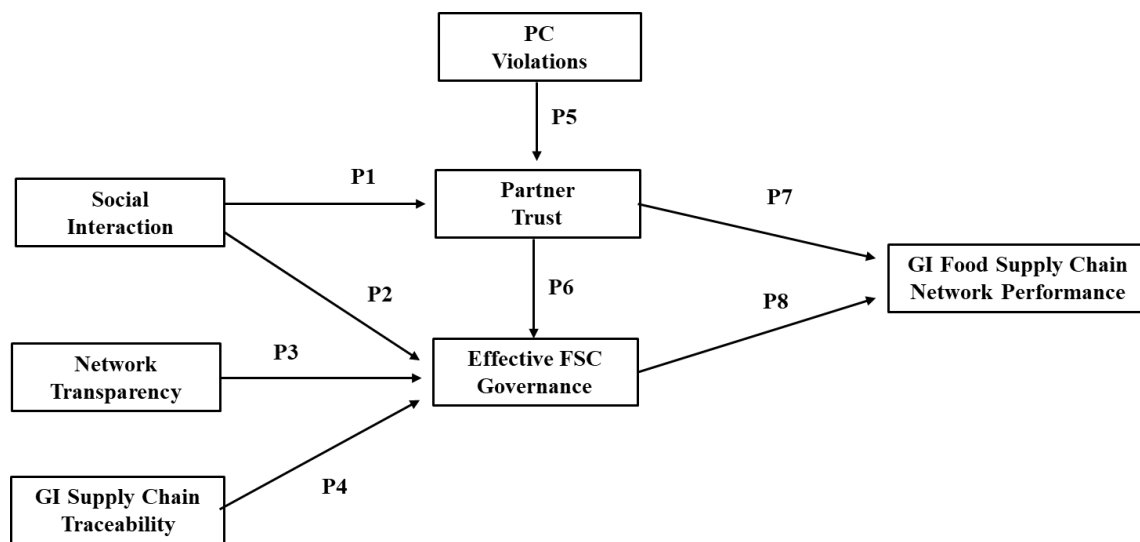
Implications: We make four contributions to the extant scholarly literature. First, the role RM plays in building robust relationships in GI food networks has to the best of our knowledge not been previously examined. Whilst studies elsewhere in B2B contexts show the presence of trust-based commitment (e.g., Kingshott et al., 2020), examining their impact on GI food network performance and stability are scant. In addressing this gap in the literature, the findings provide some indication to decision makers in GI networks that RM can potentially inoculate the network from current and future external disruptions. Second, given our conceptual underpinnings, as well as overall GI framework approach, we observe how B2B relationships contribute to GI network performance. Whilst the literature does infer a link between GI and FSC performance (Fernández-Barcala et al., 2017), our study contributes by highlighting some of the specific drivers of FSC performance. Specifically, we reveal how the GI network contributes to SC performance not only through the presence of supply chain traceability and transparency generally associated with GI protections but also the presence of alternative (informal) governance mechanisms. Third, we show these governance mechanisms to be socially exchange based to comprise trust and psychological contracts.

Such insights can help decision makers respond to external disruptions because the presence of these important relationship elements can help bring stability between relationship partners, and thus play a role in global FSCs. Finally, since there is a paucity of studies examining GI food networks from the perspective of RM, we uncover the other conceptual underpinnings can be used to help explain B2B relationships within these networks. We do reveal that the presence of social interactions - suggesting GI food networks also need to be viewed through the lens of social capital theory (SCT: Coleman, 1988). Whilst SCT has been previously used to help explain SC relationships (Kilubi and Roger, 2018) we address the distinct paucity of literature explaining relationships from a RM perspective in GI networks, and in particular the role this theory plays in better explaining FSC performance.

Limitations and Future Research Directions: The findings from this research only pertain to a solitary GI protected FSC network in Turkey. This has two potential limitations. First, since the research relates to one network only, the findings may not apply elsewhere. Studies that explore other networks will help ascertain if the findings are indeed common to other FSC networks. Second, the country and research setting represent a high context culture where interpersonal relationships are likely to play a key role in the formation of relationships. Thus, studies that encapsulate other networks in low context countries are needed to help determine if the factors we identify in our conceptual model are generalizable to both high and low cultural contexts. This is an important consideration given FSCs are also global in nature and operate across a wide array of national and cultural boundaries. Furthermore, whilst our qualitative approach collected rich empirical data to form the basis of a conceptual model highlighting factors underpinning FSC performance, there would also be merit in empirically testing this model (using suitable measures of each construct) in Turkey and a wide range of settings. This will help establish if the factors underpinning FSC performance

are generalizable to the many other FSCs in Turkey, and elsewhere. Moreover, this study pertained to only to FSCs in a GI food network - so testing this in non-GI networks would be a very valuable exercise. Finally, the research setting helped to establish performance of FSCs but many other forms of SCs exist in global markets, so future research exploring these would help establish if there are common, and/or, differing factors affecting network performance across a wider variety of supply chains.

**Figure 1: Drivers of GI Food Supply Chain Performance**



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## **DIGITAL CUSTOMER EXPERIENCE IN B2B – HOW FAR DO COMPANIES GO?**

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**Keywords:** Customer Experience, B2B, Digital Marketing, Customer Journey

**Description:** The paper comprises a proposed customer journey map that considers the purposeful implementation of digital and non-digital touchpoints that aim at creating customer experience.

### **EXTENDED ABSTRACT**

#### **Research Question**

Due to the increasing digitalization, B2B companies find it more and more difficult to create value and reach their customers via the right channels. Organizations can be helped by creating customer experience along the customer journey in order to address their customers purposefully, simultaneously increasing the customer value. Thus, enabling an effective way to improve a “mutually beneficial” relationship, which will increase customer loyalty and subsequently a company’s profitability in the long run (Weber and Chatzopoulos, 2019). Moreover, regarding the theoretical point of view new insights into digital customer experience and the implementation of accurate digital customer journeys are provided,

whereby academic research in the field of B2B marketing will be accelerated. Therefore, subsequent research questions guide through our analysis:

- 1) *How is the customer journey assembled including all touchpoints for clients in the machinery construction industry?*
- 2) *Which experiences are desired when it comes to the new-buy of a machine and how relevant are digital as well as non-digital touchpoints in this context?*

## **Method And Data**

A qualitative research design was applied to explore the relevance of digital and non-digital touchpoints along the customer journey. Therefore, in-depth interviews with nine respondents were conducted. The interviews, addressing people from the purchase/procurement department of the industrial manufacturing sector, were scheduled to get detailed assertions about their demands and attitudes towards steps and touchpoints within the purchasing process, as well as their expectations when it comes to customer experience. A major centerpiece comprised the elaboration of the touchpoints, being assessed as most relevant throughout the procurement journey. The touchpoints mentioned within this segment derive from studies that scrutinized the actual use, effectiveness, or importance of different channels from the users' or employees' perspective (such as Hallikainen, Alamäki, and Laukkanen, 2019). The transcribed interview answers were used to generate codes, which have been summarized into more general categories. For the analysis, coding, and visualization, MAXQDA, a software for qualitative research, was applied. Besides the coding of transcripts the program allows notes, paraphrases and the visualization of data in the form of target group comparisons, frequency and relationship tables and charts, word and code clouds or complex mapping tool.

## **Summary of Findings**

The research comprises a customer journey map that considers the purposeful implementation of digital and non-digital touchpoints that aim at creating customer experience. The model entails seven phases: initial need recognition, awareness, information, consideration and negotiation, purchase, retention, and advocacy. The seven purchase steps are not unified within themselves. Rather, interdependences are recognizable. The consideration but also the information phase re-shape the initial need due to an increasing number of collected inputs. Thus, affecting in turn the information required to oppose different offerings. Moreover, later retention phase and mainly service and support activities influence the former consideration set. Additionally, being an advocate for a supplier or product impacts the early awareness of suppliers, but also from whom and which information is gathered. Customer experience aspirations follow the consideration of the functionality of the machine, human factors and servicing, and new technologies. The conclusion is that the pre- and post-purchase phases in particular offer potential for integrating digital channels such as websites or AR/VR applications into the existing channel mix to create an omnichannel customer experience. When it comes to the final purchase decision, traditional channels, especially face-to-face, remain indispensable in the setting of B2B purchases within the industrial machinery industry.

## **Statement of Key Contributions**

The paper contributes to academics and practitioners alike by leveraging the results of in-depth interviews with B2B industry experts. With the proposed customer journey map, the impact of technology on the buying process is in the focus, recognizing the pursue of an omnichannel approach in integrating both, non-digital as well as digital channels as main touchpoints. Moreover, new insights into the development and management of CX along

current customer journeys with a focus on the industrial manufacturing sector could be gathered. Oftentimes intangible experiences were broken down into a construct of three concrete aspects: (1) the good itself, (2) human factors and servicing and (3) new technologies. The managerial recommendation lies in the consideration of the proposed customer journey map and follow an omnichannel approach. Thus, the outcome of the study helps machinery construction organizations serving B2B manufacturing companies to create an adaptable customer journey with the implementation of digital as well as non-digital tools. Subsequently, the respecting industry can address their customers adequately and purposefully as well as optimize their experience, loyalty and following a company's profitability in the long run.

*References are available upon request.*

## **FITTING THE CLICHE: COUNTRY IMAGES & INTERNATIONAL EXPANSION**

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**Keywords:** Internationalization, Country Image, Software, Embedded-Systems

**Description:** Our research provides insights into the country-of-origin effect on digital software companies and semi digital embedded-systems producers, suggesting a difference in the impact of national brands between the two groups.

### **EXTENDED ABSTRACT**

Do national brands matter for producers of software products? Our research examines the relevance of national brands for software product producers, specifically focusing on the country-of-origin effect for digital software products and semi digital embedded-systems. Our findings demonstrate that both groups can derive benefits from emphasizing "Software Made in Germany" in international marketing campaigns. However, software companies experience a lesser profit gain when utilizing the national brand, as no moderation effect was detected in this group. In contrast, embedded-systems producers receive an additional advantage from leveraging "Software Made in Germany" for marketing purposes. This suggests that producers of digital products do not experience the same level of advantage from national brands as their semi-digital counterparts. Our results have implications for company managers: Software company managers should prioritize strengthening their company's brand rather than relying only on the national brand, as they do not benefit to the same extent as embedded-systems producers. In contrast, embedded-systems companies seeking to expand their international

market share, should actively utilize "Software Made in Germany" in their marketing efforts to capitalize on the positive country-of-origin reputation associated with German engineering products. Furthermore, policymakers should encourage these companies to proactively leverage the national brand for their marketing strategies.

### **Research Question**

The influence of national characteristics and stereotypes on customers' buying intentions is well-established, with national image often playing a role in the decision-making process. Customers' buying intention of a product is influenced by their perception of national characteristics and stereotypes. Key determining factors are customers' subjective knowledge about the country of origin and the complexity of the product. However, it remains an unresolved research question whether country attributes have equal significance for digital and semi-digital products. Given the virtual and global nature of software production and distribution, the relevance of country-of-origin effects is expected to be diminished for software companies. We therefore propose the following hypothesis:

- **H1:** *The utilization of the national brand "Software Made in Germany" has no influence on the level of internationalization for German software companies, nor does it lead to a higher degree of internationalization.*
- **H2:** *Producers of embedded systems can leverage the national brand "Software Made in Germany" to achieve a higher degree of internationalization compared to companies that do not incorporate national branding in their marketing strategies.*

### **Method & Data**

In our study, we utilized a web-based survey conducted in 2011 to collect data from managers of software and embedded systems companies who were invited via email to participate as key informants. The survey yielded a response rate of 11% and a retention rate of about 21%. To



ensure data quality, we excluded datasets with more than 25% missing values and cases where participants completed less than 80% of the questionnaire. As a result, we obtained a cleansed dataset comprising 869 observations. Subsequently, we partitioned the dataset into two distinct groups: the first group comprised companies engaged in software development, implementation, or consulting, while the second group consisted of companies specializing in embedded systems development, implementation, or consulting. This process yielded a final sample of 438 software companies and 279 embedded-systems companies for further analysis. Based on this dataset we employed a 3-step hierarchical multiple linear regression with listwise deletion. First, we entered “company age”, “company size” (number of employees) and “perceived market attractiveness”. In step 2, we entered the centered variables “Use of ‘Software Made in Germany’ in Marketing” and “Focus on technical perfection”. In step 3, we entered the interaction term of the variables from the second step.

### **Summary of Findings**

The variable “Use of ‘Software Made in Germany’ in marketing” remains significant at  $p < .01$ . Contradictory to hypothesis 1, the national brand has a significant positive effect on software companies’ degree of internationalization. Analysis of the variance inflation factors shows that there are no issues of multicollinearity in our regression model.

The subsequent analysis of embedded-systems provides further insights into the significance of the country-of-origin brand for producers of digital and semi-digital products. The correlation matrix reveals a positive correlation between the national brand and the companies’ level of internationalization ( $r = 0.325$ ). Conversely, perceived market attractiveness demonstrates a negative correlation with the utilization of the national brand ( $r = -0.177$ ) as well as with the degree of internationalization ( $r = -0.474$ ).

In the subsequent multiple linear regression analysis, we examine the influence of national brands on the degree of internationalization among producers of semi-digital products. In

contrast to the findings among software companies, the interaction term ("Use of 'Software Made in Germany' in marketing" x "Focus on technical perfection") was found to be significant at  $p < .05$ , while the variable "Use of 'Software Made in Germany' in marketing" remained significant at  $p < .01$ . This indicates that embedded systems firms, which actively utilize the national brand and prioritize technical perfection over marketing, exhibit a significantly higher degree of internationalization. Consequently, hypothesis 2 has been validated.

The analysis of the interaction term reveals that companies emphasizing "Made in Germany" display a higher degree of internationalization. This effect is more pronounced among firms prioritizing technical perfection in their product strategy, compared to those with a marketing-oriented approach (28.2% versus 14.67% "degree of internationalization"). Only when actively using the national brand do companies experience an elevated level of internationalization. These findings suggest that Germany's technical reputation is particularly transferable to complex and technical semi-digital products, while technical software products do not enjoy the same "extra bonus."

### **Key Contribution**

The findings highlight the transferability of a country's international technology reputation to its domestic products. Germany's established reputation for producing technologically advanced products allows domestic companies to directly benefit from internationalization under a national brand, irrespective of whether the products are digital or semi-digital. However, only technical-oriented embedded systems companies gain an additional advantage from utilizing the national brand. While the "Software Made in Germany" label significantly helps software companies gain more international market share, it does not provide an extra boost in terms of their technological orientation. This suggests that the transferability of a national brand to digital products may be limited.

**MANOEUVRING GLOBAL CRISES: ENTREPRENEURIAL MARKETING IN SMES****Ali Mahdi, University of Ottawa****Contact Information:** For further information, please contact Ali Mahdi, PhD Candidate, Telfer School of Management, University of Ottawa, Canada ([amahdi@uottawa.ca](mailto:amahdi@uottawa.ca)).**Keywords:** Entrepreneurial marketing; competitive intensity; performance; resource-based theory.**Description:** This paper unpacks the relationship between entrepreneurial marketing and firm performance under the moderating role of competitive intensity in a context of high uncertainty and disruption.**EXTENDED ABSTRACT****Research Question**

In order to survive, adapt, and grow in a global economy facing disruptions, SMEs can utilize entrepreneurial marketing in which they “accept risk to innovatively and proactively leverage resources to create value in the marketplace” (Miles et al., 2015, p. 94). Situated at the intersection of entrepreneurship and marketing, entrepreneurial marketing includes the entrepreneurial dimensions of proactiveness, risk-taking, and innovativeness and the marketing dimensions of opportunity focus, resource leveraging, customer intensity, and value creation (Sadiku-Dushi et al., 2019).

While entrepreneurial marketing activities are likely to enhance firms’ performance (Hamzah et al., 2023), the complexities of the relationship between entrepreneurial marketing activities and firms’ performance remain under-researched. Instead, there may be moderating factors that influence this relationship, such as environmental factors (Crick et al., 2023).

Consequently, grounded in resource-based theory (Barney, 1991), the objective of this study is to examine the relationship between entrepreneurial marketing activities and firm performance under the moderating role of competitive intensity. The following two hypotheses are tested: (H1) entrepreneurial marketing activities have a linear (positive) relationship with firm performance; (H2) competitive intensity negatively moderates the linear (positive) relationship between entrepreneurial marketing activities and firm performance. A post-hoc test followed to unpack elements of the conceptual framework.

**Method And Data**

Vineyards and wineries have been described as active in creating value for their customers, while behaving in ways that are entrepreneurial in nature (e.g., Dana et al., 2013; Felzensztein et al., 2014; Crick et al., 2023). Hence, the wine industry in the US was selected as the empirical context to test the elements of the conceptual framework. The sampling frame was a purchased database that contained the names and contact details of vineyards and wineries from across the US.

Prior to the quantitative data collection stage, the researchers undertook 20 field interviews with owner-managers in three states to help the researchers ensure that the eventual survey would be aligned with the empirical context (as per Katsikeas et al., 2006). Thus, the preliminary qualitative stage was effective for highlighting how decision-makers of smaller-sized companies engage in entrepreneurial marketing activities.

An electronic survey (using Qualtrics) was designed, containing operationalisations of the latent variables within the conceptual framework. Then, the survey was pre-tested followed by a pilot to assess the distributions and descriptive statistics of the measurements (Bolton, 1993). Data collection led to a final sample of 306 wine producers from across the US. The data analysis was conducted using LISREL and SPSS.

### **Summary of Findings**

During the main model-testing stage, entrepreneurial marketing activities had a linear (positive) and significant relationship with firm performance. Consequently, support existed for Hypothesis 1. In addition, competitive intensity positively, but non-significantly, moderated this association, meaning that no support was offered for Hypothesis 2. Plus, the main control variables (as well as the procedural factors) contributed to explaining the variance of firm performance. During the post-hoc test, certain aspects of the entrepreneurial marketing activities construct were drivers of firm performance – with some dimensions being significant (positive or negative) and others being non-significant. Here, opportunity focus, innovativeness, and resource leveraging were positive and significant drivers, whereas, calculated risk-taking was negative and significant. As for moderating effects, only two facets were influenced by competitive intensity (calculated risk-taking and innovativeness), with negative and significant results.

### **Statement of Key Contributions**

First, entrepreneurial marketing activities were identified as being drivers of firm performance. This supports a growing body of knowledge surrounding the performance outcomes of entrepreneurial marketing behaviours (e.g., Eggers et al., 2020). Since entrepreneurial marketing activities encapsulate the intended merits of a market orientation and an entrepreneurial orientation (Hamzah et al., 2023), it stands to reason that these interdisciplinary firm-wide strategies should enhance firm performance.

Second, competitive intensity did not significantly moderate the entrepreneurial marketing activities – firm performance relationship. Hence, effectively managed entrepreneurial marketing activities are likely to drive firm performance regardless of how volatile competitive intensity is within a sector. This was somewhat surprising, because it was expected that competitive intensity could unhinge the performance outcomes of entrepreneurial marketing activities (building upon Boso et al., 2012).

Third, proceeding to the findings from the post-hoc test, stronger insights have emerged on the aspects of entrepreneurial marketing activities that are more likely to influence firm performance than others, but also, are susceptible to being influenced by competitive intensity. This means that more in-depth evidence has been offered on the specific types of

entrepreneurial marketing activities that are beneficial, vis-à-vis, harmful for small businesses in this capacity (extending Sadiku-Dushi et al., 2019).

References are available upon request.

**THE INFLUENCE OF INDUSTRIAL CUSTOMER ENGAGEMENT ON SUPPLIER  
ENGAGEMENT AND COLLABORATION PERFORMANCE IN CONCENTRATED  
INDUSTRIAL SUPPLY MARKETS**

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**Keywords:** Industrial customer engagement, Supplier engagement, Concentrated industrial supply market, collaboration performance

**Descriptions:** This paper investigates and develops scales for industrial customer engagement (ICE) and industrial supplier engagement (ISE), empirically testing their linkage and effects in concentrated industrial supply markets.

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## EXTENDED ABSTRACT

In concentrated industrial supply markets where a few suppliers dominate critical resources/capabilities, customers need to contend for these suppliers' support. Customers' proactive engagement to secure key suppliers' collaboration has thus become an imperative issue. However, past research has neglected the engagement efforts employed by industrial customers to motivate key suppliers' engagement in these markets. There is little research investigating the engagement concepts, nor have any scales been developed to assess them. The underlying mechanism of industrial customers' and suppliers' engagement as well as their influences also remain underexplored. Therefore, this research aims to conceptualize and develop scales for industrial customer engagement (ICE) and industrial supplier engagement (ISE), empirically testing their linkage and effects through four studies. In Study 1 and 2, ICE and ISE scales were developed respectively. Study 3, based on goal theory and role theory, explored how ICE affects ISE through suppliers' experienced value in use and relational connectedness. In Study 4, the effects of ICE and ISE on collaboration performance were further verified based on reciprocal action theory.

### Research Question

In today's rapidly changing and competitive B2B arena, many industrial customers have encountered challenges of securing key suppliers' essential resources and capabilities through proactive engagement. This is especially obvious in concentrated industrial supply markets where customers are increasingly dependent on and even inclined to compete for a limited number of industrial suppliers who own critical technologies, materials, and/or competencies. In these industrial markets with supplier-scarcity, bargaining power has shifted from customers to suppliers that become highly selective and sometimes even resistant to adapt to certain customers' requests. Such quasi-oligopolistic supply market structures tend to drive customers to contend for suppliers' distinctive capacity needed for operational efficiency, cost competitiveness, quality assurance, and innovation (Wang et al. 2020). Consequently, customers' proactive engagement to secure industrial suppliers' collaboration has thus become a vital strategic issue for these B2B supply markets.

Customer engagement (CE) represents the voluntary contribution made by a customer toward a firm (Kumar et al. 2010). Although CE has been widely discussed in marketing and service literature, past research has predominantly centered the issue on how service providers' engagement (SPE) promotes and triggers CE, treating CE as desirable customer outcomes following service providers' engagement initiatives (e.g., Singh et al. 2021). In this regard, extant service and marketing literature tends to treat CE as reactions activated by SPE, confining CE to patronage-related behaviors such as purchase, referral, word-of-mouth, and feedback (e.g., Pansari and Kumar 2017).

Recent research has stressed the importance of customer proactivity in services because actively engaged customers can take initiatives to enhance the service interaction and delivery, facilitating the collaboration for better service outcomes (Zablah et al. 2016). Scholars have consequently called for further studies investigating the existence of the reverse effects of CE on SPE in service

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relationships, with customers assuming the proactive engagement roles and taking self-started acts to facilitate service providers (Liang et al. 2020; Subramony et al. 2021). In concentrated industrial supply scenarios, such proactive acts of customers to promote suppliers' (service providers') contribution is especially critical and requires further examination based on suppliers' viewpoints. Nonetheless, industrial customers' engagement endeavor also remains unexplored, nor has an appropriate scale been developed to measure it. Moreover, industrial suppliers' engaging dedication resulting from industrial customers' proactive acts is also a vital and unexplored issue. Since key suppliers' engagement matters for industrial customers, it is also imperative to investigate the concept and develop its scale. The engagement linkage of industrial customers and suppliers, as well as their effects on interfirm relationships also require further examination.

To fill these research gaps, this research aims to conceptualize and develop scales for industrial customer engagement (ICE) and industrial supplier engagement (ISE) as well as empirically test their linkage and effects with conceptual frameworks based on suppliers' perspectives through four studies. Study 1 developed and validated the scale of ICE that captured suppliers' perspectives, while Study 2 developed measures to assess ISE. In Study 3, the linking mechanism of the two concepts was investigated. In line with goal theory and role theory, this research explored how ICE affects ISE through suppliers' experienced value in use and relational connectedness. In Study 4, the effects of ICE and ISE on collaboration performance were further assessed. Aligning with reciprocal action theory, this research provided empirical evidence and verified the relationships.

## **Method and Data**

This research conducted scale development of ICE and ISE in Stud 1 and Study 2, respectively, following rigorous, well established psychometric procedures (e.g., Bagozzi et al. 1991; Churchill 1979; Fürst et al. 2017; Hinkin 1998; Lin and Hsieh 2011; Panagopoulos et al. 2017). Then we empirically tested the conceptual frameworks to explore the linking mechanism of ICE and ISE in Study 3, as well as their effects on performance in Study 4. In Study 3, data were collected in collaboration with a large global electronic equipment supplier to obtain the supplier's perspectives. The supplier's corresponding salesperson and senior executive with each selected customer were approached and requested to evaluate the buyer–supplier relationship. The final sample consisted of 262 valid buyer–supplier relationships assessed by the corresponding salesperson–senior executive pairs. In Study 4, we collected second-wave data on collaboration performance one year later. The final matched sample consisted of 228 valid responses.

## **Summary of Findings**

This research conceptualized and developed the ICE and ISE scales. Furthermore, the conceptual frameworks were empirically tested through structural equation modeling. Specifically, our findings confirmed that ICE positively influences ISE through suppliers' experienced value in use and relational connectedness. In addition, the effects of ICE and ISE on collaboration performance were further verified.

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## **Key Contributions**

This research contributes to the academic marketing discipline in several ways. First, we answer the research call to investigate customers' proactive engagement targeted to engage service providers. By focusing on concentrated industrial supply markets where customers' initiatives to promote suppliers' (service providers') contribution is particularly crucial, we conceptualized and developed a scale for ICE encompassing four dimensions (supplier need exploration, facilitative coordination efforts, proactive process support, and collaborative value creation). Second, this research represents one of the pioneering studies to clarify suppliers' engagement acts following customers' proactive endeavor. As such, the scale of ISE was developed including three dimensions (proficient devotion, adaptive behavior, and proactive treatment). Third, drawing on goal theory and role theory, we unveiled the linking mechanism of ICE and ISE. Lastly, based on reciprocal action theory and tracked performance data, we further proved the effectiveness of ICE and ISE in driving collaboration performance.

This research also provides critical insights for industrial customers to engage suppliers and create better partnerships in concentrated industrial supply markets. Based on our scale development, B2B practitioners can use the ICE scale to understand supplier perceptions of customers' engagement acts, helping them spot avenue for improvements. Managers can also utilize the developed ISE scale to assess suppliers' contribution and evaluate the effectiveness of their engagement strategies. Moreover, our findings reveal that suppliers' experienced value in use and relational connectedness play critical roles in linking ICE and ISE. Industrial customers can thus pay more attention to deliver offerings that are valuable and meaningful, while establishing closeness and proper bonding with them. As ICE was verified to affect ISE and the subsequent collaboration performance, industrial customers aiming to excel in key supplier management should spare no effort to make proactive engagement efforts and monitor the outcomes of such relational investments over time.

References are available upon request.

**THE ORIGINATION OF ONLINE REVIEWS IN B2B MARKETS:  
A QUALITATIVE STUDY ON THE UNDERLYING MOTIVES OF REVIEW WRITERS**

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**Keywords:** Online Reviews, B2B Market, Motives, Qualitative Study

**Description:** We investigate the underlying motives of writing online reviews in B2B markets and find several distinct motives that have not yet featured in the B2C and C2C literature, such as appreciation of the relationship with the business partner, visibility, and showcasing innovation.

**EXTENDED ABSTRACT**

**Research Question**

Recent studies suggest the growing relevance of reviews in B2B decision making. Many B2B firms have already responded to this trend by collecting, analyzing, and displaying information from e-commerce platforms to reduce information asymmetries (Steward, Narus, and Roehm 2018). In research on B2C online reviews, the identified motives for review writing (Hennig-Thurau et al. 2004) provided the basis for follow-up research on the design of review systems, e.g., on review elicitation strategies (Burtch et al. 2018; Yu, Khern-am-nuai, and Pinsonneault 2020). The same is needed for B2B markets, considering that the literature has established that B2B markets have very different characteristics than B2C markets, such as, for example, the goal of businesses to maintain a competitive advantage (Godes 2012), the higher degree of professionalism and longevity in B2B relationships (Vosgerau, Anderson, and Ross Jr 2008), and the greater complexity of B2B purchase decisions and processes (Müller et al. 2018). Based on these differences, it is reasonable to expect that the underlying motives for writing reviews differ, too. Hence, we formulate the following research question:

*RQ: What are the underlying motives for online review writing on B2B online review platforms?*

### **Method and Data**

We adopted a qualitative interview approach to inductively examine the process of writing B2B online reviews and the review authors' underlying motives. In order to gain insights into the underlying motives of writing B2B online reviews, we recruited a sample of experienced reviewers as key informants. A collaboration with a leading B2B review platform helped us recruit business reviewers from their platform. This internationally-operating platform offers B2B online reviews for a variety of B2B software products (e.g., sales, human resources, marketing). Our sample of 24 interviewees comprises employees from different industries (e.g., education, consulting, financial-services, or IT-services) and continents (i.e., America, Europe, and Asia). The interviews were conducted between April and November 2022 via video calls, with an average duration of 35 minutes. All interviews were video-recorded and subsequently transcribed verbatim. For the main analysis we used the software tool MAXQDA, and applied open coding (Gioia, Corley, and Hamilton 2013). Based on our inductive analysis we were able to derive eight motives from the interviews, each of which is supported by multiple quotes. Due to space limitations, we briefly present three of the identified motives that can clearly be differentiated from those observed in the B2C literature.

### **Summary of Findings**

First, the *appreciation of the relationship with the business partner* shows that the personal relationship among business partners matters. It was stressed several times by the participants how the review was seen as something to further build upon a (already existing) positive business relationship and to give something back.

Another unique motive we found is a reviewer harnessing the means of a B2B review to enhance her *visibility* in the business world. Especially if a review is published under the real name of the

reviewer and her company, it can be used to raise her professional profile. A review could, for example, be quoted as an example in a future job application or interview.

A third distinctive motive is using a review to *showcase innovation*. For example, a reviewer feels that she is part of a particularly innovative collaboration, and by writing a review she hopes to show both herself and the seller in a positive light.

### **Statement of Key Contributions**

The preliminary findings from our study reveal that online reviewers are driven by a mix of different motivations that are, in part, unique to B2B contexts. Our work makes three important contributions to marketing theory and practice. First, based on our preliminary results, we can confirm that B2C and B2B online reviews and the underlying motivation for writing do indeed differ. This calls for further research to explore how knowledge about motives can be integrated into the elicitation process to encourage more, high quality B2B reviews. Second, we find that the complex and multi-layered nature of B2B relationships is reflected in the motives. For companies aiming to collect B2B reviews from their customers it is advisable to identify contact persons who have developed a good business relationship with a customer's employee, and to identify innovative collaborations between the two companies. For marketing research, this result emphasizes the need for the study of B2B online reviews as a distinct research field in its own right. Third, the potential (conflicting) interests of reviewers and their employing company have to be considered in B2B online reviews. Platforms might account for this by offering templates that differentiate between the personal and the company's perspective.

*References are available upon request*

**THE PARADOXICAL EFFECT OF TOP MANAGEMENT INVOLVEMENT ON  
INNOVATIVE TENDENCIES FOR STATE OWNED ENTERPRISES (SOES) VERSUS  
NON-SOES**

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**Key words:** SOE, state-owned enterprise, top management involvement, key account  
management, innovation, China

**Description**

Given the immense role of SOEs in nations throughout the world and paucity of SOEs-and-  
innovation studies, we examine a business ecosystem where SOEs play a dominant role,  
although one where SOEs have historically lagged in innovation.

**EXTENDED ABSTRACT**

**Research Question**

State-owned enterprises (SOEs) play vital economic and social roles in nations throughout the  
world. In addition to the traditional SOE governance form (where the State owns entities fully),  
there are vast numbers of entities where the State holds shares, giving the State control of

privatized firms. It is widely recognized that innovation is essential to value creation, with SOEs often seen as having innovation deficits for various reasons. Top Management Involvement (TMI) is essential for identifying innovation opportunities while creating an environment and culture that facilitates bringing innovations to market. Traditionally, especially in systems found in China, top managers have not needed to be innovation-focused, contributing to innovation deficits that are exposed once competition is introduced.

These thoughts lead to our research questions: we investigate the effects of governance structure (SOE versus non-SOE) and top management involvement (TMI) on innovative solutions for serving KAs. Additionally, we examine whether being an SOE amplifies or reduces the link between TMI and innovation.

### **Method and Data**

Our sample consists of surveys completed by 185 managers at companies from 22 industries located in China. The respondents were managers enrolled in executive education programs taught in English by one of the authors at a business school in China. Following confirmatory factor analysis, analysis of the average variance extracted, and reliability analysis, we used the ordinary least squares method to examine the effects of variables on innovation.

### **Summary of Findings**

Results indicate that while being an SOE does not have a significant effect on innovation, TMI has a positive effect on innovation. An accompanying positive moderating effect of state ownership on TMI's main effect may be explained by the stricter hierarchy that tends to be present within SOEs. When SOE top managers decide that KAs are a priority, it becomes everyone's business to prioritize KAs. It may also be because these managers have access to the formidable resources of the State. Herein lies the paradox. While SOEs are neither less nor more

likely to be associated with greater innovation than are non-SOEs, being an SOE still has an amplifying effect on the positive TMI – to – innovation relationship. These findings suggest a complex interplay of forces at work in SOEs.

### **Key Contributions**

Pursuant to Murphy and Li (2015), this work grows our understanding of factors affecting innovation in SOEs versus in non-SOEs (i.e., privately held companies and companies that have an outside-of-China parent company) in China. This research is valuable to SOE and non-SOE executives and managers, especially those competing in China. Although our study shows that the SOE governance form does not have a significant effect on innovation, our finding that being an SOE amplifies the positive effect of TMI with managing KAs on innovation lends credence to claims that SOEs have regenerated in recent years toward becoming more innovative. Our research provides evidence that China’s SOEs are closing the competitive gap in innovation and a mechanism for this occurrence.

### **Reference**

Murphy, William H., and Ning Li (2015), “Government, company, and dyadic factors affecting key account management performance in China: Propositions to provoke research,” *Industrial Marketing Management*, 51, 115-121.

# **Consumer Behavior**



**#STOP ASKING ME TO DONATE: UNDERSTANDING CAUSES OF FUNDRAISERS PERCEIVED  
ILLEGITIMACY FROM A CLASSIFICATION OF RESISTANT DONORS' TWEETS.**

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**Keywords:** netnography; charity triad theory; resistant donors; charitable behavior

**Description:** This paper explores what are the main causes for not giving expressed online by resistant donors and highlights the role of fundraiser in provoking resistant behaviors, thanks to a netnography.

#### **EXTENDED ABSTRACT**

##### **Research Question**

While resistance to charity appeals is a diffuse phenomenon, some of its stronger manifestations are becoming observable online, thanks to social networks. This paper aims to explore what are the main causes for not giving expressed online by resistant donors. Using the Charity Triad Theory, a focus is made on the role of fundraiser’s type on charity resistance.

##### **Method And Data**

An automated tweet-scraping via octoparse is performed to collect the data of 828 tweets mentioning hashtag “stop asking me to donate” (until 07/15/2022). After cleaning data (withdrawing tweets without text or out-of-scope), 706 tweets were retained. Considering some specificities of the content obtained (low variety of words employed, lot of familiar expressions and abbreviations, use of irony), a classification procedure following Weber (1990) method is conducted, preferred over classic text analysis procedure, to extract information on who are resistant donors, why do they tweet about their

resistance, what do they say, what are the feelings expressed. A manual coding based on a thematic analytic grid is realized ensuring all the methodological precautions (open and axial coding, dual-coding, intercoder reliability check). Then, a Correspondence Analysis is run to analyze the interactions of the qualitative variables identified.

### **Summary of Findings –**

Correspondence analysis reveals how charity resistance is expressed and what are the causes resistant donors put forward for not giving. From the variety of situations encountered by potential donors three main types of resistant donors emerged. The first class gathers “disappointed citizens”, resisting to donation appeals from political organizations. Mentioning being able to give money they decide to not donate to manifest their displeasure with politicians. The second class observed represents “upset consumers” which are reluctant to give money at companies, businesses, stores, websites while they are shopping. By fundraising for charities, companies are perceived as egoists, doing it for social washing. Businesses which ask for charity donations are accused of acting selfishly in 61% of cases, compared to just 11.8% when it’s the charity itself asking for money. Customers can sometimes find it hard to tell the difference between a brand’s sincere support for a cause, and reputation laundering.

Finally, “annoyed donors” are irritated by the multiplication of donation appeals, the cross-canal communication and a poor targeting.

The coding we carried out showed the importance of the fundraiser's role in charitable behavior. It allows us to show that the attribution of motivation, like the perceived legitimacy of the fundraiser, seems to have attitudinal and behavioral consequences.

### **Statement of Key Contributions**

Based on a classification of tweets with hashtag “stop asking me to donate” and a correspondence analysis, we propose a 3-classes classification of resistant donors according to the type of fundraisers they were in contact with (*disappointed citizens, upset consumers, annoyed donors*).

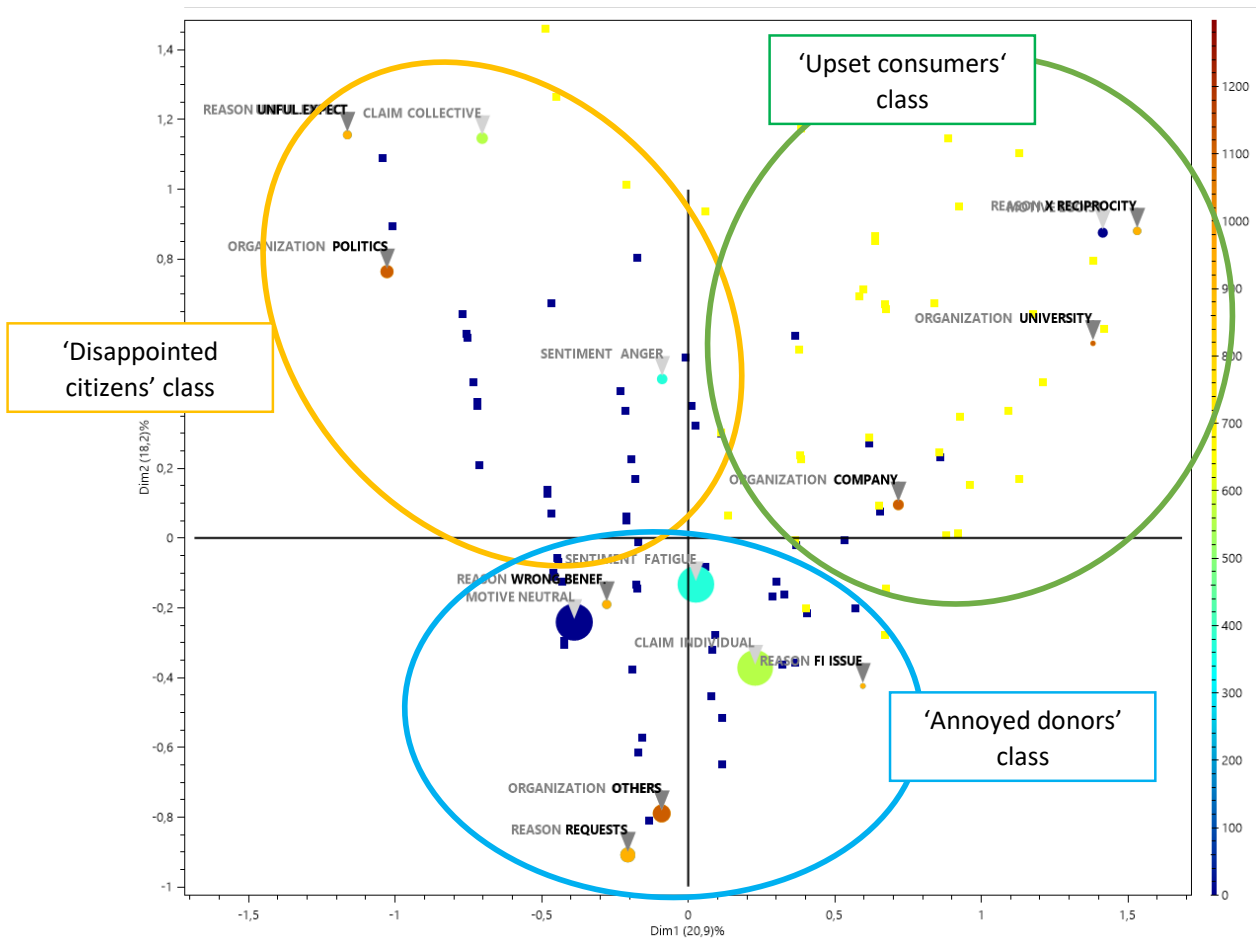
Theoretically, the study offers new insights for the comprehension of the Charity Triad (donor-beneficiary-fundraisers, defined by Chapman et al., 2022) by showing that the fundraiser-donor dyad can lead to charity resistance through a perceived illegitimacy of fundraisers, which is affected by its the type of organization asking for donation.

From a managerial perspective, this study shows the importance of motives attribution to fundraisers by resistant donors which can help fundraisers to carefully design their philanthropic strategy. For charitable organizations, efforts should be done to avoid spamming donors; for companies fundraising for charities, there is a call for matching donation with donors; for political organizations, philanthropic appeals will not turn electors into donors if their expectations are unfulfilled; finally, for Universities, indebtedness of their alumni should be considered before asking them for money.

References are available upon request.

Table/figures

FIGURE 1 – Graphical representation of Correspondence Analysis



Labels	
<span style="color: yellow;">■</span>	Egoist motive attributed
<span style="color: blue;">■</span>	Neutral motive attributed

**Table 1 – Khi2 analyses results**

Type of fundraiser	N	Main cause for perceived illegitimacy	Egoist motive attributed to fundraiser	Collective claim expressed
Charitable organizations	256	Too many requests (45%)	11.8%	15.9%
Political organizations	205	Unfulfilled expectations (52%)	7.1%	50%
Companies	164	Absence of reciprocity (in donation) (38%)	35%	14.3%
Universities	81	Absence of reciprocity (in relationship) (41%)	61%	9.5%
<b>Total</b>	<b>706</b>			
X <sup>2</sup> statistics		307.3	120.2	93.8
Risk alpha		1.35E <sup>-58</sup>	6.98E <sup>-26</sup>	3.4E <sup>-20</sup>

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## **A Conceptual Framework To Understand The Impact Of Augmented Reality Aesthetics On User Experience Using Neuromarketing Tools**

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Keywords: Augmented Reality, Neuromarketing, Consumer Behavior, User Experience

Description: This paper proposes a conceptual framework to study augmented reality aesthetics on user experience and satisfaction using neuromarketing techniques.

### **EXTENDED ASBTRACT**

#### **Research Question**

Augmented reality (AR) has become a powerful tool through which brands communicate to the consumers. The media characteristics of the platform play a vital role in user experience. The sub dimension of media characteristic is modality and, in this paper, we discuss how modality characteristics of AR impact user experience, and thereby leading to user satisfaction. This phenomenon is studied through fMRI, a neuromarketing tool. Two experiments are proposed: first one being identifying the affective processes of the brain, that is, the reaction time and how they translate to positive user experience and satisfaction. The second experiment requires fMRI, where the activation of striatum (part of the brain associated with reward system), especially ventromedial prefrontal cortex and nucleus accumbens are studied. The entire study will contribute to identifying the role of AR enabled elements generating an impact on affective and cognitive responses in explaining user experiences and satisfaction.

#### **Method and Data**

A conceptual model is proposed to study the reward system and affective response of brain to understand the impact of augmented reality aesthetics on user experience and satisfaction.

#### **Summary of Findings**

This paper proposes a conceptual model through which the reward system and affective system of the brain (neural correlates) can be explored further to understand how varying degrees of aesthetics of augmented reality platform impacts user experience, thereby satisfaction.

### **Key Contributions**

This paper highlights the potential of AR in creating immersive and memorable brand experiences that can foster long-term customer loyalty and brand affinity. Emphasizes the importance of media characteristics, particularly modality, in determining the success of AR systems. The paper suggests that developers of AR systems should consider the modality characteristic when designing AR systems, as it can significantly impact user experience and overall system adaptability.

By allowing customers to virtually try on products or visualize virtual user experiences, AR-based campaigns can enhance their purchase decision-making process. Through this paper we suggest that developers of AR systems should consider the modality characteristic when designing AR systems. By integrating other sensory channels, such as auditory and haptic feedback, developers can enhance the user experience and increase engagement. Finally, marketers should consider the impact of AR aesthetics on the user experience. By analyzing both the affective and cognitive components of the brain, marketers can gain insights into how users respond to AR interfaces when exposed to varying degrees of aesthetics. This can inform the design of AR interfaces that can create more positive and memorable user experiences, ultimately leading to increased brand loyalty and customer satisfaction.

References are available upon request.



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**Extended Abstract**

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**A META-ANALYSIS OF SEEKING ADVICE FROM HUMANS AND ARTIFICIAL INTELLIGENCE****Xianfang Zeng, Brooklyn College of the City University of New York**

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**Keywords:** meta-analysis, artificial intelligence (AI), advice, advice-seeking

**Description:** This paper uses a meta-analytic approach to examine what factors influence individuals’ decisions to seek advice from human advisors and artificial intelligence (AI), deepening understanding of advice-seeking behavior and providing guidance to firms on the strategic allocation of limited advice resources.

**EXTENDED ABSTRACT****Research Question**

As artificial intelligence (AI) systems become more integrated into daily life, individuals face the choice of seeking advice from humans or AI. With numerous decisions to make, consumers seek advice from various sources. While humans have traditionally been the primary source of advice, AI now offers an alternative option. For example, chatbots like ChatGPT are increasingly used as sources of advice for decision-making. Modern machines are designed with trained algorithms to simulate human thinking, making AI-powered tools a viable choice for advice. Using a meta-analytic approach, this paper reviews research on advice solicitation and examines what factors influence individuals’ decisions to seek advice from human advisors compared to AI-powered agents.

We conducted a systematic search of peer-reviewed English journal articles published in the fields of management, psychology, information systems, and behavioral economics within the past 20 years. The search included databases such as Academic Search Elite, Business Source Complete, EBSCOhost, EconLit, ISI Web of Science, JSTOR, ProQuest, PsycINFO, PsycARTICLES, SAGE Journals, ScienceDirect, SpringerLink, Taylor & Francis Online, Web of Knowledge, and Wiley Online Library. However, we excluded ACM Digital Library and IEEE Xplore Digital Library due to their technical focus. Our inclusion criteria involved articles that compared human and non-human advice, encompassing terms such as “artificial intelligence,” “advice seeking,” “algorithmic advice,” “computerized recommender systems,” “recommendation system,” “non-human advice,” “algorithmic decision making,” “human advisors,” “non-human advisors,” and “AI-powered agents.” After screening the identified studies, we utilized a set of 62 studies for analysis. Using a random-effects model, we calculated effect sizes, considering potential differences in participant characteristics across studies. Weighted effect sizes were computed following the approach outlined by Hunter and Schmidt (2004), which accounts for sample size, sampling error, and unreliability.

### **Summary of Findings**

The results suggest that while AI can provide effective and efficient advice, humans are still perceived as more credible advisors. Furthermore, the research reveals that individuals’ decision to seek advice from humans versus AI is influenced by various factors. The need for autonomy plays a more influential role when individuals seek advice from human advisors compared to AI. Regarding problem objectivity, the analysis indicates that objective problems are perceived by consumers as more suitable for AI-based agents compared to subjective problems. In terms

of perceived competence and warmth of advisors, the analysis reveals that perceived warmth has a stronger impact on the likelihood of seeking advice from human advisors compared to perceived competence. Individuals are more likely to seek advice from human advisors when they perceive them as warm.

### **Statement of Key Contributions**

Understanding why and when consumers seek advice from human agents and AI is important, as advice-seeking is the first step in the overall advice system. This research contributes to the growing literature on AI and expands our understanding of advice-seeking behavior. Practically, the paper equips marketers with insights into the initial and critical stage of the advice system and guides firms on the strategic allocation of limited advice resources.

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**A SYSTEMATIC LITERATURE REVIEW OF ONLINE IMPULSE BUYING: TYPOLOGY AND THEORY**

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**Keywords**

*Online Impulse Buying, Online Impulse Shopping, Online Impulsive Buying, Online Compulsive Buying*

**Description**

*In this paper, the authors systematically review and synthesize the body of literature on online impulse buying behaviour, with focus on clarity of concept, propose a holistic theoretical framework, and discuss the underlying regarding the same, and discuss the underlying theories, characteristics, contexts, and methodologies regarding the same.*

**EXTENDED ABSTRACT**

**Research Gap**

The phenomenon of impulse behavior has been extensively studied by social studies researchers over the last century. An extension of this, impulse buying behavior has also been well-researched at least within the brick-and-mortar context. However, impulse buying behavior within the online context has been relatively unstudied compared to the offline equivalent.

**Summary of Findings**

In this systematic literature review the authors attempt to synthesize literature on this topic, provide clarity of concept regarding the various forms of impulse shopping behavior, propose a theoretical framework that encapsulates both impulsive and compulsive buying behaviors within the online context, and discuss the underlying theoretical foundations, characteristics, contexts, and methodologies that define the literature within this domain.

**Key Contributions**

This review is the first within the online impulse buying behavior domain which provides a distinction between the various forms of impulse buying behavior, such as consumer impulsivity, the buying impulse, impulsive, compulsive, and panic buying behaviors. It is also the first to propose a comprehensive framework that incorporates both impulsive and compulsive buying behaviors within the online context. The theoretical framework proposed within this review would be of managerial relevance to practitioners within the e-commerce or social commerce domain since this is the first paper within the author's knowledge that discusses both online impulsive and compulsive buying behaviors within the same theoretical model. Policyholders in the field of addictive behavior and disaster management would benefit from the discussion of online compulsive and panic buying, along with the theoretical underpinnings of these phenomena. Lastly, this review would provide a fundamental but holistic view of online impulse shopping behavior to academicians within this domain.

## **AN ECOSYSTEMS PERSPECTIVE ON SPONSOR IDENTIFICATION**

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Keywords: Sponsorship, Memory, Congruence, Neighborhood Density

Building on the sponsor identification literature, we examine the multifaceted construct of consumers' sports engagement, and find that higher (vs lower) sport engagement individuals have worse memory for the true sponsor of an event.

## **EXTENDED ABSTRACT**

### **Research Question**

Billions of dollars are spent worldwide each year by brands that utilize sport as a communication platform. The growth of sponsoring has led to intensive sponsorship-linked communications. Nonetheless, consumers are often not successful at remembering the true sponsor of an event (Cornwell, 2020). Work on sponsor identification (Johar & Pham, 1999) has focused on characteristics of brand-event pairings (e.g., congruence) as important to correct recall; however, few studies consider the consumer characteristics that lead to sponsor misidentification. Further, individual level variables such as sport interest have a positive effect on memory (Henderson et al., 2019). In contrast, we present the multifaceted construct of sports engagement and find a counterintuitive, negative effect on memory.

Repeated sponsorship communications produce a dense neighborhood of associations (Nelson et al. 2013) that influence responses to memory tasks. During memory retrieval, neighborhood density is consequential because it results in a greater number of competing concepts, which may slow response time or even compromise memory outcomes (Mirman & Magnuson 2006). We propose that sports engagement reflects differences in ecosystem exposure that in turn lead to variability in semantic neighborhood density. Given past research and new theorizing, we ask: How does sports engagement influence memory for sponsorship?

### **Method and Data**

This work presents two pretests and two experiments. The pretests were used to select stimuli for their respective experiments given the brand-event pairings were distinct for each experiment. Sports engagement was measured using a novel 9-item behavioral scale.

Experiment 1 tests the main effect of sports engagement, while controlling for participants' sports fan identification, motivation to consume sports, and sports knowledge. Comparing sports engagement relative to the existing sponsor misidentification literature, we manipulate congruence of the true sponsor and the competitor brand. We recruited 179 participants (44% Female;  $M_{Age} = 21.91$ ,  $SD = .98$ ) from a university subject pool, who participated in a 2 (True Sponsor: Congruent, Incongruent) x 2 (Competitor: Congruent, Incongruent) between-subjects design. Participants read fictitious press releases of sponsorship relationships that also mentioned a competitor. The dependent variable was recall of the true sponsor.

Experiment 2 extends Experiment 1 by using different brand-event pairings and collecting reaction time data during sponsor recall. Participants were 600 MTurk workers (38% Female;  $M_{Age} = 35.24$ ,  $SD = 11.25$ ). The experiment used a 2 (True Sponsor: Congruence, Incongruent) x 2 (Competitor Sponsor: Congruent, Incongruent) between-subjects design with the same press-release design. The dependent variables were reaction time and true sponsor recall.

### **Summary of Findings**

In Experiment 1, sports engagement, sports knowledge, motivation to consume sports, and sports fan identification were all positively correlated ( $ps < .02$ ). We then used regression to test the main effects of sports engagement, sports fan identification, motivation to consumer sports, sports knowledge, with true sponsor congruence and competitor congruence as control variables. There was a significant, negative effect of sports engagement ( $B = -.15$ ,  $t = 3.06$   $p < .01$ ), as well as a positive effect of sports fan identification ( $B = .17$ ,  $t = 2.48$ ,  $p = .01$ ).

Motivation to consume sports, sports knowledge, true sponsor congruence, and competitor congruence did not reach significance ( $p > .38$ ).

Experiment 2 replicates and extends the main effect of sports engagement found in Experiment 1 by generalizing the findings with new stimuli ( $p < .001$ ). Also reaction time data revealed a significant, positive effect of sports engagement ( $p < .001$ ). When individuals search their memory, a slower reaction time suggests searching through a greater number of activated concepts (Collins & Loftus, 1975). As such, the reaction time data lends support to our theoretical mechanism of semantic neighborhood density stemming from sports engagement.

### **Key Contributions**

We take an ecosystems perspective to understand memory for sports sponsorship and demonstrate that individuals with extensive experience in the complex sponsorship ecosystem (i.e., higher sports engagement) have worse memory for the true sponsor of an event. Taken together, we provide three primary contributions to the existing literature.

1. We challenge the prevailing view of memory for sponsorship relationships by introducing an ecosystems perspective. The ecosystems approach to understanding marketing communications applies to any bounded system that has a group of consumers with regular, repeated exposure to messages. While this system is permeable and dynamic, for a relevant period, there are consistent patterns of exposure to marketing messages that result in consistent patterns of recall and response to new messages or tasks.
2. Using two pretests with independent samples, we develop a new operationalization of congruence based on ratings for specific brand-event pairings.



3. We demonstrate that sports engagement has a consistent, negative effect on sponsorship memory performance. We support this finding with reaction time evidence showing that higher-engagement individuals experience confusion from the complex sponsorship ecosystem, thus demonstrating a novel perspective on sponsorship outcomes and the role engagement plays in memory.

References are available upon request.



ARE GIFTS A DELIGHT OR A COST?

IMPACT OF DONOR MOTIVATIONS ON PREFERENCE FOR GIFTS

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Key Words: Gifts, Charitable Giving, Longitudinal donor data, Overhead Costs

Description: We investigate if and why donors reject gifts by Charities and its consequences on donor retention.

### **EXTENDED ABSTRACT**

#### **Research Questions –**

RQ 1) What is the impact of gifts on donor retention?

RQ 2) Do Donors always accept gifts given by charities for their donations?

RQ 3) If not, which kind of donors might reject gifts and why do they reject gifts?

RQ 4) How do the donors' acceptance or rejection of gifts affect the impact of gifts on donor retention?

**Method and Data** – We leverage 3 field experiments across monetary, non-monetary donors, to answer RQ 1&2. Subsequently, using 4 lab experiments, we examine RQ 3&4.

**Summary of Findings** – We find, across multiple lab and field experiments, that around 35% of donors reject gifts. Importantly, gifts lead to positive consequences in terms of increase in retention and subsequent donation amounts for donors who accept gifts while they have negative consequences for donors who reject gifts. Donors who are intrinsically motivated are more likely to reject gifts because they perceive a communal relationship with the charity and hence perceive gifts as waste of expenditure. We rule out other plausible mechanisms of manipulative intent, disliking the gift, anchoring-effects, deterioration of the self-signal value of a donation, obligation avoidance, sense of appreciation, and norm violation. We find that informing donors that their donation is not used for purchasing gifts significantly reduces rejection and improves consequences for charities.

**Key Contribution** –

We add to the literature of thank you gifts by examining gifts as a ‘Donor-Retention’ tool rather than a ‘pre-giving incentive’. We contribute to the larger literature of gifting by demonstrating that gift recipients can be averse to non-obligatory gifts when they can consider gifts as overhead costs (waste of expenditure) if they perceive a communal relation with the gift-giver. Past literature has established that people who perceive exchange relation expect some potential reward in future. We add to this literature of consumer-firm relations as we demonstrate that people who perceive a communal relation can be averse to external rewards for their contribution and rewards can lead to negative consequences among these people. We argue and show that donors who are intrinsically motivated are more likely to reject gifts as they perceive a communal relation with the Not-for-Profit and hence consider gifts as overhead costs. We rule out 9 other plausible mechanisms. We find partial evidence for using gifts to increase retention, but not for increasing donation sizes. We also prescribe managers not to target most valuable donors but target infrequent and less valuable donors with rewards for donor retention.

## **AUTHENTIC SOCIO-POLITICAL ACTIVISM AND THE CONSEQUENCE OF WOKE ACTIVISM**

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**Keywords:** brand authenticity, message frame, perceived proximity, woke activism

**Description:** This paper investigates the positive effect of abstract vs. concrete socio-political activism and the negative effect of woke activism on brand authenticity.

### **EXTENDED ABSTRACT**

**Research Question** – Brand's involvement in socio-political activism is defined as "public speech or actions focused on partisan issues made by or on behalf of a company using its corporate or individual brand name" (Moorman, 2020, p. 388). Nowadays, brands actively engage in socio-political issues considered highly partisan and socially controversial. There is a growing consensus among various stakeholders that brands need to be more active in socio-political campaigns. That kind of consensus is influencing brands to involve in socio-political issues. However, one of the biggest concerns for brands is to be seen as opportunistic, and consumers may perceive their involvement as inauthentic. We thus investigate:

1. What kind of socio-political activism message leads to higher brand authenticity?

2. Does the brand's proximity to the socio-political activism cause become higher when the message is about changes inside the organization.?
3. Does Congruent woke activism negatively affect authenticity more than incongruent woke activism?

**Method and Data** – To test the proposed hypotheses, we conducted four experimental studies with student samples and the general population. Studies 1A and 1B test the effect of abstract vs. concrete socio-political activism messages on perceived brand activism proximity and brand authenticity. We also studied the mediating role of brand activism proximity in the relationship between abstract vs. concrete messages and brand authenticity. We used racial equality context for study 1A and LGBTQ rights for study 1B. In study two, we again tested the relationship that we tested in studies 1a and 1B. In study 2, we also measured the comparative effect of woke activism on brand authenticity when people heard that the brand did not fulfill its initial promise. In study three, we tested all the hypotheses with the novel issue to test the negative effect of congruent woke activism vs. incongruent woke activism.

**Summary of Findings** - We ran four studies to examine the proposed hypotheses. In all four studies in both racial equality and LGBTQ contexts, we found a more positive effect of the concrete internal message on brand authenticity. Therefore, a message conveying the specific actions a brand will take to change the culture inside the organization will generate higher brand authenticity than a similar concrete message focusing on working with external organizations or an abstract message not accompanied by concrete action. We also tested why a concrete internal

message generates higher brand authenticity even though the concrete external message also has a specific action plan. In order to support our logic, we argued that a concrete internal message would bring the brand closer to socio-political activism and the fit is the underlying reason behind the increased authenticity. In all four studies, we find the statistically significant effect of message abstractness on brand activism fit, meaning that participants believe that the brand's support of a concrete internal message makes the brand closer to the cause and that ultimately lead participants to believe that the brand is more authentic.

**Statement of Key Contributions** - Our study contributes to the brand socio-political activism literature as we study the effective socio-political communication to the target audience.

Borrowing from the message abstractness literature, we provide evidence of the concrete message's more substantial effect, focusing on the internal changes inside the organization as the catalyst to ensure authenticity in the brand's socio-political activism communication. Moreover, a concrete message helps the brand to generate more proximity to the brand activism. Therefore, we contribute to the perceived proximity literature and message abstractness literature by establishing the relationship between these two concepts and their effect on socio-political activism. Additionally, academic research has studied the effect of woke washing and our research has studied the effect of woke activism and has made two additional contributions in this area. One, we find that consumers are more likely to punish the brand if brands are caught for not fulfilling something they promised before (congruent woke activism) compared to the brand being caught for something else (incongruent woke activism) that also violates their position regarding their activism stance. Second, consumer punishment for congruent woke

activism is more severe when the brand makes an internal concrete commitment to the activism than a concrete external or abstract commitment.



**BEAUTIFUL FROM THE OUTSIDE IN? SELF-PERCEIVED ATTRACTIVENESS  
AND PROSOCIAL BEHAVIOR**

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**Keywords:** self-perceived attractiveness, prosocial behavior, public self-consciousness, impression management motivation

**Description:** This study investigates how and why self-perceived attractiveness may amplify the tendency to engage in prosocial behavior.

**EXTENDED ABSTRACT**

**Research Question**

Being physically attractive has universal appeal to human beings. Today, we are equipped with more ways than ever to make us look good. Product categories such as cosmetics, fashion apparel, cosmetic surgery, beautifying cameras and filters, imaging enhancing software and apps, and other appearance-enhancing products and services all serve the purpose of making people physically more attractive. Because of the ongoing interest in the pursuit of physical attractiveness and the vast amounts of money and effort that people invest in becoming beautiful (Belmi & Neale, 2014), it is of great importance to understand how individuals' self-perceived physical attractiveness influences their higher-level, abstract self-perception and subsequent behavior. The “what is beautiful is good” stereotype claims that

observers tend to believe that physically attractive individuals possess more positive qualities and experience a more satisfying life than less attractive individuals do (Dion, Berscheid, & Walster, 1972). Since prosocial behavior is one of the most important forms of “goodness” (Han & Laurent, 2022), we are interested in examining whether and why people behave more prosocially when they perceive themselves as being attractive.

### **Method and Data**

We conducted four studies. Study 1 tests the main effect of self-perceived attractiveness on prosocial behavior. We demonstrate that individuals who receive a boost in their self-perceived attractiveness not only express stronger prosocial intentions (study 1a) but are also more likely to engage in actual prosocial behavior (study 1b). Study 2 tests the chain mediation of public self-consciousness and impression management motivation and excludes the alternative explanations of perceived morality, perceived pain, perceived effort, and warm glow. Study 3 tests the boundary condition of privateness salience that reverses the positive effect of self-perceived attractiveness on prosocial behavior and rules out mood as an alternative.

### **Summary of Findings**

Across four studies, we find that a boost in individuals’ self-perceived attractiveness increases public self-consciousness and thus heightens their motivation for impression management, which in turn increases prosocial behavior. Furthermore, we identify privateness salience as an important moderator. When making privateness salient, however, we find a reverse pattern, which reconciles the contradictory results with previous

correlational research using anonymous prisoner's dilemma games. In addition, we rule out perceived morality, perceived pain, perceived effort, warm glow, and mood as potential mechanisms. This research thus provides initial evidence for the causal link between self-perceived physical attractiveness and prosocial behavior.

### **Key Contributions**

The current research makes several contributions. Foremost, this research deepens our understanding of self-perceived attractiveness and prosocial behavior by investigating how and why self-perceived physical attractiveness affects prosocial behavior, we identify self-perceived attractiveness as a novel psychological antecedent of prosocial behavior. Second, we propose and demonstrate the roles of public self-consciousness and the impression management motive in mediating the effect of self-perceived attractiveness and prosocial behavior. More importantly, we find privateness salience as an important moderator, which reconciles the contradictory results with previous correlational research using anonymous prisoner's dilemma games. This research has valuable practical implications, the moral and prosocial behavior of people is a desirable outcome for modern society. This study reveals that such outcomes may be achieved by making people feel attractive.

## **BEHIND 280 CALORIES: UNDERSTAND THE NUTRITION FACTS LABEL BY INTELLIGIBLE UNITS**

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**Keywords:** Nutrition Facts label, Nutrition estimation, Narrative transportation, Numeral presentation mode, Health

**Description:** Interpreting nutrition numbers with intelligible units (e.g., “A bottle of juice contains 51 grams of sugar, which is equal to the sugar content of 12 sugar cubes.”) leads to a higher perceived magnitude than using only normal units (e.g., “A bottle of juice contains 51 grams of sugar”), and this effect is mediated by narrative transportation.

## EXTENDED ABSTRACT

### Research Question

The Nutrition Facts label is intended to assist consumers in better understanding what they are consuming and making more informed diet decisions. Despite this, more than half of consumers (55%) said that they are confused by food labels and do not understand nutritional information (Deakin, 2011). The majority of consumers struggle to understand nutritional labels, let alone know what these nutrients should be and how much they should consume (Persoskie et al., 2017). How can businesses and governments help customers in deciphering the complex nutrition labels and facilitating them to select healthier food options?

We aim to address this issue by proposing and testing the intelligible-unit effect. Our findings suggest that interpreting nutrition numbers with intelligible units (e.g., “A bottle of juice contains 51 grams of sugar, which is equal to the sugar content of 12 sugar cubes”) leads to a higher perceived magnitude than using only normal units (e.g., “A bottle of juice contains 51 grams of sugar”). This effect is mediated by narrative transportation. Moreover, we further identify a boundary condition where the intelligible-unit effect is diminished when numbers are expressed in contradictory units that are incompatible with consumer cognition, such as explaining unhealthy sugar content in healthy lemons.

### Method and Data

We tested our hypotheses in five studies using a multi-method approach. Studies 1A and 1B revealed that people perceived higher quantities after exposing to intelligible units when compared to normal units. This effect was robust whether the nutritional content was desired (people want to have a larger quantity, e.g., Vitamin C content; Study 1A) or undesired (people want to have a lower quantity, e.g., calories; Study 1B). In Study 2, we conducted a field experiment in a school canteen and found consumers were less likely to choose high-sugar

products when calorie content was presented with intelligible units than with normal units. Study 3 investigated the mediating role of narrative transportation. Study 4 provided evidence for the boundary of contradictory units on consumers' nutritional estimation.

### **Summary of Findings**

Referencing to the Nutrition Facts label is one of the simplest ways for people to make healthier food choices. Across five studies, the current research examines the *intelligible-unit effect*: interpreting nutrition numbers with intelligible units (e.g., “A bottle of juice contains 51 grams of sugar, which *is equal to the sugar content of 12 sugar cubes*”) leads to a higher perceived magnitude than using only normal units (e.g., “A bottle of juice contains 51 grams of sugar”), and that this effect is mediated by narrative transportation. This finding is robust regardless of whether the nutritional content is favorable (e.g., Vitamin C) or unfavorable (e.g., sugar content and calorie). The intelligible-unit effect will be attenuated when the numbers are expressed in contradictory units (e.g., interpret unhealthy calorie content with healthy lemons).

### **Statement of Key Contributions**

Theoretically, this research adds to the literature on numeral presentation modes. Existing research on numeral presentation modes implicitly assumes that respondents understand different modes without difficulty (e.g., 31 days vs. 1 month, and 15 candies vs. one serving). Our finding demonstrates that the understandability of presentation mode is essential. Specifically, we find that consumers are more transported by intelligible units than by normal units, which leads to a correction of magnitude underestimation.

Also, this research contributes to the literature on narrative transportation by extending the focus beyond its effect on persuasion (e.g., attitude towards the brand) and examining its impact on numerosity and food consumption. Moreover, we shed light on boundary conditions that affect the relationship between the intelligible unit effect and magnitude estimations. We

highlight the fact that contradictory units can “turn off” transportation, thus further affecting the intelligible unit effect.

For consumers, the intelligible unit helps to correct misunderstandings about nutritional labels and promote healthier choices. Also, marketers can use intelligible units in promoting healthy products without any increase in cost. Importantly, labels represent a “soft” approach for the government to educate consumers about healthy eating and to shift industry toward producing healthier products.

**References are available upon request.**

## **BUY NOW PAY LATER A TECHNOLOGICAL INNOVATION AND SOCIAL DISRUPTION IN ONLINE SHOPPING**

Key words: buy now pay later, risky indebtedness behaviour, impulse buying, online shopping

Description: The study shows how impulse buying stimulate people in risky indebtedness behaviour (RIB) to generate positive attitude and intention towards buy now pay later (BNPL) adoption in online shopping context.

### **EXTENDED ABSTRACT**

#### **RESEARCH QUESTION**

The emerging technology has provided numerous ways of digital payments for online shoppers. Popular e-commerce platforms like Amazon, Flipkart, Myntra, etc., provide different payment options like debit and credit cards, internet banking, UPI, etc. A recent addition to the existing payment methods is Buy now pay later (BNPL). BNPL is a payment option that allows customers to buy goods and services and delay their payment for a stipulated period (Gerrans et al., 2021; Schomburgk & Hoffmann, 2022). The customer can either make the repayment in full or in instalments, depending on the conditions of the BNPL provider. This short-term credit product is one of the prospering financial technologies of 2021. Ahn & Nam (2022) reported that consumers involved in mobile payments are at risk of overspending. Moreover, BNPL tends to enhance spending as it does not make the user feel the pain of paying due to procrastinated settlement (Drazen Prelec & George Loewenstein, 1998). On the other hand, Guttman-Kenney et al. (2023) questioned the BNPL users' ability to pay back, as many users were youngsters from deprived areas and were charging BNPL bills on credit cards.



Therefore, in this study, the crucial question we raise is how would people already in debt due to excessive spending consider BNPL adoption to manage their current state. Does impulse buying lead to BNPL adoption?

## **METHOD AND DATA**

The data was collected through a tablet-based face-to-face interview through a structured questionnaire using a non-probability quota sampling technique from 339 young shoppers who use online shopping and make payments through digital payment modes. The debt level of respondents is measured using the risky indebtedness behaviour scale (Abrantes-Braga & Veludo-de-Oliveira, 2020). Similarly, other constructs in this study are taken from previous literature. The analysis followed CB-SEM with two steps approach (Anderson & Gerbing, 1988); initially, through CFA, we confirmed the reliability and validity of the constructs, and in the next step, the hypothesis was validated through path analysis. The AVE and CR values of all the constructs were greater than 0.67 and 0.89 against the recommended threshold of 0.5 and 0.7, respectively (Hair et al., 2019), confirming internal reliability and convergent validity. Discriminant validity (Fornell & Larcker, 1981) was also confirmed. The result reveals positive full mediation of impulse buying on the relationship between risky indebtedness behaviour and attitude towards BNPL ( $\beta = 0.191$ ,  $p < 0.01$ ,  $t \text{ value} = 5.78$ ). Furthermore, Impulse buying also holds a significant direct effect on attitude ( $\beta = 0.458$ ,  $p < 0.01$ ,  $t \text{ value} = 7.63$ ) as well as the intention to adopt BNPL ( $\beta = 0.163$ ,  $p < 0.01$ ,  $t \text{ value} = 3.26$ ). RIB is positively related to impulse buying ( $\beta = 0.417$ ,  $p < 0.01$ ,  $t \text{ value} = 8.17$ ) and attitude towards BNPL is positively related to BNPL adoption intention ( $\beta = 0.846$ ,  $p < 0.01$ ,  $t \text{ value} = 14.1$ ).

## **SUMMARY OF FINDINGS**

The study findings show a critical disruptive tendency of BNPL in terms of pushing people into the debt trap. As the study shows, people who are in risky indebtedness behavior hold a

positive relationship towards impulse buying and, through the indirect effect of impulse buying, generate a positive attitude towards BNPL. Hence, there is a high chance that those who need to be more capable of managing their existing debts may take the help of this unsecured credit product to meet their obligations. The study is in line with self-regulation theory and demonstrated a positive effect of RIB on impulse buying, which means people in continuous debt will be impulsive in buying due to reduced self-control. On the other hand, the direct relationship between RIB and attitude was negative and insignificant, which shows self-control is exercised in the absence of impulse buying.

### **KEY CONTRIBUTIONS**

The study holds significant implications for academia as well as industry. The context of BNPL and online shoppers' behavior in terms of its adoption is given little attention in academic literature. The presence of RIB is seldom referred to in financial technology adoption literature. Through this study, we have seen how individuals in the state of RIB have a high tendency to adopt BNPL, with impulse buying mediating the relationship. Moreover, the studies enhance impulse buying literature through the findings, which show that individuals in the state of RIB have a high tendency to be impulse buyers; on the other hand, impulse buyers' tendency towards attitude as well as BNPL adoption is significant. This study extends its implication to policymakers and e-commerce companies providing BNPL facilities. Companies should take at most care while assessing the creditworthiness of their prospective users so that people who are already in debt should not fall into a vicious debt trap. Moreover, BNPL providers should alert the customers with instant messages about their level of purchase and debt while making every transaction to promote responsible and sustainable lending. This study holds up the question raised by Guttman-Kenney et al. (2023) to regulators regarding the settlement of debt with another unsecured debt.

**References are available on request**

**CAN THIS ANIMAL REALLY PERFORM THIS HUMAN TASK? CONSUMERS  
RELUCTANCE TO ADOPT ZONOTIC ARTIFICIAL INTELLIGENCE.**

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**Key words:** Artificial Intelligence, Prototypicality, Zoonotic AI, Cognitive Load theory, Match-up hypothesis

**Description:** The current research seeks to uncover how using zoonotic (versus robotic) designs affects consumers' adoption of AI.

## **EXTENDED ABSTRACT**

### **Research Question**

Have you ever imagined an Otter taking meeting notes for you? Or perhaps a “Datadog” helping you with your data management? And how about a tiger advising you on how to achieve your fitness goals? These questions might have seemed strange a few years ago. Yet, given that artificial intelligence (AI) technology is becoming increasingly popular in providing various commercial services, the lay association of “AI-as-robots” is constantly challenged as companies incorporate a diversity of prototypes for embodying their AI technologies. Using biological non-human design for embodying an AI, whether it is living creatures or animals, is referred to as a zoonotic (or zoomorphic) prototype, which seems to be increasingly popular in AI-powered services in the past few years. However, the impact of these zoonotic prototypes on consumers' adoption of AI has been underexplored in the marketing literature (Blut et al., 2021). Therefore, a

theoretically and managerially relevant question to ask is: How does the usage of zoonotic AI alter consumer adoption of these services?

### **Method and Data**

*Study 1.* Three hundred and eleven (311) students (Prolific) participated in a one-factor, between-subjects experiment (AI prototype: robotic vs. zoonotic). They were introduced to Oliver, an AI expert that is proficient in reviewing and editing linguistic mistakes (Robotic condition = humanoid robot; Zoonotic condition = dog). Further, participants were told that they would be entered into a raffle for proofreading assignments and were asked to indicate whether they would like to avail themselves of the services from an AI or a human expert. The difficulty level that they experienced in picturing Oliver accomplishing this task was also assessed.

*Study 2.* Four hundred and twenty-nine (429) US residents completed a two-factor, between-subjects experiment that used a 2 (AI prototype: Robotic vs. zoonotic) X 2 (Task congruence: Congruent vs. incongruent) design. Participants were introduced to Jasper, an AI (Robotic condition = humanoid robot; Zoonotic condition = cheetah). In the task incongruent condition, the AI was a proofreading and grammar coach. In the task congruent condition, the AI was a running coach. Participants indicated their likelihood of adopting the AI (vs. a human), on a scale of 0 to 100 (0 = human, 50 = no preference, and 100 = Jasper, the AI).

### **Summary of Findings**

*Study 1.* A chi-square test indicated a significant effect of AI prototype on expert choice ( $\chi^2(1, N = 311) = 3.99, p < .05$ ). Participants in the zoonotic condition (51.6%) were significantly less likely to opt for the AI as compared to those in the robotic condition (62.8%). Mediation analysis showed that the indirect effect of AI prototype on the expert's choice through cognitive

difficulty was significant ( $\beta_{\text{indirect}} = -.14$ ,  $SE = .07$ ,  $95\% \text{ CI} = [-.31, -.02]$ ), while its direct effect disappeared ( $\beta_{\text{direct}} = -.35$ ,  $SE = .24$ ,  $p > .15$ ).

*Study 2.* A two-way ANOVA indicated a significant interaction effect of the AI prototype and the task congruence on the likelihood of using the AI ( $F(1, 425) = 5.56$ ,  $p = .02$ ). For the incongruent task (i.e., proofreading) participants in the zoonotic (vs. robotic) condition were significantly less likely to adopt the AI technology over the human ( $p < .05$ ). Conversely, when the AI was assigned the role of running coach (i.e., congruent task), there was no significant difference in participants' likelihood to adopt the AI over the human, irrespective of whether the AI was represented by a robotic or a zoonotic prototype ( $p > .20$ ).

### **Key Contributions**

*Theoretical contributions.* First, we contribute to the emerging literature on zoonotic AI. While past research generally finds a zoonotic design of AI tends to elicit positive responses from consumers, our results point out a negative effect of such animal-like embodiment. Specifically, consumers are less likely to adopt AI when it is portrayed as animals. Second, we extend the discussion surrounding the “Match-up” hypothesis to the consumer-AI interaction literature. Specifically, we found that consumer reluctance to zoonotic AI could be lessened when the task is congruent with the animal's attributes. Third, the current research adds to the ongoing discussions on AI aversion. Extant literature on the reasons why consumers reject AI are generally limited to contextual factors. We add to this prior research by showing that zoonotic AI can be cognitively more difficult for consumers to process.

*Managerial contributions:* We help brands identifying contexts where portraying AI using non-human species may hinder the AI's adoption. Specifically, consumers are more likely to adopt

zoonotic AI when they perceive the animal's attributes to be associated with the task itself. Therefore, when designing zoonotic AI, it would be crucial for managers to consider matching the animal with the nature of the service.

## **CANINE VS FELINE: EXPLORING PET EXPOSURE THROUGH PET OWNERSHIP AND ANIMAL CHATBOTS AVATARS IN SERVICE RECOVERY**

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**Keywords:** Pet ownership; animal chatbot avatar; customer engagement; customer forgiveness.

**Description:** This paper investigates the role of pet-human interactions and pet chatbot avatars, particularly focusing on dogs and cats, in the context of service recovery, demonstrating that dog owners and those exposed to dog avatars show higher levels of forgiveness during service recovery, mediated by customer engagement.

### **EXTENDED ABSTRACT**

#### **Research Question**

The following research questions (RQs) are formulated for this study:

- 1) Does pet ownership (dog versus cat owners) influence customers' service recovery?
- 2) Does pet exposure (dog versus cat owners) through chatbot avatars influence customers' service recovery?
- 3) How does customer engagement mediate the relationship between dog exposure through chatbot exposure and customer service recovery, specifically for dog owners versus cat owners?

#### **Method and Data**

This research employed two distinct scenario-based experiments involving pet owners in Fiji. In the first study, participants, categorised as either dog or cat owners, were presented with unique scenarios and asked questions to assess scenario realism and pet ownership, followed by a customer forgiveness scale. The second study similarly divided participants, this time based on whether they encountered a dog or cat avatar in a customer support context. Participants answered the same questions as the first study, with the addition of a customer engagement scale.



Both studies utilized a quantitative experimental design, an online questionnaire circulated via a Facebook ad, with confidentiality assurances and reduced social desirability bias. These methods were validated by expert review and a pilot study, targeting a specific participant demographic based on eligibility criteria.

### **Summary of Findings**

Through the use simulation experiment, which involved the study's participants being split into two groups and being exposed to dog or cat-based avatar stimuli, the study confirmed that dog exposure would elicit higher levels of customer forgiveness during service recovery than cat exposure. Additionally, study 2 also confirmed that proposed customer engagement mediated the association between dog exposure and customer forgiveness, especially when customers are dog owners (vs cat owners). These two findings highlight the importance of pet exposure on customer service recovery and also reveal the difference in customer behaviour based on dog or cat exposure as chatbot avatars.

### **Key Contributions**

This investigation advances understanding of pet-human interactions in service recovery, showing how customer forgiveness levels in such situations differ based on pet ownership. It underscores that dog owners express greater forgiveness during service recovery compared to cat owners and highlights the influence of dog exposure via chatbot avatars in eliciting higher customer forgiveness. Moreover, it unveils the complex interplay between pet ownership, customer engagement, and service recovery, enriching the limited literature on pet-human interaction, pet avatars, and service recovery. Practically, these insights guide marketers, businesses, and chatbot developers in service recovery. The findings stress the significance of customer segmentation by pet ownership, recommending the inclusion of pet ownership questions in customer surveys and the use of dog-related imagery in chatbots for service recovery. These results also inspire chatbot developers to craft effective pet avatars, especially dogs, for service recovery. Cooperation between marketers and developers to tailor avatar interactions based on pet ownership could notably enhance service recovery. Ultimately, these findings pave the way for improved customer service and unveil novel opportunities for capitalizing on pet exposure via ownership and chatbot avatars.

References are available upon request.

## **COMPULSIVE CONSUMPTION, WITHDRAWAL, AND COPING AMONGST FANS OF THE FIFA WORLD CUP**

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**Keywords:** Compulsive Consumption, Sport Marketing, Withdrawal, Coping

**Description:** This work adds to the discipline's existing knowledge by validating the Compulsive Sport Consumption (CSC) scale (Aiken, Bee, and Walker, 2018), extending the study of CSC internationally in the context of the FIFA World Cup, and furthering the study of CSC to encompass withdrawal symptoms and coping strategies amongst extreme fans.

### **EXTENDED ABSTRACT**

#### **Research Question**

The overarching research question driving this study is, how can marketers better understand compulsive sport consumption (CSC) amongst the growing population of excessively avid fans? Accordingly, this research has two key objectives. First, the work seeks to extend the foundational studies of Aiken, Bee, and Walker (2018) by exploring the consumption implications of exceedingly passionate World Cup fans. Second, the work examines fan withdrawal symptoms and coping strategies amongst compulsive fans after the tournament has concluded. Consumption withdrawal and coping are relatively unstudied areas of fan behavior.

#### **Method and Data**

A two-part data collection utilized online surveys and drew samples from the U.S. and U.K. Part 1 was administered during the tournament, just after the Group Stage. The goals of Part 1 were to measure various attitudes, behaviors, and personality traits of extreme fans (Faber and O'Guinn, 1992; Gosling, et al., 2003; Meerkerk, et al., 2009; Vallerand et al., 2003), to

assess their levels of identification (Mael and Ashforth, 1992), and to determine their CSC tendencies in the context of the World Cup (Aiken, et al., 2018).

Part 2 took place three days after the final World Cup match. In this instance, invitation emails were sent only to Part 1 respondents so that data could be matched and tracked. The goals of Part 2 were to assess the variety and strength of withdrawal symptoms as well as to examine post-consumption coping strategies. Items were drawn from measures of team identification (Mael and Ashforth, 1992), compulsive sports consumption (Aiken et al. 2018), psychological withdrawal (Aidmand and Woollard, 2003; DeSarbo, 1996; Giannantonio and Martinotti, 2012; Heirene, et al., 2016), separation distress (Bagozzi, 2017), coping classifications (Nicholls, et al., 2016), and the Coping Inventory for Stressful Situations (Cohan et al., 2006).

### **Summary of Findings**

Following Aiken, Bee, and Walker (2018), the CSC scale was used to compare the top 5% of respondents with the 95% of less compulsive fans. High-CSC fans tended to engage in almost 10 hours more World Cup activities, watching over 14 more matches. Compulsive fans yielded significantly higher levels of enjoyment. There was no evidence of anhedonia (i.e., diminished interest/pleasure in response to adding rewarding stimuli). Compulsive fans experienced significantly greater negative emotions, yet no differences in self-conscious emotions (i.e., guilt, shame).

Post World Cup, in terms of withdrawal symptoms, highly compulsive fans found life less enjoyable, more difficult, they didn't feel like themselves, they felt that something big was missing from their lives, and they were less interested in work. The top problem-oriented coping method was increased video gaming. Further, compulsive fans were significantly more likely to relive World Cup matches and felt the need to watch more football (methods of internal

regulation and emotions-focused coping). Interestingly there were no differences in positive coping behaviors (e.g., exercise, reading, outdoor activities). Lastly, while U.K. fans tended to watch and engage more, they were not significantly different from U.S. fans in terms of CSC, identification, withdrawal levels, and coping strategies.

### **Key Contributions**

Sport marketers will find value in this research as it will help them to better understand fan behaviors. It will also assist in identifying the marketing and media factors that drive extreme sport consumption. Moreover, governmental agencies and consumer protection groups may benefit, since this research contributes to the field of Transformative Consumer Research which seeks to better understand social problems and enhance consumer well-being (Crockett, et al., 2013). The top 4-5% of extremely avid sport fans appear to be compulsively consuming to the point of neglecting professional obligations, harming familial relationships, and even damaging their own personal health and well-being.

**References are available upon request**

## **CONSUMER WELL-BEING**

### **- A SYSTEMATIC LITERATURE REVIEW USING TCCM FRAMEWORK**

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**Keywords:** Consumer Well-being, Marketing, Systematic Literature Review, TCCM Framework

**Description:** This work presents a systematic review of the Consumer Well-being literature using the TCCM (theory-context-construct-method) framework and offers future research directions.

## EXTENDED ABSTRACT

### RESEARCH QUESTION

Brookings (2018) reported global discretionary income growth. Increased discretionary income fosters economic growth, job creation, innovation, global trade, cultural exchange, and consumerism. Increased consumerism can cause environmental degradation (Orecchia et al., 2007), social inequality (Schor, 2018), materialism (Pandelaere, 2016), poor financial well-being (Ponchio et al., 2019), and mental well-being (Minton, 2022). Marketing-induced factors like increased materialism (Banker & Khetani, 2019) and social media marketing (Lucius & Hansson, 2016) can increase consumerism and harm consumer well-being (CWB). Consumers today are more mindful of their well-being (Euromonitor, 2022) than yesteryears. Hence, marketers realize that enhancing CWB is important for consumer welfare and organizations for sustainable economic development (Weerakkody et al., 2021). The present work follows the definition of CWB proposed by Burroughs & Rindflesigh (2011, p. 253) - *“consumer well-being is an alignment of individual and societal needs (i.e., physical, psychological, economic, social) as they relate through consumption”*. Despite multiple CWB review articles (Sirgy & Lee, 2006; Pancer & Handelsman, 2012; Manchanda, 2017; Zhao & Wei, 2019; Sirgy 2021), there is a lack of systematic and comprehensive review of this domain. Hence, the present study aims to fill this gap by addressing the questions:

RQ1. What are the various theories (T), context (C), constructs (C), and methodologies (M) (TCCM Framework) used in CWB literature?

RQ2. What are the future research agendas of CWB research under each element of the TCCM framework?

## **METHOD AND DATA**

The article selection and reviewing process was conducted using The Scientific Procedures and Rationales for Systematic Literature Review (SPAR-4-SLR) (Paul et al., 2021). SPAR-4-SLR is a three-phase procedure that includes assembling, arranging, and assessing the literature. For this review, research articles were gathered from the Scopus database as this database is considered to be the most reliable (Paul et al., 2021) and comprehensive (Bhukya et al., 2022) pool of literature databases from multi-disciplinary journals in social sciences (Chadegani et al., 2013). Year range of the articles selected for the review was from 1998 (i.e., the origin of the consumer well-being research) to 2022. Different possible combinations of the term consumer well-being, i.e., “consumer well-being” OR “consumer wellbeing” OR “consumer well being” were searched because these terms have been used interchangeably in many studies (e.g., Nepomuceno & Laroche, 2017; Walker et al., 2007). Further, inclusion and exclusion criteria were employed to finalize 142 relevant articles from ABDC-2019 indexed A\* and A ranked journals. This paper employs the TCCM framework, which systematizes and structures the literature (Paul & Feliciano-Cestero, 2021; Paul & Rosado-Serrano, 2019) by highlighting the vital elements [theories(T), contexts (C), characteristics (C), and methods (M)] of the existing literature on CWB and presents a detailed future research agenda.

## **SUMMARY OF FINDINGS**

The review reveals that the Self Determination Theory (Deci & Ryan, 2000, p. 228) is the most used theory in the articles as it relates to many individual factors of CWB. The U.S. was the most researched country, with the service industry being the most researched industry due to its experiential, relational, and interactive nature and contribution to individual and societal well-being (Islam et al., 2022). Most of the independent and moderating variables belong to individual factors like self-enhancement and control. Mediating and dependent variables were mainly



consumption-related factors like impulsive or compulsive buying. Survey technique was most often used as it is a cost-efficient and convenient method.

Future scholars can utilize a multi-theory approach as CWB is a multi-directional construct including various psychological, social, and economic factors. Theories like Cross Cultural theory (Arnould & Thompson, 2005), Hedonic theory (Mendini et al., 2022), Desire-Fulfilment theory (Guo et al., 2013), Pain of Payment theory (Zellermayer, 1996) and Eastern philosophies like Vedas (Kapadia & Dagar, 2022) and Buddhism (Mick, 2017) can be employed in future research to explore multiple CWB dimensions. Technological advancements call for attention towards AI, AR and VR research in the context of the mental and emotional well-being of consumers. Constructs that can be studied in relation to CWB are: brand storytelling, advertising messages, features of social media enhancing CWB, physical environment elements of the retail stores, and minimalist branding. Future research can also derive better insights into consumers' mindsets through Functional Magnetic Resonance Imaging, Implicit Assessment Test, Eye-tracking and Netnography techniques.

### **KEY CONTRIBUTIONS**

First, a significant contribution of the current research is that, as per the authors' knowledge, this is a pioneering attempt to systematically review the literature on consumer well-being using a framework. Contributions can be incremental, revelatory, consolidatory, and replication (Nicholson et al., 2018). This review makes a consolidatory contribution by advancing the knowledge and providing a comprehensive understanding of the growing domain of consumer well-being by using the TCCM framework. This study also contributes incrementally by new gap-spotting from the extant scholarly articles and suggestions to extend the research on different theories, contexts, constructs, and methods. Revelatory contribution is also made by presenting the unnoticed future research areas through various theoretical perspectives for CWB research. Second, the findings could also help non-academic stakeholders, such as

marketing practitioners. With an increased awareness amongst consumers regarding their well-being, particularly post-COVID-19, consumer behaviour is shifting towards mindful consumption. Hence, marketers can utilize the insights from the current review to engage and involve in enhancing CWB through their marketing activities and campaigns that encourage consumers' emotional, physical, and mental well-being. Message framing involving empathy, creating positive emotions through storytelling, and encouraging mindfulness can also enhance consumers' emotional and mental well-being.

**References are available upon request.**





**Consumers' Self-Activated Bias Correction: Involvement of Bias Identification  
and Involvement of Correction Execution**

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**Keywords:** bias correction, involvement, bias identification, correction execution

**Description:** The current research examines the underlying process that triggers consumers' bias correction in product judgments, and we propose that the involvement in identifying biases and the involvement in executing corrections are conceptually distinct.

## EXTENDED ABSTRACT

### **Research Question**

The current research examines the underlying process that triggers consumers' bias correction in product judgments. We propose and demonstrate that the involvement in identifying biases and the involvement in executing corrections are conceptually distinct. That is, each type of involvement has a specific role in the bias correction process, and both types of involvement should coexist in order for consumers to activate the correction process. Furthermore, we propose and demonstrate that the motivation subfactor may be directional substitutable, but the ability subfactor is not replaceable between the two involvements. Specifically, increasing the motivation to execute corrections may increase the motivation to identify biases, but not the other way around. However, the ability to identify biases is independent of the ability to execute corrections. The resulting managerial implications are also discussed.

### **Method and Data**

510 college students were randomly assigned to 16 treatments in a 2 (Ability of Bias Identification, ABI: high vs. low)  $\times$  2 (Motivation of Bias Identification, MBI: high vs. low)  $\times$  2 (Ability of Correction Execution, ACE: high vs. low)  $\times$  2 (Motivation of Correction Execution, MCE: high vs. low) between-participant factorial design, and a control group in which the baseline target measurement was collected. We manipulated the ABI by telling participants they would participate in a recall test. Half of the participants read an article highlighting that product judgments were likely biased by irrelevant factors such as country of origin, endorser, etc., and the other half read an irrelevant article. Then, we manipulated the MBI by telling participants to

take a test about ad comprehension. Participants read a report disclosing that the majority of (i.e., 98%) participants could correctly identify the biases, and then participants read five ads and were asked to list the bias in each of the five ads. We manipulated the ACE by telling participants to engage in a spot-the-differences game with a digit memory task. We manipulated the MCE by asking participants to imagine a scenario for buying mineral water for their best friend.

### **Summary of Findings**

The mean ratings of participants' evaluations on the target mineral water (Cronbach's  $\alpha = .91$ ) were submitted to the same 4-way ANOVA. No effects approached significance,  $F_s < 2.0$ . We examined the occurrence of correction by comparing the average ratings in the experimental groups with the average rating in the control group. As expected, participants with high ABI/high ACE/high MCE corrected for the bias; they judged the mineral water as significantly more unfavorable than those in the control group ( $M = 4.99$ ) in both the high MBI condition ( $M = 4.31, F [1, 58] = 7.91, p < .01$ ) and the low MBI condition ( $M = 4.39, F [1, 58] = 6.30, p < .05$ ). No other target ratings in the experimental groups significantly differed from that of the control group,  $F_s < 2.80$ .

### **Statement of Key Contributions**

The contributions of our current research are threefold. First, we investigate the underlying mechanism for invoking a self-activated correction process. To the best of our knowledge, our research is the first to clarify the distinction between the two types of involvement (involvement of bias identification and involvement of correction execution) required for invoking a self-activated correction process, which

will provide new insights to the bias correction literature. Second, to the best of our knowledge, our research is the first to elucidate separately the roles of ability and motivation factors in triggering bias correction, which will help integrate previous disparate findings. Third, we examine the underlying process for self-activated correction in the consumer environment. Our findings suggest that consumers will self-activate the correction process if they possess bias knowledge that helps identify bias and are highly involved in making accurate product decisions. Our current research may provide some important managerial implications to marketers. Product suppliers who lack sufficient financial resources to use endorsers or the other marketing techniques may educate their consumers (especially high-involvement consumers) with bias relevant knowledge to invoke self-activated correction behavior to correct for competitors' marketing attempts.



## **CONSUMER'S SELF-EXTENSION WITH SMART TECHNOLOGIES: SCALE DEVELOPMENT AND VALIDATION**

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Key words: Self-extension, Smart technologies, Scale development

### **Description:**

Drawing on self-extension theory, this paper develops a conceptual and empirical understanding of contemporary self-extension, including the interconnected possibilities offered by smart technologies.

## **EXTENDED ABSTRACT**

### **Research Question**

Digital technologies are creating a hyperconnected world that shapes people's identities and relationships. Self-extension theory seeks to explain the relationship between consumers and objects. While the importance of self-extension with smart technologies is increasingly recognized, due to a lack of a scale to measure self-extension, the predictors, and effects of self-extension on consumer behavior have rarely been justified. Accordingly, this study aims to develop a higher order scale to measure consumer's self-extension towards smart technologies, based on existing theoretical conceptualization and in-depth interviews with

supported by rigorous psychometric tests for reliability and validity. Moreover, satisfaction has been justified as one of the most important drivers of consumer behavior. However, the role of self-extension in customer satisfaction and their active and positive behavior towards a product (e.g., willingness to pay more, brand love, WOM) has rarely been explored.

Drawing upon the extended self-theory (Belk 1988), this study argues that satisfied customers are more likely to develop stronger connections with the consumer-object assemblage, facilitating self-extension and leading to the consumer's further actions and behaviors.

Drawing on self-extension theory, this paper develops a conceptual and empirical understanding of contemporary self-extension, including the interconnected possibilities offered by smart technologies.

### **Method And Data**

A mixed methods approach, combining three studies, conceptualizes self-extension in consumer behavior with smart and hyperconnected technologies. Firstly, in-depth interviews unveil the multidimensional nature of the self-extension concept. After a pilot study with three interviewees, 20 interviews occurred with a diverse range of ages, occupations, and ethnicities to capture a wide array of experiences. Secondly, a higher-order self-extension scale involving behavioral, social, and affective dimensions was developed and validated with respondents from two countries. Using the newly developed scale, three outcomes of self-extension were investigated: willingness to pay more, word-of-mouth, and brand love. The mediating effects of self-extension in the relationships between satisfaction and the three behavioral intentions are discussed.

### **Summary of Findings**

By addressing the importance of consumer-object assemblage in customer experience, the higher order self-extension is established, with three dimensions, behavioral dimension, affective, and social dimensions, demonstrating that consumer extends themselves to not only material or virtual possessions, but also the consumer-object assemblage which is co-created through the interaction of the consumer and technologies. Furthermore, the predictive validity of the scale is empirically justified by examining the consequential effect of self-extension on three important behavioral outcomes, willingness to pay more (WtPM), Word of Mouth (WOM), and brand love. The final contribution of this study is revealing the mediating role of self-extension between satisfaction and WtPM, WOM, brand love, confirming its relevance in explaining satisfaction with smart objects and related consumer behavior.

### **Statement of Key Contributions**

Recent studies in smart services acknowledge the importance of human-computer interaction and smart technology's ability to alter consumer behavior. Following a mixed-method approach, this study delivers three main contributions to the literature. Firstly, to better understand the relationships between consumers and their possessions in the hyperconnected era, by conducting qualitative research, this study reveals the multi-dimensional nature of self-extension, which can lead to the development of an updated measurement scale. This is warranted given the lack of alternative scales for measuring consumer-smart object interactions, reflecting that measurement scales often lag changes in marketing practice and theory, considering the time needed for constructs to be developed, disseminated, and accepted. Secondly, subsequent research collected quantitative data to validate the scale and justify the influence of self-extension on three consumer behavior constructs: WOM, brand love, and WtPM. Furthermore, this study's results are relevant for technology developers, smart technology companies, and lifestyle managers and have implications for policymakers

and individual consumers. Our findings demonstrate that technology companies in an IoT environment should focus on carefully designing their products so that they foster self-extension, considering behavioral, social, and affective dimensions.

## **CONSUMING FOR PSYCHOLOGICAL WELL-BEING: A COMPARISON BETWEEN MATERIAL AND EXPERIENTIAL PURCHASES**

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**Keywords:** Psychological well-being; Experiential consumption; Material consumption; Consumer well-being

**Description:** Results from two experimental studies indicate that experiential purchases outrank material purchases on two dimensions of psychological well-being: personal growth and relatedness.

### **ABSTRACT**

Two experimental studies are conducted to investigate differences between experiential and material purchases in terms of their impact on psychological well-being. While experiential purchases are found to outrank material purchases on personal growth and relatedness, no consistent differences are found regarding other dimensions (autonomy, environmental mastery, purpose, and self-acceptance).

### **INTRODUCTION**

“To do or to have?” asked Van Boven and Gilovich (2003, 1193), kick-starting a movement that rapidly blossomed into a rich stream of consumer research (Weingarten and Goodman 2021). The aim to uncover various facets of the experiential advantage (Nicolao, Irwin, and Goodman 2009), i.e., the superiority of experiential purchases over material purchases, has

revitalized a venerable scholarly domain – experiential consumption (Hirschman and Holbrook 1982; Holbrook and Hirschman 1982). In terms of what they comprise, experiential purchases are defined as those “made with the primary intention of acquiring a life experience: an event or series of events that one lives through” while material purchases are defined as those “made with the primary intention of acquiring a material good: a tangible object that is kept in one’s possession” (Van Boven and Gilovich 2003, 1194).

While a considerable body of work has shown how experiential purchases are better than material purchases (Weingarten and Goodman 2021), some work has also illustrated some specific benefits provided by material purchases (Goodman, Malkoc, and Stephenson 2016), thereby arguing against an overarching “experiences are better than possessions” sentiment. Given this background, it is not surprising that recent calls for research advocate continuing to deepen our understanding of the relative merits of experiential and material consumption (Dunn and Weidman 2015; Kumar and Gilovich 2015; Weingarten and Goodman 2021). A specific aspect that remains understudied in this regard is well-being as little research has looked at the relative impact of experiential and material purchases on different *dimensions* of well-being despite several recent calls to do so (Alba and Williams 2013; Gilovich, Kumar, and Jampol 2015a; 2015b; Schmitt, Brakus, and Zarantonello 2015).

This paper aims to address this gap by experimentally investigating whether and how experiential purchases differ from material purchases in terms of their impact on psychological well-being (Ryff 1989), an established measure of well-being in positive psychology (Vitterso 2016). Another, perhaps even more important, advantage is that psychological well-being offers a way to tap into the *eudaimonic* possibilities from consumption (focused on aspects like personal growth, social connectedness, and self-acceptance among others) in contrast to the prevalent *hedonic* focus (on pleasure and positive affect) of much prior research on material/experiential consumption (Alba and Williams

2013; Schmitt et al. 2015). Using such a construct, therefore, allows for a contribution to the growing body of work on how consumption is linked to eudaimonia (Knobloch and Robertson 2017; Sirgy and Uysal 2016).

## **THEORETICAL BACKGROUND**

### ***Experiential Consumption and Well-Being***

While the *idea* of well-being has been repeatedly invoked in the context of experiential consumption through terms like “the pursuit of happiness” (Van Boven 2005, 132) or “a wonderful life” (Gilovich et al. 2015a, 152), empirical assessments of well-being in experiential contexts have been the exception rather than the norm (Guevarra and Howell 2015). However, given mixed findings linked to relative benefits of experiential and material purchases (Weingarten and Goodman 2021), it is hard to unequivocally claim experiential purchases are overall superior to material ones in their impact on well-being. This picture is further complicated when one considers how well-being is a complex construct.

### ***Eudaimonia: A Different Perspective on Well-Being***

A growing body of research indicates that the idea of well-being is much more multi-dimensional than previously thought and that it necessitates going beyond a sole focus on hedonic aspects (Sirgy 2012). Taking as their starting point the writings of Aristotle in his seminal work *Nicomachean Ethics* (4<sup>th</sup> Century B.C.E./1985), scholars from several different fields have converged on the importance of adopting a eudaimonic perspective when looking at questions of happiness and well-being (Vitterso 2016). A central distinction that has been advanced in this regard is that of two different conceptions of happiness and well-being – hedonia and eudaimonia (Deci and Ryan 2008; Vitterso 2016). In line with that, there is

increasing agreement that marketing discourse should differentiate between hedonic experiences focused on pleasure and positive affect, and eudaimonic experiences focused on meaning, purpose, and flourishing (Schmitt et al. 2015; Sirgy 2021).

A key concept that is helpful in this regard is psychological well-being (PWB). Ryff (1989) found that PWB comprises six distinct dimensions: autonomy, environmental mastery, personal growth, relatedness, purpose, and self-acceptance. Broadly, autonomy refers to the importance of being independent in guiding one's actions; environmental mastery refers to the sense of control people feel with regard to internal and external factors in order to create a conducive environment for themselves; personal growth encompasses feelings of personal development by facing new challenges; relatedness comprises the sense of social connectedness people feel in terms of their social relationships; purpose refers to a person's sense of direction; and self-acceptance indicates the degree to which a person likes and accepts oneself. Collectively, therefore, PWB focuses more on eudaimonic experiences rather than limiting its focus on hedonic pleasure and/or positive affect. This, in conjunction with the widespread support it enjoys (Vitterso 2016), made it the ideal variable to investigate vis-a-vis the experiential advantage.

## **METHODOLOGY**

A two-condition between-subjects design was used in each of the two studies. In each study, respondents were randomly assigned to either a material purchase condition or an experiential purchase condition. After reading descriptions about material purchases and experiential purchases (Van Boven and Gilovich 2003), they were asked to recall and briefly describe either a material purchase or an experiential purchase following which they were asked to indicate their ratings on a set of measures. Manipulation and instruction checks included



asking them to indicate the cost and the timing of the purchase, and the degree to which they considered the purchase to be material or experiential. Finally, basic demographic information was collected. Each study is now described in detail in the following sections.

## **STUDY 1: PSYCHOLOGICAL WELL-BEING FROM MATERIAL AND EXPERIENTIAL PURCHASES**

### ***Data Collection***

75 people were recruited from Amazon’s Mechanical Turk to complete the study in exchange for \$0.50. After removing those who did not pass the instruction checks, 59 respondents (55.9% female; 74.6% Caucasian,  $M_{age} = 39.75$  years) remained. Participants were randomly assigned to a material purchase ( $n = 32$ ) or an experiential condition ( $n = 27$ ). Participants first read descriptions of both – material and experiential purchases (taken from Van Boven and Gilovich 2003) – and were then asked to recall and describe either a significant material purchase or a significant experiential purchase that they had made. To control for price and recency effects, respondents had to think of purchases that cost between \$25 and \$1,000, and had been made within the last year. They were asked to write about this purchase in 1–3 lines. This was followed by questions asking them to indicate ratings on the following scales:

*Psychological well-being.* Items from Ryff’s (1989) scales were adapted to assess various dimensions of PWB. 5-item subscales were created for the 6 dimensions, resulting in a scale with 30 items in total. Respondents were asked to indicate their extent of agreement or disagreement with reference to each item on a 7-point Likert-type scale anchored with 1 (Strongly disagree) and 7 (Strongly agree). Example items include: “This purchase made me feel independent” (Autonomy), “This purchase helped me feel in charge about one or more aspects in my life” (Environmental mastery), “This purchase allowed me to expand my

horizons” (Personal growth), “This purchase allowed me to relate to others in a meaningful way” (Relatedness), “This purchase added to my sense of direction and purpose in life” (Purpose), and “This purchase helped me be proud of who I am and the life I lead” (Self-acceptance). Higher scores indicated higher levels for a particular dimension.

*Hedonic well-being.* Measures used by Guevarra and Howell (2015) were used to assess hedonic well-being (HWB) by asking respondents to indicate the extent to which the purchase had contributed to their: (a) happiness today, (b) overall life’s happiness, and (c) overall life satisfaction.

*Experientiality, price, and recency.* To ensure that respondents followed instructions and to ensure the success of our intended manipulation, respondents had to indicate the degree to which they considered the purchase to be “definitely a material purchase” (corresponding to a rating of 1) or “definitely an experiential purchase” (corresponding to a rating of 7). Respondents also had to indicate price on a sliding scale with the endpoints as \$0 and \$1,500; those that indicated a price outside the specified range of \$25 and \$1,500 were dropped. Similarly, respondents had to indicate the time of making the purchase as either doing it within the last 6 months, more than 6 months ago but less than a year ago, or more than a year ago. Those who chose the last option were dropped from the analyses.

*Materialism and Motivation.* Richin’s (2004) shortened 9-item version of the material values scale (MVS) was included to measure the extent of a respondent’s materialism. Secondly, Sheldon et al.’s (2004) measures of intrinsic and extrinsic motivation were also included and all three of these were assessed through 7-item Likert-type scales anchored with 1 (Strongly disagree) and 7 (Strongly agree).

*Demographics.* Finally, participants indicated their gender, ethnicity, age, income, education levels, and marital status.

### ***Data Analysis***

Manipulation checks indicated that the scenarios were successful in getting consumers to differentially reflect on material and experiential purchases. Based on reliability checks, certain items were dropped before creating averaged scale scores for each of the 6 subscales for psychological well-being. A similar process was followed for all the other multi-item scales.

For PWB, initial reliabilities were as follows: autonomy [ $\alpha = .49$ ], environmental mastery [ $\alpha = .62$ ], growth [ $\alpha = .67$ ], relatedness [ $\alpha = .90$ ], purpose [ $\alpha = .74$ ], and self-acceptance [ $\alpha = .79$ ]. After inspecting item-wordings and dropping problematic items for all but one subscale (relatedness), the revised reliabilities for the subscales were as follows: autonomy [ $\alpha = .85$ ], environmental mastery [ $\alpha = .83$ ], growth [ $\alpha = .93$ ], purpose [ $\alpha = .84$ ], and self-acceptance [ $\alpha = .89$ ]. Except for autonomy, for which the final subscale consisted of 3 items, all other revised subscales consisted of 4 items each. The relatedness subscale consisted of the original 5 due to its high initial reliability. Thus, the adapted scales appeared to work well and were able to tap into relevant dimensions.

For other multi-item constructs, reliabilities were well-above the recommended 0.70 cut-off (Cronbach 1951). The Cronbach's alpha was 0.96 for hedonic well-being and 0.92 for materialism. There were no significant correlations between the 4 items related to motivation, so a single score for a respondent's overall intrinsic motivation was calculated by subtracting their scores on the 2 extrinsic motivation items from the 2 intrinsic motivation items. A linear transformation ensured that the final measure for intrinsic motivation was also on a 7 point scale with higher scores implying higher levels of intrinsic motivation.

A check was conducted for differences in price, recency, materialism, and motivation across both conditions. There were no significant differences between the material purchase condition and the experiential purchase condition for price ( $F [1,57] = .08, p = .78$ ), recency

( $F [1,57] = .48, p = .49$ ), materialism ( $F [1,57] = .04, p = .84$ ), or motivation ( $F [1,57] = .3.71, p = .06$ ). However, there were some significant correlations between 3 of the 4 control variables and some of the dependent variables. While price was significantly correlated with growth and purpose, materialism and motivation were significantly correlated with each dimension of PWB and HWB. Therefore, a series of ANCOVAS (Table 1) were conducted to test for differences across the dependent variables. None of the demographic measures showed differences across conditions and were not correlated with the dependent variables, so they were not included in the subsequent analyses.

As was found, while experiential purchases were rated significantly higher on personal growth and relatedness, they were rated marginally higher on autonomy and (interestingly) marginally lower on environmental mastery. Purpose and self-acceptance were not found to be different across the two conditions. Thus, there was an initial proof for some differences in PWB across material and experiential purchases. However, to verify the robustness of these differences, a replication study was conducted with a larger sample.

## **STUDY 2: REPLICATION**

### ***Data Collection***

Given the replication focus, study 2 used the same procedures and analytical methods as those used for study 1. Of the 102 MTurk respondents who completed this study, after removing those who failed instructional checks, data from 57 respondents comprised the material purchase condition while data from 39 respondents comprised the experiential purchase condition. The overall sample was 61.5% female; 78.1% Caucasian, and 40.59 years old on average.

***Data Analysis***

While ethnicity showed differences across conditions, and income was negatively correlated with environmental mastery, there were no other between-groups differences or correlations between demographic variables and the dependent variables. Thus, ethnicity and income were controlled for where necessary. Moreover, while there were no significant differences across conditions for purchase price, timing, materialism, motivation, or hedonic well-being, there were some significant correlations between recency and personal growth, between motivation and self-acceptance, and between hedonic well-being and all the six dimensions. Therefore, these were controlled for in the subsequent ANCOVAs (see Table 1).

As was found this time around, while experiential purchases were again rated significantly higher on personal growth and relatedness, they were also rated marginally higher on self-acceptance. Purpose, again, showed no differences across the two conditions. In contrast to study 1, however, no differences were seen in autonomy and environmental mastery across both types of purchases.

**DISCUSSION**

Results from studies 1 and 2 show that two dimensions of PWB – personal growth and relatedness – show replicating evidence of the experiential advantage though for two dimensions. This advantage shows up even when controlling for HWB, providing support to the idea that PWB is distinct from HWB. A replication is also seen in terms of not finding a significant difference regarding a sense of purpose between the two types of purchases.

Findings regarding autonomy, environmental mastery, and self-acceptance, however, should be interpreted with caution as the differences observed were marginally significant and did not replicate.

***Theoretical Contributions***

While some qualitative work has documented the learning opportunities in experiential contexts such as river-rafting and surfing (Arnould and Price 1993; Canniford and Shankar 2013), this project provides an experimental addition to this discourse by illustrating that experiential purchases are more strongly associated with an expansion of one's horizons and feelings of insightful growth and change. It also extends prior work on the social superiority of experiences over material possessions. Prior research has documented that experiential gifts foster stronger relationships than material gifts (Chan and Mogilner 2016) and that consumers enjoy talking to others more about their experiential purchases than about their material purchases (Kumar and Gilovich 2015). The findings from this project show how, in comparison to material purchases, experiential purchases help consumers relate to others in a more meaningful way and make consumers more capable of empathy, affection, and intimacy.

While there appear to be consistently no differences in terms of purpose, the remaining dimensions – autonomy, environmental mastery, purpose, and self-acceptance – merit further investigation as differences showed up in one study but not the other. Autonomy, for instance, may be linked more to a purchase outcome than a purchase type. Some consumers may, therefore, experience an increase in autonomy via experiential pursuits (e.g., the retired consumers in Schau, Gilly, and Wolfenbarger's (2009) study) while others may do so via material purchases (e.g., the DIY-ers in Watson and Shove's (2008) study). In terms of environmental mastery, the marginally higher level observed in Study 1 for material purchases appear to be in line with some prior work showing the superiority of experiential products (purchases that lie in the middle of the material-experiential continuum) over 'pure' experiential purchases in terms of feelings of perceived competence among consumers (Guevarra and Howell 2015). Materiality, thus, may be linked to environmental mastery for consumers due to their tangibility. Finally, the marginally higher level of self-acceptance

observed in Study 2 is broadly consistent with prior work on how experiential purchases are viewed as more strongly a part of a consumer's identity than material purchases (Carter and Gilovich 2012).

### ***Managerial Implications***

Marketing practitioners can use these insights to better position experiential market offerings in terms of the potential benefits they offer regarding consumer's psychological well-being. Marketers across experiential purchase categories like travel, tourism, recreation, hobbies, and entertainment, for instance, can highlight how such purchases could foster a sense of relatedness among consumers. In a similar vein, marketers could also draw attention to the learning and growth opportunities that come with such experiential purchases. Such messaging approaches would be able to underscore the eudaimonic benefits of experiential consumption, thereby complementing the experience of hedonic benefits from such consumption.

Overall, therefore, a continued focus on psychological well-being would be insightful for both marketing scholars and practitioners as it would provide a more complete picture of the relative merits of material and experiential consumption and, in doing so, bring about a deeper understanding on how consumers can make better purchase decisions in their pursuit of happiness, well-being, and the good life.

**TABLE 1**  
**PSYCHOLOGICAL WELL-BEING: A COMPARISON BETWEEN EXPERIENTIAL**  
**AND MATERIAL PURCHASES**

	Purchase Type			
	Experiential purchase		Material purchase	
<b>Study 1: Psychological Well-being</b>	M	SE	M	SE
Autonomy*	4.59	0.27	3.95	0.25
<i>(F [1, 54] = 2.83, p = .10)</i>				
Environmental mastery*	4.72	0.22	5.23	0.20
<i>(F [1, 54] = 2.80, p = .10)</i>				
Personal growth**	4.88	0.23	3.59	0.21
<i>(F [1, 53] = 16.50, p &lt; .001)</i>				
Relatedness**	4.40	0.26	3.19	0.24
<i>(F [1, 54] = 10.93, p &lt; .05)</i>				
Purpose	4.58	0.20	4.15	0.18
<i>(F [1, 53] = 2.54, p = .12)</i>				
Self-acceptance	4.89	0.23	4.58	0.21
<i>(F [1, 54] = .99, p = .32)</i>				

Note: All means are adjusted for materialism, motivation, and hedonic well-being. Means for personal growth and purpose are also adjusted for price. Significant differences ( $p < .05$ ) are indicated by \*\* and marginally significant differences ( $p$  is between .05 and .10) are indicated by \*.

	Purchase Type			
	Experiential purchase		Material purchase	
<b>Study 2: Psychological Well-being</b>	M	SE	M	SE
Autonomy	4.43	0.22	4.31	0.18
<i>(F [1, 92] = .18, p = .67)</i>				
Environmental mastery	5.00	0.20	5.01	0.16
<i>(F [1, 91] = .12, p = .72)</i>				
Personal growth**	4.81	0.22	3.96	0.18
<i>(F [1, 91] = 8.81, p = .004)</i>				
Relatedness **	4.13	0.21	3.09	0.18
<i>(F [1, 92] = 13.72, p &lt; .001)</i>				
Purpose	4.69	0.21	4.30	0.17
<i>(F [1, 92] = 2.12, p = .15)</i>				
Self-acceptance*	4.91	0.23	4.38	0.17
<i>(F [1, 91] = 3.73, p = .06)</i>				

Note: All means are adjusted for ethnicity and hedonic well-being. Means for environmental mastery, personal growth, and self-acceptance are additionally also adjusted for income, recency, and motivation respectively. Significant differences ( $p < .05$ ) are indicated by \*\* and marginally significant differences ( $p$  is between .05 and .10) are indicated by \*.



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**CONSUMING THE CHICANO IDENTITY: HOW SYMBOLIC CONSUMPTION  
PRESERVES CHICANO CULTURE IN A JAPANESE COMMUNITY**

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**Keywords:** Cultural Consumption, Cultural Symbols, Acculturation, Chicano, Japan

**Description:** This study examines the consumption of a minority culture by a majority culture in  
a context with little market forces and cross-cultural interaction.

**EXTENDED ABSTRACT**

**Research Question**

Cultural consumption is widely studied in consumer research as the interaction and utilization of another culture by consumers requires marketers to adapt marketing practices (Burton, 2009). Research examining consumption of another culture is investigated in tourism as part of tourists' travel experience (Bardhi et al., 2010), in appropriation research as individuals in a majority culture

use cultural symbols from a marginalized culture (Schiele & Venkatesh, 2016), and in migration as immigrants acculturate to a majority culture (Peñaloza, 1994; Askegaard et al., 2005). All these studies recognize the key role of the market and cross-cultural interactions in aiding the consumption of another culture to ensure cultural authenticity and continued consumption. However, little is known about how the consumption of another culture is sustained with little to no market intervention or cross-cultural interactions as key acculturation agents.

This work examines the adoption of a minority ethnic culture by a majority ethnic culture in a domain with minimal market and cross-cultural interaction. As such, the following key research questions are posed: 1) How is a minority culture consumed by the majority culture in a context with minimal market intervention and cross-cultural interaction? 2) How are cultural symbols used in the adoption of a minority culture?

### **Method and Data**

A symbolic netnography approach was taken to investigate the consumption of Chicano culture in by a Japanese subculture. The context for this study is a biannual Japanese car show displaying Chicano culture. The authors collected photographs and videos from the show on Twitter and Instagram from May 2017 to May 2020. The content of the photos and videos were examined closely with each providing a written description on what was observed. The data were coded and then categorized into key patterns of consumption, leading to core themes. The data provided rich information on the consumption of Chicano cultural symbols and revealed opportunities for marketers to engage in this cultural consumption.

## **Summary of Findings**

The data highlighted the different ways Chicano culture symbols are used by the producers and consumers of the car show in Japan. The Chicano culture is originally produced in the country of origin, or home-country. The culture is then produced in the host-country through the various cultural activities adopted from the home-country cultural producers. Production of Chicano culture is seen in the structure of the car show and the participation of vendors, participants, and visitors. This host-country production supports the adoption, adaptation, and maintenance of Chicano culture. The adoption was apparent in the consumption of objects with cultural meanings symbolic of the Chicano culture. Adaptation was evident in the visible displays of collaboration or fusion of symbols of Chicano culture with that of Japanese culture. Lastly maintenance of Chicano culture was visible in the sharing of the culture with younger generations at the show, engagement with community network via social media, and other consumption activities unrelated to this specific event.

## **Key Contributions**

This work contributes to our understanding of cultural adoption by providing new insight into the consumption of an ethnic minority culture by individuals from a majority culture. Prior literature examining the consumption of another culture is focused on the acculturation of a minority culture due to their migration and interaction with the majority culture (Peñaloza, 1994; Askegaard et al., 2005; Luedicke, 2011). Our research provides a novel examination of acculturation of the majority culture in a context with little market intervention and cross-cultural interaction.

Our study provides insight into cultural consumption and highlights the opportunities for marketers to engage in the authentic presentation of a minority culture, thus minimizing trauma to the culture,

and identifies pathways to enter a new market through symbolic consumption. By identifying the use of cultural products, marketers can assist in cultural learning, create pathways to connect the cultural communities, engage in market entry, and assist in the growth of the community.

*References are available upon request.*

**CONSUMPTION OF DIFFERENT TYPES OF CANNABIS PRODUCTS BY SERVICE  
PROVIDERS: THE ROLES OF PERCEIVED WARMTH AND COMPETENCE  
IN CUSTOMER ASSESSMENTS**

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**Keywords:** Stigma, Stereotype, Cannabis, Service providers

**Description:** The present study examines the perceptions of consumers toward professional service providers that use different cannabis products (especially soft gels that look medical in nature vs. joints that appear to be recreational) in terms of their competence and warmth and the likelihood of future patronage intention.

**EXTENDED ABSTRACT**

**Research Question**

The legalization of medical and recreational cannabis in various jurisdictions worldwide, such as Canada and parts of the US (Ng et al., 2021), has led to increased acceptance and normalization of cannabis consumption (Chiu et al., 2022). Different cannabis products are available, some associated with medical use (e.g., soft gels, creams, patches) and others with recreational use (e.g., joints, vaporizers, edibles). This study examines whether people perceive cannabis users differently based on their chosen mode of consumption, particularly focusing on medical look vs. non-medical look products. Additionally, the research explores customer perceptions of service providers who consume cannabis and its implications for service satisfaction and continued patronage. The study adopts Fiske et al.'s (2007) stereotype content



model, which considers competence and warmth. Preliminary findings suggest that service providers who consume soft gels are perceived as warmer, resulting in higher satisfaction and greater intention to continue using their services. Further studies are planned to confirm the associations between cannabis consumption mode, perceived purpose (recreational or medical), and outcomes for service provision across different forms of cannabis consumption.

### **Method and Data**

Two hundred and sixty-eight students (53% male, average age 19.83 years between 17 to 40 years old) from a major Canadian university participated in the study and received course credit in return. The participants were randomly assigned to one of two conditions that manipulated the appearance of cannabis products (medicinal versus recreational). A hypothetical scenario was presented where participants were asked to imagine unobtrusively encountering their lawyer (referred to by a gender-neutral name) leaving a cannabis store and accidentally noticing that they had purchased either cannabis soft gels or joints. Subsequently, participants were asked to rate the lawyer's competence and warmth on 5-point Likert scales (anchored by 1 = not at all and 5 = very much so) (Fiske et al., 2002). This was followed by rating likelihood of future patronage using three items, measuring their intention to continue doing business, consult in the future, and seek the lawyer's advice). Participants finally provided demographic details and underwent debriefing.

### **Summary of Findings**

Our results found no significant differences in perceived competence for service providers that use soft gels or pre-rolled joint ( $M_{\text{Medical-look}} = 3.61$ ,  $SD_{\text{Medical-look}} = .85$ ,  $M_{\text{Recreational-look}} =$

3.50,  $SD_{\text{Recreational-look}} = .80$ ,  $t(264) = 1.12$ ,  $p > 0.05$ , 95% CI [-.08, .31]). Participants, however, reported significantly greater perceptions of warmth for the service provider that uses soft gels ( $M_{\text{Medical-look}} = 3.49$ ,  $SD_{\text{Medical-look}} = .83$ ) compared to joints ( $M_{\text{Recreational-look}} = 3.26$ ,  $SD_{\text{Recreational-look}}$ ,  $t(267) = 2.21$ ,  $p < 0.05$ , 95% CI [.26, .44]).

Preacher and Hayes' (2004) PROCESS model 4 was used to test whether cannabis product type influenced the likelihood of future patronage via warmth perceptions. The results showed that while there is no direct effect of cannabis product type on the likelihood of future patronage ( $\beta = 1.2$ ,  $p > 0.05$ , 95% CI [-4.72, 7.12]), there is a significant indirect effect through perceived warmth ( $\beta = -3.16$ , 95% CI [-6.06, -.68]). Specifically, cannabis product type impacted perceived warmth ( $\beta = -.26$ ,  $t(261) = -2.52$ ,  $p < 0.05$ , 95% CI [-.47, -.06]) such that service providers that are thought to use soft gels are perceived as warmer than those that are thought to use joints. Perceived warmth in turn predicted the likelihood of future patronage ( $\beta = 12.1$ ,  $t(261) = 6.82$ ,  $p < 0.001$ , 95% CI [8.55, 15.48]).

Results found here that demonstrate variations in warmth (but not competence) perceptions for different types of cannabis users align with Fiske et al.'s (2007) assertion that while both are aspects of social cognition, the effects of perceived warmth on affective and behavioral responses are stronger than the effects of perceived competence. And, while perceived warmth can be an indicator of intentions, competence cannot be a sign of an act on these intentions.

### **Key Contributions**

Cannabis use is widespread and the journey to legalization has made significant inroads across the globe. At the same time, past research demonstrates a social devaluation of those that

consume cannabis. In this research, we bring together and extend literatures within social cognition, stigma and stereotyping, cannabis, and services marketing. Much of past research on cannabis lies outside of marketing, and the research that has been done on stigmatized perceptions treats cannabis as a monolith. Legal cannabis products can however retail in diverse forms. Through an experimental study, we uncover promising findings related to differences in societal perceptions for different types of cannabis products based on their potential associations with medical or recreational use. This has significant implications within areas such as customer service provision and the comfort level that customers may have with service providers that partake. Within the healthcare domain, that medicinal cannabis use is not as stigmatized as recreational use is welcome news for patients that hesitate to seek medication or care due to perceived societal stigmatization. Further investigations within broader populations and encompassing greater varieties of cannabis products will provide a more generalizable and comprehensive view of this vibrant and growing consumption space.

References are available upon request.

**DARK SIDE OF MICROTRANSACTIONS: THE INTERACTION EFFECT BETWEEN  
PSYCHOLOGICAL DISCOMFORT AND SOCIAL IDENTITY ON ANTI-  
CONSUMPTION**

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**Keywords:** Microtransactions, dissonance, social identity, anti-consumption

This extended abstract explores the interaction effect that psychological discomfort and social identity may have on boycotting behaviors.

## EXTENDED ABSTRACT

### Research Question

Anti-consumer literature has previously focused on expanding the concept, on the different behaviors that may result from anti-consumption, and on different perspectives of anti-consumption (Lee et al. 2009). Literature has yet to explore anti-consumption from a cognitive dissonance perspective, however. Cognitive dissonance theory (CDT) suggests that individuals will try to match their behaviors to their attitudes, beliefs, and values (Kassarjian and Cohen 1965). An individual's behavior, however, may not be consistent with their beliefs and values. This lack of consistence could result in psychological discomfort (Festinger 1957). Focusing on digital products that have caused controversy and, potentially, psychological discomfort in the past, extant research has attempted to understand the impact of microtransactions on consumption behaviors. Microtransactions are a small purchase that is made within a video game (Tomić 2017). There is a lack of understanding of how microtransactions and consumers' perceptions and identity can affect anti-consumption behaviors against companies. To address this gap in the literature, the current research aims to explore the following questions: 1) How can attitudes towards microtransactions affect anti-consumption behaviors? And 2) When does the relationship between attitudes towards microtransactions and anti-consumption behaviors change?

## **Theory**

Individuals make decisions on their purchases and consumption behavior every day and, according to cognitive dissonance, this consumption behavior should be consistent with their beliefs, attitudes, and values. Consumers are increasingly using their wallet to support those products, brands, and companies that are consistent with who they are. Anti-consumption refers to making the active decision to not consume something (Lee, Fernandez, and Hyman 2009). This decision may be motivated by a lack of alignment of a certain product with an individual's beliefs, attitudes, and values. Cognitive dissonance literature has recently suggested that psychological discomfort from inconsistent attitudes and behaviors might not be limited to one's own behaviors. Vicarious dissonance refers to the psychological discomfort an individual may suffer from observing others' inconsistent behavior (Norton, Monin, Cooper, and Hogg 2003). In consumer behavior, an individual may experience discomfort when other people consume products that are not consistent with their beliefs and attitudes. Social identity theory suggests that individuals self-categorize themselves as being part of a group through social comparison (Abrams and Hogg 1988). Consumers, then, may suffer vicarious dissonance from those they consider to be in a group they identify with.

## **Summary of Findings**

CDT suggests that consumers will try to avoid dissonant behaviors and look for consonance. If a company's conduct is not consistent with consumer attitudes, consumers might incur in anti-consumption or boycotting behaviors. Consumer attitudes towards a company's conduct, then, influence the likelihood of boycotting behavior. In the case of the videogame industry, attitudes

towards microtransactions will influence the boycotting likelihood of consumers. Positive attitudes towards microtransactions will negatively influence the likelihood of boycotting behaviors. Negative attitudes towards microtransactions will positively influence the likelihood of boycotting behaviors. Formally, we propose the following:

*P1: Attitudes towards microtransactions influences the likelihood of boycotting behaviors.*

Videogame consumers have expressed their discomfort with microtransactions but, in 2018, US spending on subscriptions and microtransactions was over \$40 billion (Kain 2019). There may be inconsistencies in behavior in the gaming community. We suggest that vicarious dissonance will affect videogame consumers by allowing an adjustment in attitudes towards microtransactions. Members of the in-group are purchasing microtransactions and this may create dissonance within an individual who considers themselves part of the group. Consequently, the consumer will try to adjust their attitudes towards a more favorable look of microtransactions, lowering the likelihood of boycotting behaviors. Vicarious dissonance then attenuates the effect of negative attitudes towards microtransactions on likelihood of boycotting behaviors. Formally, we propose:

*P2: Vicarious dissonance will moderate the relationship between attitudes towards microtransactions and likelihood of boycotting behaviors.*

### **Key Contributions**

The present conceptual study explores the relationship between attitude and boycotting behavior specifically. While research on anti-consumers has explored boycotting behavior, the present study uses a cognitive dissonance approach to explore how consumer identity influences boycotting behaviors. Specifically, this study suggests an effect of vicarious dissonance on the

relationship between consumer attitudes toward a product and boycotting. The present conceptual paper is a first step into further exploring anti-consumption and boycotting behaviors from an identity and cognitive dissonance perspective.



**Title: Effective strategy: Utilizing variety-seeking to cope with the threat posed by social comparison**

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**Keywords:** Social comparison; Sense of control; Variety-seeking behavior; Relationship orientation

**Description:** We investigated that variety-seeking can be used as an effective method for consumers to cope with the threat posed by upward comparison.

### **EXTENDED ABSTRACT**

#### **Research Question**

Where does social comparison affect consumers?

How will consumers respond to the social comparison?

How can variety-seeking behavior serve as a compensatory tool for consumers to cope with the threats posed by upward comparison?

#### **Method and Data**

The hypotheses were tested in four studies.

Study 1 used a one-way and two-level (social comparison: upward vs. downward) between-subject design, demonstrating that, compared to downward comparisons,

upward comparisons lead consumers to engage in more variety-seeking.

Study 2 adopted a one-way and three-level (social comparison: upward vs. downward vs. control) between-subject design, delving deeper into the driving forces behind changes in variety-seeking, identifying both the weakening effect of downward comparison and the strengthening effect of upward comparison.

Study 3 used a one-way and two-level (social comparison: upward vs. downward) between-subjects design, confirming the mediating role of the sense of control, extending the findings of Study 1 and Study 2 to real consumer choice and various comparison contexts

Study 4 used a 2 (social comparison: upward vs. downward)  $\times$  2 (relationship orientation: competition vs. cooperation) between-subjects design, examining the moderating role of relationship orientation and found that upward comparisons result in increased variety-seeking only when the comparison target is in competition with the self.

### **Summary of Findings**

Upward (vs. downward) comparison can motivate consumers to restore their sense of control by engaging in more variety-seeking (Studies 1, 2, and 3). However, this effect is contingent on the type of relationship orientation. In a competitive relationship, receiving information about someone else's excellence can be detrimental to self-development, reducing the sense of control and leading to an increase in variety-seeking. Conversely, in a cooperative orientation, information about someone else's excellence can help achieve a desired goal, thereby weakening

the impact of upward comparison on sense of control (Study 4).

### **Key Contributions**

**For Other Literatures:** The variety-seeking behavior is investigated for the first time as the behavioral consequence of social comparison. This research explores the changes in consumers' variety-seeking under different directions of social comparison, thus partly enriching the research results concerning social comparison, variety-seeking, and compensatory consumption. It also establishes a new theoretical relationship between social comparison and variety-seeking, validating the mediating role of sense of control and the moderating effect of relationship orientation, which to some extent fills the relevant gap in the research domain of relationship orientation.

**For both Marketers and Public Policy:** Marketers can guide consumers' choices by inadvertently inducing social comparison, thereby avoiding any potential consumer discomfort. Additionally, they can also influence consumer decisions by inducing relationship orientation in marketing strategies, such as using competitive advertising slogans.

From the perspective of public policy and health management, people can better understand the social comparison and be able to respond to threats posed by upward comparison by altering their consumption habits.

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**EVALUATING ARTICLE-FORM NATIVE ADVERTISING: THE EFFECTS OF UNEXPECTED ARTICULATION, TRANSPORTATION EXPERIENCE, AND FAMILIARITY WITH NATIVE ADS**

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Keywords: native advertising, unexpected articulation, transportation experience, ad familiarity, eWOM

Description: This study examines the effects of unexpected articulation, audiences' transportation experience, and familiarity on native-advertising performance (e.g., eWOM, attitude to ads, and purchase intention).

**EXTENDED ABSTRACT**

**Research Question**

Prior works report mixed findings when studying the effect of disclosure characteristics on consumer response to native ads, focusing on disclosure prominence. For example, some studies found that explicit disclosure can increase consumers' ad recognition when compared to displayed ads or native ads with implicit disclosure because the prominent disclosure can activate their persuasion knowledge, inducing adverse downstream effects (Wojdyski and Evans 2016; Campbell and Evans 2018; Jing Wen et al. 2020). However, other works found no evidence of the

negative effects of disclosure characteristics on consumers' responses to native ads. For instance, an experimental study on a mobile platform reported that native ads benefited the advertisers and detected no evidence of deception of native advertising with the incomplete disclosure format because of consumers' sophistication (Sahni and Nair 2020). In addition, the negative effects of brand placement cannot be found if the quality of the native ad content is high (Hwang and Jeong 2019).

To resolve the previously mixed findings, this study investigates disclosure characteristics from a new angle, brand-content articulation, considering the condition of persuasion knowledge activation. Furthermore, this study introduces a novel underlying mechanism to explain the possibility of consumers' positive response to native ads, including consumer sophistication (e.g., consumers' familiarity with native ads).

### **Method and Data**

Two studies were conducted to answer the research questions. Data for Study 1 were collected from WeChat. The final sample comprised 151 advertisements from 40 companies across 42 social media accounts. Dependent variables (e.g., comments on sponsor), independent variables (i.e., brand-content articulation), and control variables were manually coded.

Study 2 recruited two hundred and twenty-six participants to measure their reactions to native ads in an experimental setting. Participants were randomly assigned to one of the two ad types (unexpected articulation ad versus expected articulation ad). Once they had completed reading everything, participants completed

a variety of dependent measures. Articulation unexpectedness of native ads was manipulated by varying the logic of the explanation of the brand-content relationship (i.e., product: pillow, content theme: interviewing in an internet company). To be specific, the unexpected articulation condition was manipulated by linking an unexpected attribute of the pillow, namely, relieving pressure (e.g., “What will you do if you have communication issues with the product manager?” “I will punch the Tonelink pillow to release my pressure”). In the expected articulation condition, a common use of a pillow, namely aiding sleeping was introduced in the dialogue (e.g., “What will you do if you have a communication issue with the product manager?” “I will use the Tonelink pillow to take a good rest”).

### **Summary of Findings**

Study 1 used ordinary least squares (OLS) regression to analyze the data. This study predicts that unexpected-relevant articulation will elicit positive comments on the sponsoring brand. As expected, unexpected-relevant articulation had a significantly positive effect on the number of positive comments on the sponsoring brand ( $\beta = .14$ ,  $SE = .04$ ;  $t = 4.04$ ,  $P < .00$ ).

In Study 2, participants in the unexpected-native ad condition ( $M = 5.95$ ) reported a more favorable attitude to the ad than that of the expected-native ad condition ( $M = 5.63$ ;  $F(1, 224) = 7.59$ ,  $p < .01$ ). A bootstrap analysis (Hayes 2017; Model 8; 5,000) was performed to test the mediation role of transportation experience and the moderating effect of familiarity with native ad. Results revealed a significant moderated mediation ( $\beta = -.34$ ,  $SE = .16$ , 95% CI  $[-.6740, -.0300]$ ). The indirect effect

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of unexpected articulation was significantly increased among people who were not familiar with native ads. ( $\beta = .44$ ,  $SE = .15$ , 95% CI [.1518, .7246]). The indirect effect of unexpected was no longer significant for people who were familiar with native advertising ( $\beta = .06$ ,  $SE = .09$ , 95% CI [-.1147, .2374]).

### **Key Contributions**

The first contribution of this research is to examine a novel determinant that fosters people's positive response to article-form native advertising, namely, unexpected articulation. Second, we extend prior works on understanding people's content processing experience on article-form native ads by introducing transportation experience as an underlying mechanism. Whereas prior studies examined consumers' responses from a persuasion knowledge perspective, highlighting the negative effect of persuasive intent recognition, (Wojdynski and Evans 2016; Amazeen and Wojdynski 2018; Jing Wen et al. 2020), we show that transportation experience can positively influence advertising effectiveness even if consumers have recognized the persuasive intent. Furthermore, we show that the mediating effect will be attenuated for consumers who are familiar with native ads. However, those who are not familiar with native ads will be more likely to have a greater extent of transportation experience in unexpected articulation, leading to better advertising performance. Therefore, this work broadens current knowledge of the interaction between people's format knowledge (i.e., familiarity with native ads) and information incongruity (i.e., unexpected articulation).

References are available upon request.

**EXAMINING THE RELATIONSHIP BETWEEN CONSUMER ETHICS AND CONSUMPTION OF LUXURY FASHION COUNTERFEITS: INSIGHTS FROM AN EMERGING ECONOMY**

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**Keywords:** Luxury fashion counterfeits, Counterfeit purchase and consumption, Consumer ethics, Theory of reasoned action, Emerging economy.

**Description:** Grounded in the theory of reasoned action, this study examines the effect of ethical obligation on consumers' attitude towards purchasing and intention to purchase luxury fashion counterfeits in the hitherto neglected context of an emerging economy.

**EXTENDED ABSTRACT**

**Research Question**

Counterfeiting has become an intractable ethical problem with various economic and social ramifications. However, willing counterfeit consumption has not been duly examined from the perspective of consumer ethics, which has severely restricted our understanding. There is a need to conduct more research that taps into the ethics underpinning counterfeit consumption, especially in emerging economies, where unethical counterfeit consumption is highly prevalent



but research to that effect is surprisingly scanty. By drawing upon the theory of reasoned action, the present study investigates the effect of consumers' ethical obligation on their attitude towards purchasing and intention to purchase luxury fashion counterfeits, in the context of an emerging economy. The study also examines the mediating role of attitude in the relationship between ethical obligation and purchase intention for luxury fashion counterfeits. It bears mentioning that the mediating role of attitude has been neglected in the counterfeiting literature, which contradicts a key proposition of the theory of reasoned action. We propose the following hypotheses:

- H<sub>1</sub>:** Ethical obligation has a significant negative effect on attitude towards purchasing luxury fashion counterfeits.
- H<sub>2</sub>:** Attitude has a significant positive effect on purchase intention for luxury fashion counterfeits.
- H<sub>3</sub>:** Attitude mediates the relationship between ethical obligation and purchase intention for luxury fashion counterfeits.

### **Method and Data**

Web-based survey was used for the purpose of data collection as it ensures complete anonymity, which encourages respondents to respond honestly. We used standardized scales to operationalize all of the study's constructs. The stimulus-based approach was leveraged wherein respondents were shown pictures of an original and a counterfeit product, along with their respective price information, as this approach allows the respondents to appreciate the differences between the two types of products. The respondents of the study were recruited using snowball sampling technique, as it is known to generate a sample even for studies involving sensitive topics. Due to the sensitivity of the topic, only 126 usable responses could be obtained.

The data were then submitted to analysis using SEM. We firstly assessed the measurement model through CFA. All the standardized factor loadings were significant, and exceeded the recommended threshold. The model fit of the measurement model was also acceptable, and all the constructs were found to exhibit adequate reliability and validity. A CFA-based Harman's single factor test indicated that common method bias was not a problem in the data. Thus, we proceeded to testing the study hypotheses by incorporating demographic variables as controls in the structural model.

### **Summary of Findings**

The results revealed that ethical obligation had a significant negative effect on attitude towards purchasing luxury fashion counterfeits, which in turn positively influenced purchase intention for luxury fashion counterfeits. Additionally, the indirect effect of ethical obligation on purchase intention for luxury fashion counterfeits, as routed through attitude, was also found to be significant. More specifically, attitude towards purchasing luxury fashion counterfeits fully mediated the relationship between ethical obligation and purchase intention for luxury fashion counterfeits. Thus, all the three hypotheses were supported. Amongst the control variables, only income was found to have a significant negative effect on attitude towards purchasing luxury fashion counterfeits, which indicates that high income consumers held significantly less favorable attitude towards purchasing luxury fashion counterfeits vis-à-vis low income consumers.

### **Key Contributions**

The study makes noteworthy contributions to both academe and practice. To begin with, limited scholarly attention had been devoted to examine the role of consumers' ethical

disposition in the context of willing counterfeit consumption, especially in emerging economies, where instances of unethical consumer conduct are more common. This study adds value to the counterfeiting scholarship by investigating the role that consumers' ethical obligation plays in deterring their preference for luxury fashion counterfeits in the peculiar context of an emerging economy, India. Second, by empirically validating the mediating role of attitude, the study overcomes the shortcomings of the previous studies in the counterfeiting literature that have undermined the theory of reasoned action by disregarding its fundamental tenet that pegged attitude as a mediator between antecedents and behavioral intention. Third, by incorporating a variable of ethical substance in the theory of reasoned action, the study also extends the predictive validity of the theory. The findings can also be leveraged by the managers of luxury fashion brands to combat counterfeiting. Managers can consider launching ethical awareness programs that aim to educate the consumers about the intrinsic unethicity of counterfeit consumption. Such programs are likely to elicit ethical marketplace behavior from consumers.

References are available upon request.

## **EXPOSURE TO NATURE INCREASE CONSUMERS' PREFERENCE FOR WEAK SENSORY PRODUCTS**

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**Keywords:** Exposure to nature; Sensory products; Sense of inner peace

**Description:** This research examines the effect of exposure to nature on consumers' preference for weak sensory products and its underlying mechanisms.

### **EXTENDED ABSTRACT**

#### **Research Question**

Based on the different level of sensory stimulation, consumers can divide the products into weak sensory products and strong sensory products (Batra and Ghoshal 2017). Previous research has found that self-threat and social comparison can significantly increase consumers' preference for strong sensory products (Batra and Ghoshal 2017; Jung et al. 2021). While these studies provide meaningful insights, it remains unclear how to increase consumers' preference for weak sensory products. In this research, we focus on one fundamental environmental factor—exposure to nature, which refers to an individual's contact with the non-threatening natural environment or nature-related environmental cues (Bratman et al. 2012). As the restorative effects of natural environments provide individuals with the opportunity to “being away”

from the habitual activities and concerns of daily life (Kaplan 1995)., we postulate that exposure to nature will increase an individual's sense of inner peace. Further, the Emotion-congruency effect suggests that consumers tend to evaluate products matching their state more positively (Kim et al. 2010). Taken together, we postulate that exposure to nature will increase consumers' preference for weak sensory products, which will be mediated by the sense of inner peace.

### **Method and Data**

Two studies were conducted to test these hypotheses. Study 1 used a 3 (slide show: nature vs. built vs. control) between-subjects design to test the main effect. First, participants in the nature and built conditions were shown a series of pictures based on the conditions and were instructed to imagine themselves in the scene depicted in the pictures. Participants in the control condition skip this task. Next, all participants were asked to indicate how spicy they wanted their lunch to be, the intensity of massage they wanted, and their relative preference for “inspiring songs” and “soothing songs” on a 7-point scale separately.

Study 2 used a 2 (shopping mall style: with nature vs. without nature) between-subjects design to demonstrate the mediating role of sense of inner peace. First, participants were shown a video of a hypothetical mall. The only difference between the videos in the two conditions were the presence of natural elements. Then, participants reported their feelings of inner peace on a 7-point scale. Finally, participants were told that the mall was planning to install a fragrance system and were asked to indicate their relative preference between a strong and a weak sensory stimulation fragrance on a 7-point scale.

### **Summary of Findings**

In line with our predictions, the results of Study 1 showed that participants in the nature condition reported a greater preference for the product with weak sensory stimulation than those in the built (lunch:  $p = 0.039$ ; message:  $p < 0.001$ ; music:  $p < 0.001$ ) and the control condition (lunch:  $p < 0.001$ ; message:  $p < 0.001$ ; music:  $p < 0.001$ ), but there was no significant difference between the latter two conditions (lunch:  $p = 0.194$ ; message:  $p = 0.191$ ; music:  $p = 0.191$ ).

In study 2, we replicated the main effect of exposure to nature. Specifically, participants in the with-nature condition had a greater preference for the weak sensory stimulation fragrance than those in the without-nature condition ( $p < 0.001$ ). We then performed a mediation analysis (Model 4). The 95% confidence interval of sense of inner peace excluded zero (95% CI = -0.25 to -0.01), indicating sense of inner peace as a mediator.

### **Key Contributions**

The results of the current research provide both meaningful theoretical contributions and practical implications in multiple ways. Theoretically, our research first contributes to the sensory consumption literature by identifying exposure to nature as a novel antecedent that can significantly influence consumers' preference for weak (vs. strong) sensory products. To our knowledge, our research is the first to investigate how to increase consumers' preference for weak sensory products. Furthermore, we identify a different underlying mechanism to explain consumers' preferences between different sensory products (Batra and Ghoshal 2017; Jung et al. 2021).

Managerially, our research suggests that marketers can flexibly employ natural

elements in retail settings based on the attributes of the target product to obtain better promotion outcomes. For example, when promoting products with weak sensory stimulation, marketers can introduce natural elements into the store, such as potted plants and natural sounds, to increase the perceived attractiveness of the target product. Conversely, marketers should minimize the use of natural elements when promoting products with strong sensory stimulation. In addition, in an online shopping context, marketers can add or remove natural elements in product advertising, website design, and/or other content based on the sensory stimulation attributes of the product.

References are available upon request.

**Acknowledgment:** This study was supported by the Outstanding Innovative Talents Cultivation Funded Programs 2021 of Renmin University of China.

## **FEAR OF MISSING OUT AND ITS IMPACT ON CONSPICUOUS CONSUMPTION: THE ROLE OF AFFILIATION MOTIVES AND FACE- SAVING**

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**Keywords:** luxury brands, fear of missing out, social identity theory, group affiliation, face-saving

Leveraging social identity theory, coupled with a mixed-methods and multi-country research approach involving qualitative study conducted with senior luxury retail managers in India and a quantitative survey of consumers in Mexico, our results demonstrate how FOMO motivates consumers to consume conspicuously

## **EXTENDED ABSTRACT**

### **Research Question**

Fear of missing out (FOMO) is a unique affective response where consumers feel apprehensive about not knowing information, events, experiences or life decisions that could lead to better life outcomes (Przybylski et al., 2013). FOMO can be best used to describe the feelings of concern, apprehension, and consternation that some individuals experience, when consumers feel that their peers are receiving something enriching and gratifying, which they are not. Although FOMO is more associated with online behaviors, including internet and social media usage extant research demonstrates that it has also transcended into offline behaviors (Zhang, Jiménez, & Cicala, 2020).

In our paper, we build on extant research leveraging FOMO using the theoretical lens of social identity theory (Tajfel and Turner, 1979), through addressing a novel question: Does FOMO

motivate conspicuous consumption? Moreover, earlier research shows FOMO plays an important role in social comparison, social identity, need for belongingness, and distinction from others, which leads individuals to engage in self-concept boosting behaviors (Yin et al., 2019). Thus, we ask, what are the psychological mechanisms underpinning the effect of FOMO on conspicuous consumption and their related boundary conditions?

### **Method and Data**

We report the results of two studies: a qualitative study involving 16 in-depth interviews with senior managers who manage large global luxury brands in India, coupled with a quantitative survey-based study conducted among 453 Mexican consumers. The qualitative study allows us to explore the phenomenon of FOMO in culturally grounded context and helps set up the hypotheses for the quantitative study. The quantitative study offers unique insights on the above stated research questions. Based on our qualitative study and the hypotheses established, we endeavored to test and validate these hypotheses through a study conducted in Mexico. We selected Mexico, because it is one of the strongest markets in Latin America with high potential (Statista, 2021). Besides the common luxury markets such as United States and United Kingdom, extant research has studied countries such as India and China (Jacob, Khanna, & Rai, 2020; Mainolfi 2020), which are fairly ubiquitous markets, but Mexico, on the other hand, has been relatively neglected and understudied, which makes it an interesting market to explore. Another reason to conduct Study 2 in Mexico was to also enhance the generalizability of our research. Participants from Mexico were randomly selected through Prolific, a UK-based panel data provider.

### **Summary Of Findings**

Our quantitative study not just built upon the important themes that emerged from Study 1, but also revalidated our hypotheses, which emerged as a result of our interviews with the senior

managers. Along with validating our hypotheses and demonstrated how FOMO, mediated by group affiliation and affiliation for higher status groups, leads to conspicuous consumption, we also demonstrate how face-saving serves as a moderator by strengthening the relationship between group affiliation and affiliation for higher status groups, leading to conspicuous consumption. In particular, face-saving has been studied mainly in Asian markets, and particularly in the case of Chinese consumers (Mo & Wong, 2019; Huang & Wang, 2018; Le Monkhouse, Barnes, & Stephan, 2012). We study face-saving in the context of Mexican luxury consumers and our study is probably among the very few that provides a unique dimension by establishing that even Latin American consumers are concerned about maintaining face, public dignity, and standing in society. In conclusion, both our studies support our research question and validate our hypotheses, thereby contributing to the literature and the changing paradigms that drive luxury consumption globally.

### **Key Contributions**

From a managerial and public policy perspective, our findings highlight the conditions under which marketers of conspicuous goods may benefit from the FOMO effect. With this effect being observed globally, the findings, particularly relating to underlying affiliation motives and face-saving may help managers in developing appropriate communication narratives in their advertising, branding, and marketing initiatives. Our findings offer policy makers insights on developing relevant interventions that can reduce the negative effects of FOMO reflected in ostentatious consumption by using affiliation motives as a tool to weaken this relationship. This study has important implications for managers at luxury firms, because although consumers are attracted toward luxury goods for demonstrating their unique social identity, it must be kept in mind that many markets, such as India, China, and Mexico, are very price-sensitive. As global luxury brands are important for consumers to get noticed and seek access to group membership,

firms must ensure that they introduce “diffusion brands” or affordable sub-brands, in order to meet the diverse demands of a mass market, because luxury consumers are not homogeneous (similar), but rather possess heterogeneous (dissimilar) traits (Pangarkar, Shukla, and Taylor, 2021). This would enable luxury fashion firms to quickly garner market share and boost revenues.

References are available upon request

**FRESHNESS MATTERS: HOW QUANTITY (VS. PRICE) DISCOUNTS INFLUENCE  
CONSUMER RESPONSE WHEN PURCHASING NEAR-EXPIRATION PRODUCTS**

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*Key words:* quantity discount; price discount; near-expiration consumption; perceived freshness.

*Description:* Customers are more likely to buy the near-expiration product with a quantity discount (vs. price discount), since they perceive the quantity discount to be less related to the suboptimal attribute (i.e., freshness for near-expiration product), which boosts the promotion effectiveness.

## EXTENDED ABSTRACT

### **Research Question**

Nowadays, food waste has become a global issue, posing a myriad of challenges for both businesses and society. Grocery stores face a significant challenge in selling fresh product before it expires. From retailer's perspective, they are concerned about the following questions: How consumers take the expiration date into account when making purchasing and consumption decisions? How could retailers effectively promote a near-expiration product?

Bundle is a prevalent and effective marketing strategy, particularly for near-expiration products. Companies frequently employ bundles as a promotional tactic to accelerate product sales. These promotion deals can be classified into two types: quantity discounts and direct price discounts. Quantity discounts entail giving consumers a free product upon the purchase, such as "buy one get one free" and "free gift"; whereas price discounts involve lowering the price that buyers have to pay, e.g., a 50% price. The current study attempts to investigate which promotion deal works better in the context of near-expiration product consumption and find the underlying mechanisms of this effect. We further test whether the characteristics associated with individuals' freshness evaluation as well as the freshness salience of the products moderate the effect of promotion framing.

### **Method and Data**

The first four studies employed a single-factor (quantity discount vs. price discount) between-subjects design. In Study 1, we find that consumers are more willing to pay for the same near-expiration product in the quantity discount than in the price discount. In Study 2A and 2B, we investigate the underlying mechanism by which a price discount reduces the perceived freshness of the near-expiration product, resulting in a lower purchase intention. We also measure the price allocation and rule out this alternative explanation. In Study 3, we

examine health consciousness as a theoretically grounded moderator. Study 4 has a 2 (freshness salience: high vs. low)  $\times$  2 (discount framing: quantity discount vs. price discount) between-subjects design. We examine the freshness salience as a boundary condition, and test our hypothesis through the process-by-moderation approach. When the freshness salience of bundle is low, people tend to have a higher purchase intention under the quantity discount framing, compared to the price discount promotion. However, when the freshness salience is high, that is people pay more attention on the freshness domain of bundles, and perceived freshness in a high priority. As a result, there was no significant difference in the purchase intention between the discount framing.

### **Summary of Findings**

Food waste is problematic for both the retailers and our society. Retailers often rely on price promotions, such as expiration date-based pricing (EDBP), to make near-expiration food more attractive to consumers (Theotokis et al., 2012). However, we argue that this assumption may not hold true and propose that consumers may respond less favorably to price promotions due to the negative impact they have on perceived food freshness. Rather, using quantity promotion may effectively mitigate the negative freshness estimation associated with price promotion, and lead to more favorable consumer responses. In the current research, we demonstrate that price promotions can harm the perceived freshness of near-expiration products, thereby discouraging consumers from purchasing them. Nevertheless, this avoidance can be overcome through the use of quantity promotions (Study 1, 2a, and 2b). We also find that the negative effect of price discount may not be significant when consumers have a higher level of health-consciousness (Study 3) or when the freshness concern becomes salient (Study 4). Overall, our findings suggest that retailers need to consider the use of quantity discounts instead of price discounts for near-expiration food to reduce food waste as well as improve consumer responses.

### **Key Contributions**

The current research has essential implications for both scholars and marketing practitioners. Building upon the behavioral pricing research, the current study proposes that different promotional strategies influence consumers' purchase decisions on near-expiration products. Customers are more likely to buy the near-expiration product with a quantity discount (vs. price discount). Instead, consumers perceive the quantity discount to be less related to the suboptimal attribute (i.e., freshness for near-expiration product), which boosts the promotion effectiveness.

Our work explores and tests the underlying psychological mechanism for freshness evaluation. Although prior work has alluded that people evaluate the food freshness through sensory cues (Barnett-Cowan, 2010; Dinnella et al., 2014), we propose and find empirical evidence for the role of the unrelated promotion cues (e.g., price discount) that can influence freshness estimation, and further affect consumers' further purchase. We believe our findings help to alleviate the food waste problem. We show that simply utilizing quantity discount effectively enhances consumers to purchase near-expiration food. Our findings make efforts to alleviate consumers' aversion to near-expiration good, and boost their consumption on the near-expiration food.

**References are available upon request.**



**HOW ROMANTIC CRUSHES INCREASE CHARITY DONATION**

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**Keywords:** Romantic crush, Charity donation, The need for psychological connectedness, Compensatory consumption behavior

**Description:** We found that: (1) romantic crushes enhance an individual's intention to donate (2) the mediator in this relationship is the need for psychological connectedness.

**EXTENDED ABSTRACT****Research Question**

Regardless of ethnic origin, charity donation has always been praised and has a strong social imperative. However, it is clear that as a senior animal, rational consideration of individual interests will also influence donation decisions in addition to the influence of momentary thrill or emotional factors (Frank, 1989; Ye, *et al.*, 2015). No matter how humans develop, we cannot escape from the need to reproduce, which is our mating motive, the most basic and powerful motivation (Chen, *et al.*, 2016). Romantic relationship does deserve our attention, notably the ubiquitous and novel field of romantic crush.

According to Mandel *et al.* (2017), the painful character of self-discrepancy motivates people to self-regulate, or engage in particular consuming behaviors to psychologically make up for such

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discrepancies. Similar to how a crush on someone makes people feel like they are in a state of

“sweet torment”, which is in stark contrast to the mutual love individual desire. Non-subjective social exclusion encourages individuals to strategically consume and act in a pro-social manner to have a sense of belonging (Mead, *et al.*, 2011). Thus, we contend that people who are experiencing a romantic crush feel uneasy about the relationship, which makes them crave psychological connectedness even more. Specific research questions are listed below.

**H1.** Romantic crushes increase charity donation.

**H2.** The need for psychological connectedness mediates the effect of romantic crushes on charity donation.

### **Method And Data**

We tested the two hypotheses through one survey and two experiments. Study 1 is an experiment that tests our main effect (H1) and confirms the causal relationship between romantic crush and charitable donation. Study 2 is a survey study that offers pertinent proof of both the main effect (H1) and the mediating effect (H2). Study 3 put the complete model to the test, adding to Study 2 by experimentally analyzing the causal relationship between variables.

Through the sample database service of Credamo (a professional research platform launched in China) and Qualtrics, the data for 3 studies was gathered with the five-point Likert scale. The survey’s findings (Study 2) supported our earlier hypotheses with a strong positive association. Significant group differences were also seen in the ANCOVA findings (Study 1 & Study 3) for the charity donation.

### **Summary of Findings**

The full research explores the relationship between romantic crushes and charity donation (H1) and the mediating role of the need for psychological connectedness (H2). There was a stepwise progression among the studies. First, Study 1 demonstrated in a lab experiment that romantic crushes promote charitable donations, supporting our main effect (H1). Study 2 then modified the

study design by giving the participants a questionnaire, which gave us preliminary support for our

mediating effect (H2) while also confirming the primary impact. Finally, Study 3 provided consistent and convincing support for H1 and H2, once more confirming the causal relationship of the mediating effect through a laboratory experiment. It demonstrates how being in a romantic crush condition makes people more likely to donate. The pain of longing for a romantic relationship with the target individual but being unable to currently have one causes the client to feel a greater need for psychological connectedness. To make up for this sense of loss, the client will increase his sense of psychological connectedness with those in society who are in need by making charitable contributions. In addition, as the studies went on, we also ruled out some potential mediators step by step, which strengthened the case for our mediators. Such as belief, empathy, impression management, and life satisfaction.

### **Statement of Key Contributions**

First, we pinpoint a brand-new precursor for donation: romantic crush. Individuals' decisions to donate or not are less objectively influenced and more irrational (Berman, *et al.*, 2018). Based on the compensatory consumption theory, we make the case for a seemingly unrelated but extremely intriguing downstream effect of romantic crush: the uncertainty and unpredictability of this kind romantic relationship will increase the person's willingness to give to charity.

Second, we discovered a brand-new effect for romantic crush: the psychological "therapeutic" role of charity donation. The focus of the current study on romantic relationships is on the area of consumption (Etkin, 2016; Wang & Griskevicius, 2014). Furthermore, only a small number of researchers have examined romantic crush as a predictor thus far. Using this new contextual component and the topic of social responsibility as a study focus. In addition to bridging the research gap in the area of romantic crush, it expands the consumer market into a brand-new area of social responsibility.

Finally, we have identified novel and crucial psychological mechanisms, namely the need for psychological connectedness. This study, however, opens up new psychological mechanisms

outside of the mainstream of empathy, morality, and life satisfaction. By emphasizing the

mediating role of the need for psychological connectedness, this paper adds knowledge about psychological mechanisms to the literature on compensatory consumption and charitable giving.

References are available upon request.

## **GENDER DIFFERENCE IN EMOTIONAL RESPONSES TO MODEL BODY SIZE**

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**Keywords:** gendered consumption, gender transgression, cross-gender consumption, brand extension

**Description:** This paper examines gender differences in the effects of model body size (i.e., thin/muscular, average, large) on consumers' emotional responses and evaluation of the advertisement and brand.

### **EXTENDED ABSTRACT**

#### **Research Question**

The emergence of body positivity and inclusivity in the fashion industry has led to the inclusion of models of various body sizes in advertisements. As a result, research has started to examine how model body size influences consumers' evaluation of advertisements and brands, as well as consumers' self-image, body esteem, and other psychological outcomes (for a review, see Rodgers et al. 2022). Although several studies investigated consumers' emotional responses toward body-positive advertising (Andersen and Paas 2014; Kraus and Myrick 2018; Pounders 2018) or plus-size models (Pounders and Mabry - Flynn 2019), research has not systematically examined consumers' emotional responses and the difference in men's and women's responses to different model body sizes. The current research therefore examines gender differences in the effects of model body size (i.e., thin/muscular, average, large) on consumers' evaluation of the advertisement and brand, psychological outcomes (i.e., body esteem, self-objectification), and importantly, emotional responses (i.e., arousal, valence, dejection, disgust, anger, agitation, excitement). Two experiments examined consumers' responses to ads featuring models with different body sizes.

#### **Method And Data**

A set of real advertisements ( $n=386$ ) was collected and coded in terms of model sex, body size, ethnicity, and other variables. Six advertisements for undergarments with identical ratings across variables other than sex and body size served as stimuli. In study 1, participants (students,  $n=321$ ) who identified as female [male] were assigned to the female [male] model condition and reported ad and brand attitude, arousal, excitement, pleasantness, and discomfort, state body esteem ( $\alpha=.875$ ; Heatherton and Polivy 1991), and state self-objectification (SSOQ; Calogero and Jost 2011; OBSC;  $\alpha=.726$ ; Breines et al. 2008), and completed manipulation checks and demographic measures. A 3 (model body size: thin, average, large)  $\times$  2 (model/consumer gender: male, female) MANCOVA on the dependent variables showed a significant model body size  $\times$  gender interaction on ad attitude ( $F(2, 312)=4.24, p=.015$ ), a significant main effect of gender on various feelings ( $ps<.001$ ), and a main effect of gender on state body esteem ( $F(1, 312)=5.34, p=.021$ ) and state OBSC ( $F(1, 312)=4.07, p=.044$ ). Study 2 (students,  $n=201$ ) measured additional variables, such as dejection and agitation (Higgins 1987), body shame (Noll and Fredrickson 1998), and appearance anxiety (Dion, Dion, and Keelan 1990). A 3  $\times$  2 MANCOVA was conducted as in study 1.

### **Summary of Findings**

Study 1 shows that model body size had a stronger effect on women than men. Exposure to a thin model resulted in more negative ad/brand attitudes for women ( $ps<.003$ ), but not to a muscular model for men ( $ps>.73$ ). Second, a thin model resulted in higher arousal and discomfort for women ( $ps<.05$ ), whereas body size did not influence men ( $ps>.45$ ). Overall, women (vs. men) report more positive evaluations and feelings towards ads/brands ( $ps<.001$ ) but experience lower body esteem ( $p=.021$ ) and greater self-objectification ( $p=.044$ ). They evaluate ads with large-size models more favorably and exhibit more positive emotional responses toward these ads. Study 2 suggested similar results and further showed that a muscular model elicits more positive responses in men

( $p < .05$ ). Women felt more dejected when seeing a thin model, while men felt less dejected when exposed to a muscular model. Men (but not women) expressed disgust toward an ad with a large-sized (vs. muscular) model.

Overall, two experiments show that model body size more strongly impacts women's (vs. men's) responses. Whereas women reported more favorable attitudes and emotions toward a large-size (vs. thin) model, men favored and expressed less disgust and dejection toward a muscular (vs. average, large) model.

### **Statement of Key Contributions**

This article contributes to the marketing literature and advertisement practices in several ways: It clarifies research finding gender differences in responses toward thin models (Pounders, Rice, and Mabry-Flynn 2017) by examining the emotional responses toward thin/muscular, average-sized, and large-sized models. Consistent with findings that the feeling of shame explains female (but not male) consumers' self-comparison to models (Pounders, Rice, and Mabry-Flynn 2017), we find that male consumers feel less dejected after exposure to a muscular model. Further, male consumers favor advertisements including muscular models, whereas female consumers respond to advertisements with large-sized models more favorably.

These gender differences in emotional responses to different model body sizes suggest that the choice of models in advertising practice needs to consider consumers' gender. For advertisements targeting male consumers, inclusion of a muscular (vs. large-sized) male model enhances ad and brand attitudes without compromising male consumers' body esteem and body image. For advertisements targeting female consumers, inclusion of a thin model not only results in less favorable ad and brand evaluations but also decreases body esteem, while increasing

appearance anxiety. These findings have implications for advertising practice but also highlight female consumers' greater vulnerability in response to idealized advertisements.



**HOW MICRO (VS. MEGA) INFLUENCERS DRIVE WORD-OF-MOUTH IN THE  
AGE OF DIGITAL ECONOMY: THE MODERATING ROLE OF CONSUMERS'  
MINDSET**

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*Keywords:* influencer marketing, mindset, word-of-mouth, digital marketing, micro  
influencer, mega influencer

*Description:* In this research, we show a novel finding that micro-influencers are more  
persuasive than mega-influencers when consumers adopt a growth (but not a fixed) mindset,  
as growth-mindset consumers perceive micro (vs. mega) influencers to be more trustworthy.

**EXTENDED ABSTRACT**

**Research Question**

Existing research on the effectiveness of social media influencer advertising has yielded mixed  
findings regarding the persuasiveness of mega-influencers (i.e., those with a higher number of  
followers) versus micro-influencers (i.e., those with a lower number of followers). This

suggests that additional factors may come into play when determining which type of influencer is more effective. In the current study, we aim to demonstrate that product endorsements by micro-influencers generate greater word-of-mouth when consumers adopt a growth (but not a fixed) mindset. This is because consumers with a growth mindset perceive micro-influencers as more trustworthy, believing that their endorsements stem from more genuine motivations. These findings contribute to the expanding body of literature on influencer effectiveness by emphasizing the significance of mindset in influencing the impact of different influencer types. Moreover, these results have practical implications for marketers and social media influencers, as they offer strategies for micro-influencers to enhance the effectiveness of their endorsements.

### **Method and Data**

Two online experimental studies were conducted. In Study 1, 236 participants from Amazon MTurk were assigned to a 2x2 between-subjects design, considering the factors of influencer type (micro vs. mega) and mindset (growth vs. fixed). Participants first read and evaluated an article on human personality malleability to prime them with a specific mindset. Then, they viewed the Instagram page of a fictional influencer with either 37,100 followers (micro-influencer) or 3.7 million followers (mega-influencer). Participants evaluated a promotional post from the influencer endorsing a fictional chocolate brand. Intention for word-of-mouth (WOM) was measured using 7-point scales, along with perceived trustworthiness of the influencer on the same scales.

Study 2 involved 241 participants from MTurk, following the same 2x2 between-subjects design. Real micro-influencers or mega-influencers on Instagram were shown to participants. They evaluated a sponsored post promoting a chocolate brand, similar to Study 1, but the wording of the post was manipulated to elicit either a growth or fixed mindset. Positive WOM was measured using the same scale as in Study 1. Familiarity with the influencer was

also assessed due to the use of real influencers.

### **Summary of Findings**

Results from both studies supported our predictions. In Study 1, 2X2 ANOVAs revealed a significant interaction between influencer and mindset on trustworthiness and positive WOM. Specifically, participants perceived the micro (vs. mega) influencer to be more trustworthy (5.24 vs. 4.69;  $p = .019$ ) and reported a higher positive WOM (4.83 vs. 4.10;  $p = .014$ ) when evaluating their sponsored post on the chocolate bar. However, these differences did not emerge for participants with a fixed mindset. Moreover, a moderated mediation analysis (PROCESS model 8) revealed that the indirect effect of influencer (1 = micro, -1 = mega) on WOM via perceived trustworthiness was significant in the growth mindset condition ( $B = .29$ , 95% CI: [.06, .51]), but not in the fixed mindset condition ( $B = -.11$ , 95% CI = [-.37, .15]).

In Study 2, we conducted a 2X2 ANCOVA with influencer familiarity as a covariate to examine positive WOM. Again, a significant interaction between influencer and mindset emerged. Specifically, participants with a growth mindset reported a higher positive WOM when evaluating the micro-influencer (4.48 vs. 3.89;  $p = .028$ ), but the effect of influencer disappeared among participants with a fixed mindset ( $p = .396$ ).

### **Statement of Key Contributions**

The implications of our research are threefold, theoretically and practically. First, we add to the emerging stream of literature on the effectiveness of influencer types by examining the moderating role of consumers' mindset in determining the effectiveness of micro (vs. mega) influencers. This is theoretically meaningful because there are mixed findings related to the effectiveness of social media influencers, with some research suggesting that mega-influencers

are more influential (De Veirman et al., 2017; Jin & Phua, 2014), while others argue that micro-influencers are more effective (Kay et al., 2020; Park et al., 2021). Second, we address the call for future research from Mandal et al. (2021) to explore how consumers' mindset could affect WOM. Finally, our findings provide guidance for marketers and social media influencers to develop effective communication strategies to increase positive WOM.

References are available upon request.

**HOW REVIEWERS' IDENTITY DISCLOSURE AND EXPERTISE AFFECT  
CONSUMER RESPONSES: THE MEDIATING ROLE OF PERCEIVED  
DECEPTION**

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**Keywords:** Online review, Fake review, Perceived deception, Reviewer identity, Reviewer expertise

**Description:** This research explores how reviewers' profile cues (identity disclosure and expertise) influence consumer responses (booking intention, negative word-of-mouth (NWOM), and negative emotion) via perceived deception, and examines the moderation effect of online review scepticism on the relationship between reviewer's profile cues and perceived deception.

## **EXTENDED ABSTRACT**

### **Research Question**

Deceptive reviews which evaluate products or services using fake accounts or paid reviewers are increasingly being used to mislead those making booking decisions using online review websites (ORW). Reports published in mass media regarding the existence of deceptive reviews may have led to consumers becoming more sceptical of online reviews. However, scholars do not fully understand how consumers respond to online reviews which they perceive as deceptive (Filieri et al., 2018). Some consumers use profile cues such as a reviewer's identity disclosure (e.g., name and location) or expertise (e.g., level of expertise and/or number of reviews) to make judgments about the quality of an online review and identify potentially deceptive reviews. However, there is a lack of academic knowledge regarding how consumers respond to online reviews they perceive are deceptive emotionally, or by reducing booking intention (BI) or warning other consumers by sharing negative word of mouth (NWOM). Therefore, we attempt to answer the following research question: How does: a). reviewer profile cues influence the relationship between perceived deception and consumer responses (negative emotion, BI, NWOM) b). online review scepticism moderate the relationship between reviewer profile cues and perceived deception?

### **Method and Data**

An online experiment was conducted using a 2 (identity disclosure: high, low) x 2 (expertise: high, low) between-subject design to explore how profile cues influence perceived deception and ultimately consumer responses (specifically, BI, NWOM and negative emotion). The hotel industry was chosen as the research context, for its salience in online review research (Filieri and McLeay, 2014; Liu et al., 2019). 369 US participants were

recruited through Prolific. After screening to filter out participants who do not regularly consult online reviews and failed attention checks a final sample size of 321 (245 female) participants was analysed.

Participants were asked to imagine that they are searching for a hotel for their next vacation and find a hotel review on an online review website. Subsequently, participants were randomly assigned to one of the four conditions: condition 1 (high identity disclosure, high expertise), condition 2 (high identity disclosure, low expertise), condition 3 (low identity disclosure, high expertise), and condition 4 (low identity disclosure, low expertise). A questionnaire followed, which includes manipulation check, existing validated scales for all constructs (online review scepticism, perceived deception, booking intention, NWOM, and negative emotion) hypothesised in this study, and demographic information.

### **Summary of Findings**

Results from an analysis of variation (ANOVA) tests show that participants, who were assigned to the low (vs high) identity disclosure condition, identified higher levels of perceived deception. Participants, who were assigned to the low (vs high) expertise condition also had higher levels of perceived deception. Results from the PROCESS macro-Model 1 show that there was a positive significant moderating effect of online review scepticism on the relationship between low reviewer's identity disclosure, low reviewer's expertise, and perceived deception. Effects on perceived deception were statistically significant and positive when online review scepticism was high but not when it was low. Findings from the PROCESS macro-Model 4 reveal that both, a reviewer's identity disclosure and a reviewer's expertise, have positive and statistically significant effects on perceived deception. Perceived deception, in turn, has a negative effect on BI, and positive effects on NWOM and negative emotion. The results from the PROCESS macro-Model 7 show that the indirect effect of

identity disclosure on consumer responses via perceived deception was only significant when online review scepticism was high. In contrast, the indirect effect of expertise on consumer responses via perceived deception was significant at both levels of online review scepticism, i.e., high and low.

### **Statement of Key Contributions**

This research addresses gaps in the extant literature by answering calls for more research focusing on the influence of perceived deception on consumer responses (Filiari et al., 2018). Building on two well-known theories (social information processing theory and persuasion knowledge model) and supplementing them with existing literature, we develop and test a framework to assess how reviewers' profile cues influence consumers' perceived deception, and in turn subsequent consumer responses. We also show the moderation effect of online review scepticism on the relationship between reviewer's profile cues and perceived deception.

From a practical perspective, deceptive reviews have become a top concern for many ORW. In 2022, representatives from many ORW met for a closed-door conference to discuss how they could work together to tackle deceptive reviews (Cramer, 2023). Although posting deceptive reviews is illegal and an unethical behaviour (Thompson and Grant, 2023), some hotels still post deceptive reviews (Gray, 2022). In this context, we present empirical validation of a model that can help ORW understand how reviewer's profile cues can cause consumers to perceive deception. We also show the negative consequences of perceived deception on consumer responses. Therefore, businesses should abandon and reject following deceptive approaches such as posting deceptive reviews.

*References are available upon request.*



## **HOW TO PROMOTE DEATH-RELATED CONSUMPTION? A PERSPECTIVE FROM MARKETING COMMUNICATION**

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**Keywords:** death-related products or services (DRPS), second language, consumer avoidance, transcendence, customer participation

**Description:** This paper investigates whether and why using consumers' second languages can nudge consumers to consider death-related products and services through reducing consumers' avoidance to death-related sales information, and how this effect is attenuated by DRPS' transcendence feature.

### **EXTENDED ABSTRACT**

#### **Research Question**

Death-related products or services (DRPS), such as life insurance and funeral services, help consumers prepare for death and handle its aftermath. The offerings of this massive market are universally necessary, but consumers often resist marketing information about DRPS, because death-related thoughts are fearsome and make consumers adopt a proximal defense

to deliberately avoid these thoughts (Pyszczynski, Greenberg, and Solomon 1999). This research proposes a solution to overcome this avoidance.

Use of multiple languages is common across the globe (Gration 2021). Consumers' L1 are acquired and used in daily life, while learn L2 in more formal contexts (e.g., classrooms) that feature little emotion (Pavlenko 2012) and activate less emotion-related neural structures (Foroni 2015). Drawing on literature on language use, our research suggests that when sales messages of DRPS are in consumers' second (vs. native) language (e.g., using "muerte", death in Spanish, when talking to a native English consumer whose second language is Spanish), consumers' fear of death decreases, which then lessens their avoidance of sales communication and induces stronger purchase intent. This effect becomes attenuated when the product or service features transcendence after death. Nevertheless, it is amplified for DRPS that require a high level of customer participation.

### **Method and Data**

Study 1 adopted a between subject design: A local data collection agency helped us get 242 Hong Kong (L1: Chinese vs. L2 English). They completed a survey about public niches for urns that contain remains. We measured avoidance of DRPS sales information and purchase intent, by asking whether they wanted to know more about the service and how likely they likely they were to purchase the service (1 = Not at all, 9 = Very much, and same for following studies).

Study 2 adopted a 2 (English as L2 vs. German as L1)  $\times$  2 (DRPS features: transcendence vs. non-transcendence) between-subjects design and use biodegradable urn as the context.

Specifically, transcendent urn allows consumers grows into a tree while non-transcendent urn does not. We checked this manipulation and measured purchase intent.

Study 3 used a 2 (Spanish as L2 vs. English as L1)  $\times$  2 (customer participation level: high vs. low) between-subjects design in context of funeral planning. For each detail of the funeral, participants chose among given options in high participation level condition but only read a list of options in low participation level condition. All participants indicated their purchase intent.

### **Summary of Findings**

Study 1 has found that participants read in Chinese (L1) avoided receiving further information (30.1%) than in English (L2; 17.6%;  $p = .023$ ), and were less likely to purchase the service (4.07 for L1 vs. 4.45 for L2;  $p = .032$ ). Mplus code of Model 4c (Stride et al. 2015) affirmed that the indirect effect was significant (.165, 95% CI [.047, .289]).

Study 2 showed that the manipulation worked, and an ANOVA on purchase intent found significant interaction ( $p = .015$ ). Without transcendence, people indicated higher intent to purchase the DRPS in English ( $M = 5.47$ ) than in German ( $M = 4.29$ ;  $p < .001$ ), and this effect disappeared for DRPS featuring transcendence, (5.97 for L2 and 6.00 for L1,  $p = .942$ ).

In Study 3, an ANOVA revealed a significant interaction effect ( $p = .035$ ). At low level of customer participation, people expressed higher intention to purchase a DRPS introduced in a L2 ( $M = 5.76$ ), than in their L1 ( $M = 4.95$ ,  $p = .005$ ). At high level of customer participation, this effect became even stronger. Participants indicate much higher consumption intentions in Spanish (L2) ( $M = 5.87$ ) than in English (L1) ( $M = 4.19$ ;  $p < .001$ ).

### **Statement of Key Contributions**

Our research contributes to extant literature in a few ways. First, this study advances literature on marketing communication. Previous research has predominately examined effects of various linguistic factors (e.g., language styles; Packard and Berger 2020), yet the role of L2 use in marketing has been understudied. Second, we add to emerging marketing literature involving death-related consumption, building beyond qualitative approaches (e.g., the meaning of death; Bonsu and DeBerry-Spence 2008). Third, this research extends the theoretical implications of terror management and literature on bilingualism to the marketing of DRPS.

Our findings suggest relevant, practical ways for marketers, consumers, and policy makers to overcome consumers' avoidance of death. Specifically, DRPS marketers can train salespeople to identify and use target consumers' L2 when providing sales information to alleviate consumer avoidance, especially when DRPS require customer participation or feature low transcendent of death. Likewise, consumers might actively seek out information in their L2 to help deal with their own avoidance, or they could focus on the transcendent potential of DRPS. For public policy makers, they could use residents' L2 to promote initiatives linked to death, such as organ donation and green burial.

## **HUMAN AND AI TEAM COLLABORATION AFFECTING CUSTOMER EXPERIENCE IN SERVICE CONTEXTS**

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**Keywords:** service providers, human and AI teams, relationship norms, health-belief model

**Description:** Depending on the communal and exchange relationship norms expected in service, consumers' intention to use service providers changes via their perceptions of different human and AI agent configurations.

### **EXTENDED ABSTRACT**

#### **Research Question**

Firms and institutions in the service industry employ human and AI service employees, impacting customer perception differently. Existing literature explores the implementation of hybrid human-AI service teams in service marketing, focusing on conceptual work. However,

there is a lack of research on how customers perceive human and AI service teams in specific contexts.

The first justification for this study is the literature suggesting that the optimal solution for service delivery is a collaboration between humans and AI agents. However, customers often need help with AI technologies, leading to a preference for human involvement and reluctance to share information. Understanding customer reactions to human and AI service agents is crucial for marketers navigating the challenges of AI implementation. Secondly, implementing a hybrid team of human and AI agents is not a universal solution across industries. Each firm in the service industry establishes specific relationships with its customers, and customer expectations vary accordingly. Therefore, it is essential to investigate whether customer expectations of human and AI service agents are similar across different industries.

In summary, this study asks, "How do customers perceive and expect the roles of human and AI service agents in different industries that might affect their use?"

## **Method and Data**

For the mental health and financial investment contexts, two hundred (( $M_{age}$ ,  $SD$ ) = (33.47, 12.44), 60.9% female) and two hundred and eight (( $M_{age}$ ,  $SD$ ) = (33, 10.193), 47.7% female) participants were recruited on an online with monetary compensation, respectively. All participants were assigned randomly to one of the four conditions that depict an imaginary interaction in a service interaction (Human presence: Yes or No and AI presence: Yes or No). In four interaction scenarios, participants were told to carefully read a service interaction that prompts them to imagine a situation where they are looking to assess and track their moods and be recommended exercises regarding their mood or looking for advice on financial investments based on their

investment profiles. After reading the scenarios, participants answered questions about their perceptions of convenience and trust towards the service provider, their preferences for self-disclosure, and their intentions to use. All questionnaires were on a 7-point Likert scale for helping to keep variance across the survey the same.

We test our hypotheses in communal and exchange industries, examining the effects of human and AI service provider presence on perceived benefits of service providers (e.g., convenience, self-disclosure, and trust), which then affects intentions of use.

### **Summary of Findings**

In these studies, we have examined the presence of human and AI service providers in different service contexts that comply with communal and exchange relationship norms. Our results showed that regardless of the industry, AI presence increases the perceptions of convenience and human service provider presence increases the perceptions of trust and self-disclosure tendencies in individuals. Moreover, in communal industries, the effect of human service providers on intentions to use mediated by service provider benefits is significant only when AI service providers are absent. When AI is used as a decision-support tool, it erases the perceptions of trust and self-disclosure when individuals interact with human service providers. However, this effect was reversed for convenience. Convenience may serve to exchange relationship norms and therefore expected more from AI service providers even in communal industry contexts such as health. For exchange industry contexts, the presence or absence of AI service providers did not change the effects between the human service provider presence and intentions of use mediated by trust, self-disclosure, and convenience. This might mean that

individuals do not expect communal relationship benefits, such as trust and self-disclosure, in industries such as finance, simply due to their exchange-based nature.

### **Key Contributions**

Our initial contribution focuses on examining customer reactions to various service provider configurations. We investigate the impact of four different setups, "human only," "AI only," "AI and human service team," or "no agent," considering the presence or absence of humans and AI. We aim to understand how customers perceive interactions with humans and AI agents, as these perceptions differ. This study lets us gain insights into consumers' diverse responses based on the service configuration.

Moreover, we explore how customer reactions vary towards human and AI service employees in different service industries, where distinct relationship norms govern service relationships. Factors such as convenience, trust, and self-disclosure play a significant role in these reactions. For instance, customers are more likely to prefer "human-only" interactions in industries emphasizing communal relationships, aligning with the expectation that relationship norms in communal industries prioritize the individual's well-being.

Lastly, we recommend implementing human and AI service teams in various contexts. Managers must understand which service provider interactions in different industries can be tailored to meet customer needs and account for their perceptions of human and AI agents. We explore the mediating processes between the presence of service providers and customers' intentions to use their services.



**I FEEL I BELONG: LONELINESS INCREASES SUPPORT FOR BRAND  
ACTIVISM**

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Keywords: loneliness, brand activism, political ideology, attitudes

Description: This research provides evidence that feelings of loneliness will increase positive attitudes and support towards brands that engage in activism among liberals (but not conservatives) because they feel an increased sense of connectedness with people using the same brand.

## EXTENDED ABSTRACT

### **Research Question**

The perception that one's needs for belonging are not adequately met results in feelings of loneliness (Mellor et al., 2008). In this research we investigate brand activism, the act of publicly taking a stand on divisive, socio-political issues by a brand (Kotler & Sarkar, 2017) as a means through which lonely individuals can fulfil their need for belongingness. We argue that feelings of loneliness will increase positive attitudes and support towards brands that engage in activism among the liberals (vs conservatives) because they feel an increased sense of connectedness with people using the same brand. This increased sense of connection will only occur among the liberals who see brand activism as a means of joining a community who share the same objectives of promoting social justice and welfare. We also argue that the liberals will only demonstrate support towards brand activism when the cause is consistent with their political beliefs. This is because liberals will feel an increased sense of connection with people using the same brand only if the community is of like-minded people with the same beliefs and objectives, thus providing the sense of belonging and security that lonely individuals need.

### **Method and Data**

*Study 1* (N = 391 Prolific; 49.6% females,  $M_{\text{age}} = 42.65$ ) was a preliminary correlational investigation of the interactive effect of loneliness and political ideology on brand activism via communal-brand connection. Study 1 employed a loneliness (continuous) by political ideology (liberal vs. conservative) between-subjects design. Participants first read a news article about a brand engaging in activism. Following this, attitudes towards brand, communal brand connection and loneliness were measured.

**Study 2** (N = 397 Prolific; 49.6% females,  $M_{age} = 34.02$ ) provided causal evidence by inducing loneliness among participants. This study employed a loneliness (lonely vs. control) by political ideology (continuous) between-subjects design. Participants were randomly assigned to either the lonely or control condition. Participants then completed brand attitudes and communal-brand connection scales. Finally, participants reported their political ideology.

In **Study 3** (N = 801 Prolific; 49.9% females,  $M_{age} = 37.11$ ) we identified (in)congruence of activism appeal as a boundary condition. In Study 3 both liberal and conservative appeal types were examined. This study employed a 2 (lonely condition: lonely vs. control) by 2 (appeal type: liberal vs. conservative) by political ideology (measured) between-subjects design.

### **Summary of Findings**

Three studies provide evidence that loneliness among individuals with a liberal (but not conservative) political ideology leads to increased support towards brands that engage in activism. We also provide evidence that loneliness among liberals (but not conservatives) leads to increased support for brand activism because they feel an increased sense of connection with users of the same brand. Thus, we establish communal-brand connection as the mechanism through which this effect occurs. Furthermore, we identify (in) congruence between one's political ideology and brand activism's cause as a boundary condition for the loneliness effect.

### **Key Contributions**

This research contributes to literature on loneliness by investigating a novel consequence of loneliness on consumer behaviour. The findings suggest that loneliness leads to increased positive attitudes and support for brand activism but only among the liberals and not the

conservatives. This research also contributes to literature by exploring brand-communal connection as a mechanism driving the effect of loneliness on brand activism support. Our findings suggest that engaging in brand activism, even indirectly such as showing support to those committed to a certain cause could be a source of social connection and provide a sense of belongingness to those with high relational motivation. To date little research has shed light on factors that increase support towards brand activism. Previous research has shown how consumers react to and may demonstrate mixed reactions to brand activism (Mukherjee & Althuizen, 2020; Garg & Saluja, 2022). The current research contributes by identifying loneliness as a factor that could increase support for brands that engage in activism. From the practical perspective, it offers implications for brands as well as consumers. Brands can ensure increased support for their stance on divisive issues, by engaging in activism that is congruent with the target consumers' political beliefs.

# Influence of Nutri- and Eco-Score on Consumers' Buying Behavior

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**Keywords:** Nutri-Score, Eco-Score, Nutrients, Buying Behavior

**Description:** The paper focuses on the labeling of products with a Nutri- and Eco-Score, showing higher purchase intentions for products with better scores, however being mediated by perceived behavioral control and perceived complexity.

## Extended Abstract

**Research Question** Healthy nutrition and environmental consciousness represent important drivers of consumers and have become highly relevant during the last years. Thus, food producers and retailers try to increase transparency of their products by labeling products with specific scores. However, these scores might be too complex or generating a feeling of lower perceived control. In detail, we formulate our research question: How does purchase intention of food differs based on the level of Nutri- and Eco-Scores labeled on them? Hereby, we further refer to the mediating effects of perceived behavioral control and perceived complexity.

**Method and Data** An online experiment was conducted (N=143) investigating the influence of a good and bad Nutri- and Eco-Score on purchase intention. Additionally, the mediating influences of perceived behavioral control and perceived complexity were measured.

**Summary of Findings** Results show that a good Nutri- and good Eco-Score lead to higher purchase intentions. Furthermore, the combination of a good Nutri- and good Eco-Score leads to an even higher purchase intention. Moreover, the effect of Nutri-Score on purchase intention is mediated by perceived behavioral control, while the effect of Eco-Score on purchase intention is mediated by perceived complexity.

**Statement of Key Contributions** Several contributions can be derived to academe and practice. Green emotion model and theory of consumption values were considered in the context of using labels with information about nutrients as well as the environmental impact of products. Hereby, additional information about the product might be seen as functional value for consumers leading to higher intentions of purchasing the product. Regarding food producers and retailers, results also offer important contributions. They might be evaluated more transparent by consumers when using labels like the Nutri- and Eco-Score, being valued by consumers with higher purchase intentions. However, healthy food is highly important for consumers, with results showing higher purchase intentions for better rated scores. Food producers should focus on using more healthy ingredients for their products to support this healthy nutrition. Consumers will buy these products rather than products having bad scores. However, products labeled with bad scores still showed similar purchase intentions compared to products without any label. This might be an important result for policy as well as food producers. Consumers value the additional information even if the product might be unhealthy. Transparency and further information that are easy accessible will be more important in future food retailing.

**INTENTION TO PARTICIPATE IN WELLNESS TOURISM AMONG  
PEOPLE WITH HEALTH PROBLEMS: DIFFERENCES BY GENDER, AGE,  
AND INCOME**

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**Keywords:** Health consciousness, Perceived benefit, Perceived risk, Attitude, Participation intention

**Description:**

This study investigates factors that influence participation intention in wellness tourism among tourists with health problems in a research context in Japan and verifies the moderating role of socio-demographic factors in the formation of participation intention.

## **EXTENDED ABSTRACT**

### **Research Question**

As the consumption structure improve and the COVID-19 pandemic, people are increasingly focused on health and healthy lifestyles and are willing to invest more in health consumption. Wellness tourism, which combines wellness with leisure, is also becoming increasingly important in the health industry (GWI, 2021).

As a relatively new type of tourism, a great deal of research is needed to examine how to promote positive behavioral intentions and actions among wellness tourists (Lee & Kim, 2023). As research has progressed, scholars have begun to segment the wellness tourism market. However, no studies have yet segmented the market based on the health status of tourists. Wellness tourism can relieve illness and reduce mental and spiritual stress. Such effects are attractive to people with health problems and they may be an important potential market for wellness tourism. Furthermore, socio-demographic factors are widely used as moderating factors for tourists' behavioral intentions in tourism research, but their effect in the field of wellness tourism has not yet been tested.

Therefore, this study examines the factors that influence the intention of people with health problems to participate in wellness tourism and verifies the moderating role of demographic factors in the formation of participation intention.

### **Method and Data**

This study constructs a model using health consciousness, perceived benefit, perceived risk, attitude and socio-demographic factors to explore the process of forming tourists' intention to participate in wellness tourism. To measure the constructs of the



study model, scale items were developed based on existing literature, adapted to the research context of wellness tourism. All of the items were assessed using a 7-point Likert scale.

This empirical study was conducted by a Japanese survey company in January, 2023. A screening questionnaire was first administered to 1,000 Japanese people. Based on data screening, 499 respondents with health problems were selected for the main survey, and from these, 358 responses were collected. After eliminating samples that responded without fully understanding the concept (66 samples) and those with a standard deviation of responses to the different questions of less than 0.5 (34 samples), 258 valid responses were retained.

A partial least squares structural equation modeling (PLS-SEM) analysis was conducted using SmartPLS 4 to test the proposed hypotheses and model fit. PLS-SEM has a high degree of flexibility in dealing with complex models and small sample sizes. Therefore, PLS-SEM is considered a more suitable analytical tool applicable to this study (Hair et al., 2011).

### **Summary of Findings**

This study investigated factors that influence participation intention in wellness tourism among tourists with health problems. First, health consciousness had a positive effect on perceived benefit, and a negative effect on perceived financial and psychological risks. That is, the more health-conscious tourists are, the more likely they are to perceive that participating in wellness tourism will improve their health and well-

being, and the less likely they are to have concerns about possible additional costs or psychological burdens.

In addition, health consciousness, perceived benefit, and social risk had positive effects on attitude. This means that when a person is concerned about their health and believes that they can get the benefits they desire from wellness tourism, they will consider participating in wellness tourism to be the right choice.

Furthermore, psychological and time risks negatively affect attitudes. When tourists feel embarrassed, worried, or perceive pre-trip preparation and the trip itself as a waste of time when participating in wellness tourism, they will have a negative attitude. Additionally, attitude positively influenced tourists' participation intention in wellness tourism, with the strongest influence among all factor.

Finally, demographic variables were also shown to play a partial moderating role in the formation of participation intention.

### **Statement of Key Contributions**

*Theoretical Contributions:* In this study, perceived benefit and perceived risk are used as incentives and disincentives, respectively, to examine their effects on participation intention. The psychological aspects of tourists are considered in a multifaceted manner, thus providing insight into the complexity of the formation of tourists' behavioral intentions. Additionally, the key role that health consciousness plays in the formation of wellness tourism participation intention is identified. Subsequent studies can consider the incorporation of health consciousness into the

construct when examining health-related tourism behaviors. Furthermore, the actual impact of demographic variables is not as great as expected.

*Practical Contributions:* First, one of the most important tasks for marketers is to raise health consciousness among tourists and to promote the benefits of wellness tourism. Promote the importance of physical and mental health through various forms of media, emphasizing the necessity of wellness tourism and its benefits to health. Furthermore, measures should be taken to reduce potential risks in the tourism decision-making process, especially psychological and time risks. Finally, if there is limited money or energy that can be invested, market segmentation can be left out of the initial stages of promoting wellness tourism. Market can be segmented after some strength is available.

References are available upon request.

## **Internet of Behaviour: A Theoretical Framework And Systematic Review**

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**Keywords:** Internet of Behaviour, Internet of Things, Strategic Framework, Customer Attitudes, Behaviour.

**Description:** This study perhaps for the first time identifies the strategic framework for the Internet of behaviour. The findings have implications for marketers for understanding their customers to take effective decisions.

### **EXTENDED ABSTRACT**

**Research Question** – Today, the impact of IoT technology and the Internet of Behaviour cannot be oversimplified, as they will have an impact on consumer behaviour and the marketing platforms used to capture their attention. As a result, it is essential to begin incorporating the Internet of Behaviour into digital marketing strategy as early as possible in order to capitalize and acquire the greatest number of satisfied customers. The authors of this research paper developed a strategic framework for analysing customer behaviour, which will provide marketers with insights into customer attitudes toward products. The strategic framework follows the cyclical stages of marketing research, marketing strategy, marketing action, and marketing research again. The study provides a framework for marketers to understand multiple types of IoT intelligence, from marketing research to action, giving marketers clear insights into the strategic role of the Internet of behaviour in marketing.

**Summary of Findings** –In the research study, the Internet of behaviour (integrated IoT) is used to develop a marketing strategy framework. This strategic framework assists marketers in understanding their customers' behavioural attitudes so in order to develop a product strategy. Marketers use a wide range of technologies to promote a product, which necessarily involves gathering, thinking, and feeling intelligence in order to make decisions, but only limited technology has taken full advantage of this intelligence. As a result, the research paper combined mechanical, behavioural, and emotional IoT technology to frame the Internet of behaviour. The Internet of behaviour can play a significant role in decision making by collecting customer behaviour data through various IoT technologies.

**Statement of Key Contributions** –This Internet of Behaviour study made for an understanding of customer Behaviour for helping profit firm marketers in decision-making. This study incorporated a Strategic framework of the internet of behaviour for understanding the customer to position a product well in their minds by taking accurate decisions which are subjected to profit firm marketers.

## **INVESTIGATING THE RECIPROCITY EFFECT BETWEEN ADVOCACY AND ATTACHMENT (DESTINATION MARKETING PERSPECTIVE)**

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Keywords:

Destination Personality Congruity, Destination Attachment, Destination Advocacy, Perceived Crowding

Description:

The current research investigates the antecedent effect of destination personality congruity and the moderating effect of perceived crowding on the reciprocal relationship between destination advocacy and destination attachment.

### **EXTENDED ABSTRACT**

#### **Research Question**

1. How does destination personality congruity impact the reciprocal effect of destination advocacy on destination attachment?
2. What role does perceived crowding play in this interaction?

#### **Method and Data**

Respondents completed a survey questionnaire created by adopting the measures for the constructs Destination Personality Congruity, Destination Attachment, Destination Advocacy, and Perceived Crowding from an existing literature base. An online survey was used to obtain

the responses and SPSS 25 and Haye's Process Macro were used to analyze the acquired data to test the offered hypotheses and the proposed moderated mediation model.

### **Summary of Findings**

The significant positive association of destination personality congruity with destination advocacy and destination attachment supports the existing literature. However, destination advocacy, which has been studied as a consequence of destination attachment in existing literature, was established as a predictor of destination attachment in our study. We also established that perceived crowding would negatively moderate the effect of destination advocacy on destination attachment. The dominating self-construal of a person – independent or interdependent will affect the perception of crowding and destination attachment.

### **Key Contributions**

Our results indicate that destination advocacy mediates the relationship between congruity and attachment. This implies that marketers can create destination communities (offline and online) along the lines of brand communities and assign and reward destination advocates for triggering word-of-mouth communication about the place which will act as a driver for increasing the destination's popularity and footfall. However, a balance needs to be achieved by destination marketers in terms of predicting the optimal number of target tourists for a destination in a period. If this can be controlled by regulating the discussions in the destination communities, the marketers can skilfully generate maximum attachment for their destinations.

**IS IT A GOOD STRATEGY TO USE CSR INFORMATION TO BUILD THE FIRST IMPRESSION OF THE COMPANY? THE MODERATING EFFECT OF CONSUMERS' CSR-CA BELIEF.**

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**Keywords:** corporate social responsibility (CSR), company ability (CA), first impression, CSR-CA belief, CSR image, CA image, company evaluations, experimental study

**Description:** This study finds that when consumers hold high CSR-CA beliefs, the first impression created by CSR information brings the most favorable consumer evaluation for the company regarding the CA image, CSR image, and company evaluations.

**EXTENDED ABSTRACT**

**Research Question**

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Previous studies focusing on the positive effects of CSR communication are generally based on the premise that consumers have or at the same time understood the CA information of enterprises (e.g., Chen et al. 2018; Du et al. 2007; Sen and Bhattacharya 2001). In real life, there is such a time point, consumers are first exposed to CSR information of a strange enterprise in some way. For example, a consumer may read a newspaper story about a company's CSR activities. In this case, the CA information of the enterprise is unknown to the consumer. Are the positive effects of the first impression created by CSR information still present? What are the positive results? Furthermore, compared with the first impression established by CA information (the CSR information of the enterprise is unknown to consumers), what are the advantages of the first impression established by CSR information?

This research proposes that, compared with the first impression created by CA information, the first impression created by CSR information will be evaluated positively by consumers in terms of CSR image, CA image, and company evaluations. More importantly, this research proposes that this predicted outcome pattern will hold if consumers have a lower CSR-CA belief. CSR-CA belief is defined as the extent to which consumers believe that a firm's CSR efforts will reduce rather than increase its CA development (Sen and Bhattacharya 2001).

### **Method and Data**

398 participants were recruited from Amazon Mechanical Turk (MTurk) ( $M_{age} = 39.88$ ; 55.6% female). They were randomly assigned to conditions in a one-factor (first



impression type: control vs. CA vs. CSR) between-subjects design.

To avoid demand artifacts, at the beginning of the online questionnaire, participants were told that the purpose of this research was to study how people attribute human traits to non-human entities such as firms. After that, participants were told that the excerpt they would read next about Company X was taken from a recent issue of Bloomberg Businessweek. All participants read a paragraph of basic information about Company X. The basic information only presented the industry of Company X and the specific products (household vacuum cleaners) sold by Company X to reduce potential confounding factors. After reading the basic information, the participants in the control group directly answered the measurement items. In contrast, the CA and CSR group participants continued to read the first impression type manipulation content. The manipulation content was adapted from the work of Sipilä et al. (2021).

After reading the excerpt, participants provided their ratings on expertise about vacuum cleaners (1 item), information credibility (2 items,  $r = .55$ ), CSR image (2 items,  $r = .40$ ), CA image (2 items,  $r = .41$ ), company evaluations (4 items,  $\alpha = .89$ ), perceived purchase risk (3 items,  $\alpha = .92$ ) and CSR-CA belief (9 items,  $\alpha = .93$ ). The participants in the CA group and CSR group answered two extra manipulation check questions. 7-point scales were used for all measurement items. Finally, participants answered attention check questions and provided personal information.

### **Summary of Findings**

Our predicted outcome pattern is confirmed in CA image, CSR image, and corporate

evaluation. Specifically, suppose a consumer believes that CSR is part of an enterprise's core business and there is a win-win relationship between CSR and CA. The first impression created by CSR information brings the most favorable consumer evaluation for the company regarding CA image, CSR image, and company evaluations. However, if a consumer believes there is a trade-off relationship between CSR and CA, then the first impression established by CSR will lose its enhancement effects. Moreover, when consumers hold a high CSR-CA belief, the first impression established by CA information cannot even set the CA image of the company. It may be because the high CSR-CA belief triggers consumers' awareness of corporate self-interest, reducing the CA information's positive effects. Further research is needed to test this. Interestingly, we also found that although the first impression created by CA information builds a weak CA image, it does help reduce consumers' perceived purchase risk.

### **Key Contributions**

Theoretically, first, previous studies focusing on the positive effects of CSR communication are generally based on the premise that consumers have or at the same time understood the company ability (CA) information of enterprises (e.g., Chen et al. 2018; Du et al. 2007; Sen and Bhattacharya 2001). This research proposes and proves that when enterprises build the first impression on consumers, they can obtain more positive comments from consumers regarding CSR image, CA image, and company evaluations by focusing on CSR information rather than CA information. And more importantly, this outcome pattern is established on the premise that consumers have a

low CSR-CA belief (there is a win-win relationship between CSR and CA). Second, this research finds that the high CSR-CA belief will reduce the positive effects of CSR information and the positive impacts of CA information. It reflects that CSR-CA belief is a personal trait of consumers that companies should pay special attention to in disseminating positive information.

Practically, companies should realize that information about their CSR activities will have more positive effects if consumers can use it to build their first impression than CA information. But more importantly, if companies are to “build first impressions of CSR messages” as a proactive strategy, they need to understand the consumer groups to which the method applies, namely those who hold a win-win view of the relationship between CSR and CA. From another perspective, when establishing the first impression with consumers, whether the first impression focuses on CSR or CA, enterprises need to pay attention to reducing consumers’ concern that CSR activities will impair their ability to produce quality products.

References are available on request.

## **Managing Service Providers' Experience Performances: An Extended Perspective Of The Touchpoints, Context, Qualities (TCQ) Nomenclature**

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**Keywords:** customer experience, customer experience management, customer experience trajectory, text mining, customer review

**Description:** This study refines the TCQ nomenclature to manage firms' customer experience performance dynamically, leveraging text mining and a Hidden Markov Model applied to customer reviews data.

### **EXTENDED ABSTRACT**

#### **Research Question**

Companies continuously utilize marketing technologies, such as social listening and customer reviews, to enhance their customer experience (CX) performances. This study strives to enrich our understanding of CX dynamics, shifting the focus from standalone ratings to performance trajectories. By integrating the Activities, Resources, and Context (ARC) value creation elements with the Touchpoints, Context, and Qualities (TCQ) framework, we conceptualize CX dynamics. We propose an extended TCQ framework, consisting of nine building blocks, to depict dynamic CX performance trajectories. Additionally, customers' verbatim reviews present opportunities to enhance our comprehension of CX, which can be

harnessed to improve firms' CX performance. This research aims to address three research questions: (1) How can we use textual data to represent service firms' CX performance trajectories? (2) Which CX elements can instigate upward movement from one CX performance state to another and which can prevent downward movement (promotion and prevention mechanisms)? (3) Is it feasible to measure the efficacy of these identified mechanisms to draw actionable managerial implications? This study aspires to provide a more in-depth exploration of CX dynamics and propose potential strategies for firms to optimize their CX performances.

### **Method and Data**

This study employs a Hidden Markov Model (HMM) to capture dynamic customer experience (CX) performance trajectories using customer ratings as inputs. The study expands upon the TCQ nomenclature, incorporating ARC value creation elements to assess influences on transitions between latent states. The goal is to determine the optimal combination of components to improve or prevent deterioration in CX performance. Data for this study consists of longitudinal, unstructured, textual customer reviews collected from the Booking.com website for New York City hotels during two separate periods. The first dataset comprises reviews from the 2019 summer vacation peak period, used to create a daily dataset. The second dataset covers the period from September 2019 to September 2022, aggregated into weekly and monthly datasets to capture trajectorial patterns and consider the effects of the 2020-21 global pandemic. The text mining technique and dictionary-based analysis are used to analyze these datasets. Both standard and custom dictionaries are utilized to identify text related to the qualities elements of the extended TCQ framework. The text mining process results in ten output variables, including qualities of activities, resources, external context, emotional CX, cognitive CX, social CX, physical CX, and the rating score.

### **Summary of Findings**

The study used a 3-state Hidden Markov Model to identify low, medium, and high customer experience (CX) performance states, using customer ratings as indicators. Based on empirical findings, the study identified specific ARC/TCQ elements that influence the migration between these states. Three performance improvement mechanisms and two prevention mechanisms were highlighted. The most effective improvement mechanism includes the element "Qualities\*Activities\*Resources" to move firms from low to medium CX state, with the addition of "Qualities\*Activities" and "Qualities\*Emotional CX" for further advancement to the high CX state. For the prevention of performance degradation, the mechanism "Qualities\*Activities" is key in maintaining medium CX state, while a combination of "Qualities\*Resources", "Qualities\*Activities\*Resources", and "Qualities\*Emotional CX" helps in preventing a drop from high to low CX state. These findings were validated through a series of hypothetical scenarios. The research provides an extended TCQ framework built on the TCQ Nomenclature, ARC model, and CX dimension perspective, interwoven with trajectory dynamics. It contributes theoretical insights and practical applications, showcasing the significance of specific ARC/TCQ elements in managing CX performance dynamics.

### **Key Contributions**

This study enriches academic knowledge and practical applications in customer experience management (CXM). Academically, it integrates the Touchpoints, Context, Qualities (TCQ) nomenclature with Activities, Resources, Context (ARC) value creation elements to form an extended TCQ framework, highlighting 'qualities' as a central aspect. From this, nine building blocks of service firms' customer experience (CX) performance trajectories were developed, six of which were found to affect CX performance significantly. This extends CXM theory by

depicting dynamics of CX performance trajectories, offering effective components and synergies for migrating between performance states. This research also demonstrates the value of textual customer feedback as a tool for gaining insights into CX.

Practically, the study breaks down CX performance into actionable building blocks, serving as a guide for CX design and audit. The proposed practical architecture enables dynamic design and facilitation of CX performances, and the transferability of the extended TCQ framework ensures actionable managerial knowledge. Furthermore, a novel process was proposed to convert textual comments into numeric datasets at different time scales, providing practitioners with a step-by-step guide to leverage in CXM. This highlights the importance of continuous customer feedback analysis for dynamic CX management.

## **MATERIALISM AND INTERPERSONAL WELL-BEING: A META-ANALYSIS**

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**Keywords:** *materialism; interpersonal well-being; meta-analysis.*

**Description:** This work investigates the links between materialism and interpersonal well-being by meta-analytically reviewing the current empirical evidence.

### **EXTENDED ABSTRACT**

#### **Research Questions**

**Question 1:** Is there an effect between being materialistic and having poor interpersonal well-being?

**Question 2:** Are there any factors that moderate this effect?

#### **Method and Data**

This work investigates the links between materialism and interpersonal well-being by meta-analytically reviewing the current empirical evidence. Therefore, a systematic literature search was conducted in Scopus, Web of Science, and PsychInfo following the procedures of past meta-analytical work. Moreover, relevant authors were contacted for unpublished data and an ascending and descending searches were also conducted on key papers looking at materialism and interpersonal relationships. A total of 1,969 documents were identified for an initial screening. Reports were included if they contained a correlational coefficient between



materialism, defined as a set of values, personality traits, and individual goals centred around wealth and material possessions, and interpersonal well-being, described as having healthy relationships and/or feeling supported and socially integrated into one's social environment. Following the inclusion criteria 47 reports were identified, which contained 58 independent studies and 105 effect sizes.

### **Summary of the Findings**

A meta-analysis on the correlational 47 studies identified ( $N = 42,539$ , 105 effect sizes) revealed a pooled effect of  $r = -.16$ . The type of population (i.e., children vs adults) and the valence of the well-being measure (i.e., positive vs negative) were found to moderate this effects as younger samples and studies using negative measures (e.g., loneliness) presented larger effects. Nevertheless, neither gender nor the region where the sample was collected were significant moderators suggesting that the effects of materialism on interpersonal well-being are universal across genders and cultures. Overall, this work shows a robust small effect linking materialism and poor interpersonal well-being.

### **Statement of Key Contributions**

The present work is the first report that meta-analytically examines the empirical evidence linking materialism and interpersonal well-being, identifies under-researched populations, and outlines future research directions in this area that could help us to further understand the detrimental effects that materialistic values have on the development and maintenance of interpersonal relationships. Therefore, this report is of high interest to social enterprises (e.g., mental health charities) and other institutions (e.g., governmental agencies and policymakers) aiming to design individual or social interventions that would enhance people's health and well-being. Thus, this work helps with addressing the third goal of the United Nations' Sustainable Development Goals of promoting well-being. Moreover, the

present research is also of high interest to academics looking at the negative impact that marketing promoting materialistic messages has on individual well-being.

References are available upon request.

**Mirror, Mirror on the wall, can I with my physical disability be the fairest of them all?**

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**Keywords:** disability, beauty, inclusion, psychological needs, brand relationship

**Description:** This exploratory qualitative study examines the psychologically driven behaviors and needs that people with disability have when using beauty products and explores the ensuing relationship with beauty brands.

## **EXTENDED ABSTRACT**

### **Research Question:**

The World Health Organization (2022) estimates that there are 1.3 billion individuals with disabilities worldwide representing 16% of the total population and expects this number to increase in the future. Many industries such as the educational, technological, and fashion ones have recognized the particular needs of consumers with physical disabilities, providing them with tailored services and products. The beauty industry in particular has been creating new offerings to assist this specific consumer segment.

This study examines the psychologically driven behaviors and needs that people with disability have when using beauty products and explores the ensuing relationship with beauty brands. The findings indicate for physically disabled consumers psychological well-being is the main driver behind using beauty products. Nonetheless, the study shows that with time, a strong emotional bonding develops with such brands which might lead to addictive consumption behaviors. To the best of the researchers' knowledge, this study is the first that examines the psychological needs and relational outcomes of consumers with physical disabilities when using disability friendly beauty products. Accordingly, this study aims to explore the underlying psychological factors that would lead consumers with physical disabilities to have a stronger, highly emotional and potentially addictive behavior towards beauty brands.

### **Method and Data:**

The study seeks to explore the psychological needs that people with physical disability have when using beauty products, and how their relationship with such brands evolve. Accordingly, an

exploratory qualitative approach was adopted. 21 in-depth semi-structured interviews of approximately 45 minutes were conducted either face to face or online with male and female consumers who have different types of physical disability and who have interest in beauty products.

The samples were selected using a snowball, convenience-sampling method where interviewees were requested to recommend other participants likely to fit the criteria of selection for this study. All interviews were audio-recorded upon interviewees' consent, transcribed verbatim, and analyzed in order to extract emanating themes. Manual theme extraction was applied for data interpretation separately by 3 researchers in order to ensure reliability and validity of the themes.

### **Summary of Findings:**

The study focused on the psychological well-being of consumers with physical disabilities and their relationship with beauty brands. Three main themes were extracted under the psychological well-being of consumers with physical disability: (1) mood improvement, (2) self-confidence, and (3) conformity and similarity with others. As for the brand relationship, the findings based it on 3 key themes: (1) emotional attachment, (2) brand anthropomorphism, and (3) brand addiction.

The findings of the study showed that people with disability like to use makeup and other beauty products to change their mood. Sometimes they put makeup even if they will stay at home just to improve their mood and feel fresh. Moreover, people with disability believe that using beauty products and looking beautiful increase their self-confidence and make them feel more comfortable. And that is what most beauty brands are focusing on now through their marketing campaigns. Companies like Rare Beauty showed people that beauty products are not only to

enhance attractiveness, but also to increase self-confidence and self-esteem. Additionally, people with disability in the study converged on an additional reason for using beauty products which is showing the society that they are like all other people, they are not different, and they can use beauty products like any other person. Therefore, beauty brands should look at this additional purpose of beauty products to include it in their message and satisfy this segment of consumers.

The relationship between consumers with physical disability and beauty brands is mainly developed through a combination of love and consistent delivery on experience-based dimensions that lead to interdependence, self-connection and intimacy. Consumers with disability who use beauty products regularly can become emotionally attached to them, considering them as reliable, supportive, and trustworthy. They may feel that the products are always there for them and can provide comfort and reassurance during difficult times. This emotional attachment can lead to a deep sense of loyalty towards the brand, leading consumers to repurchase the product and become long-term customers. The study also found that customers are more likely to develop deep emotional bonds with companies that exhibit human traits like personalities, emotions, and relationships. Anthropomorphism can also aid in giving customers a sense of familiarity and comfort, which fosters a stronger sense of loyalty and trust. An alarming finding was that consumers confirmed that their growing dependence on cosmetic brands was becoming addictive. Physically disabled consumers may be especially vulnerable to beauty brand addiction because these products can give them a sense of control and empowerment over their appearance. This is because beauty brands targeted them and developed a closer human-like rapport with them where the brand appeared to reciprocate with genuine feelings of interest. Hence, the use of beauty products can become addictive, leading to negative consequences for the consumer's financial and emotional well-being.

**Key Contributions:**

Beauty products are used by consumers for both beauty and psychological purposes. However, people with disabilities – who represent a significant part of the population – encounter various physical and psychological challenges when purchasing and using beauty products. The beauty industry has been increasingly recognizing the importance of inclusivity to help and support people with physical disability but still lacks the knowledge on how exactly their brands affect the psychological well-being of this vulnerable segment and how the relationship develops with time.

This study explores further that particular area of interest whereby it sheds light on the psychological needs and effects from using beauty products by physically disabled consumers. The research also uncovers the development of an intricate and emotional ensuing relationship between this consumer segment and beauty brands that could potentially lead to addictive behavior.

*References are available upon request.*

## **PERCEIVED BRAND GLOBALNESS AND USER ENGAGEMENT ON GLOBAL SOCIAL NETWORKS**

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### **Keywords:**

Brand globalness; Active and passive user engagement; Psychological values; Self-construal;  
Social networking sites

### **EXTENDED ABSTRACT**

#### **Research questions**

Global social networks (GSNs) have been characterized with the features of global brands, such as global acceptance and availability. Prior global branding literature has found positive influence of perceived brand globalness (PBG) on various consumer behaviors as well as perceived values. Literature argues that the concept of 'self' may be essential in understanding such perceptions and behaviors. However, prior research has revealed equivocal findings while demonstrating the relationship between PBG and consumer behaviors indicating research calls for understanding the underlying psychological mechanisms as little is known about the role of such mechanisms in explaining the translation of PBG into user engagement on GSNs. Further, research has revealed the impact of self-construal on consumer perceptions and behaviors on GSNs. However, how individuals' self-construal may regulate the effects of PBG



on perceived values and that of perceived values on user engagement is not known. Our research addresses these key gaps.

Drawing on the global branding and customer engagement literature, accessibility-diagnostics framework, and self-construal theory, we investigate (1) unexplored mediating mechanism of perceived psychological (social and emotional) values associated with GSN communities; (2) dual moderating effects of user self-construal (independent and interdependent self-construal) on PBG – perceived psychological values relationship and psychological values – user engagement relationship; and (3) cross-cultural variations in both developing and developed countries.

### **Method and Data**

We develop a conceptual model with PBG as independent variable, active and passive user engagement on GSN as the dependent variables, perceived psychological values as mediators and user self-construal as moderators.

Data was collected through online survey from 735 (India: n=359 and the UK: n=376) Facebook users. The participants varied in age from 18 to over 55 years. Most of the respondents in both countries were female (53.5% in India and 61.2% in the UK). Majority of the respondents had an undergraduate degree or less (53.8% in India and 58.5% in the UK) and were employed full time (59.9% in India and 62.5% in the UK). We adapted existing scales to measure PBG (Steenkamp et al., 2003); Perceived social, emotional, and functional values (Kolbl et al., 2020; Sweeney and Soutar; 2001); Independent (INDSC) and interdependent (INTSC) self-construals (Singelis, 1994) and Active and passive user engagement (Gerson et al., 2017). All items were assessed on a 7-point Likert scale (“Never” to “Very frequently” for active and passive user engagement, and “Strongly disagree” to “Strongly agree” for other constructs). Respondents’ age, gender, education, employment level, network size and perceived functional value of GSN community were controlled for in model testing.

### **Summary of Findings**

The findings, in both the UK and Indian contexts, demonstrated that users' PBG enhances their active and passive engagement on GSN because they perceive psychological values gained by participating in GSN communities. Possibly, global brands (e.g., Facebook) can stimulate perceptions of psychological values (i.e., establishing interpersonal networks, pursuing social approval, and enjoyment in sharing and browsing interesting posts) (e.g., Lim and Rasul, 2022; Swoboda et al., 2012) which can further increase users' engagement with GSNs (e.g., Lim and Rasul, 2022; Osei-Frimpong et al., 2022). Our findings confirmed that, in both contexts, users' interdependent self-construal strengthened the influence of PBG on both perceived social and emotional values. On the contrary, we found that users' independent self-construal weakened the influence of PBG on perceived psychological values in the Indian context, while the negative moderating effect was found to be significant only for emotional value in the UK context. Further, findings confirmed that, in both contexts, users' interdependent self-construal strengthened the influence of perceived psychological values on active and passive user engagement. In contrast, users' independent self-construal weakened the influence of perceived psychological values on active and passive user engagement.

### **Key Contributions**

First, this research contributes to the global branding and customer engagement literature by demonstrating that perceived social and emotional values of GSN communities act as key underlying psychological mechanisms to explicate the link between GSNs' PBG and users' active and passive engagement on GSNs. Second, this study contributes to the growing body of global branding literature by empirically demonstrating the strengthening and weakening moderating effects of interdependent and independent self-construal, respectively, on the relationship between PBG and psychological value perceptions as well as between value

perceptions and users' active/passive engagement on GSNs, among GSN users in both the Indian (Eastern) and the UK (Western) cultures.

In terms of managerial implications, findings suggest that in addition to strengthening their global brand positioning strategies, GSN managers should collaborate with businesses to host global virtual events and focus on posting visually attractive content to bolster users' engagement on GSNs. Marketing managers should segment the market and collect data about individual differences based on users' self-construal, thereby facilitating community designers in modifying online discussion forums. This may encourage independent self-construal individuals to initiate discussions that might help them get recognition as experts. For interdependent individuals, incorporating gamification features (e.g., rewards) might help them to further their social connections and remain engaged on such communities.

**Note:** References are available upon request.

## **PERSUADING RESISTANT CONSUMERS TO DONATE**

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**Keywords:** Donation behavior, Moral identity importance, Response efficacy, Self-focus, Charitable giving

**Description:** This research illustrates that resistant donors can be persuaded to give when they believe their donation will have an impact.

### **EXTENDED ABSTRACT**

#### **Research Question**

How can we persuade resistant consumers to donate? Donating is an important part of consumer behavior but how can we encourage resistant consumers, like those with low moral identity importance (MII), to give? MII is the extent to which having a moral identity is important to an individual. Research has examined the impact of individuals' MII on their donation behavior, primarily focusing on factors influencing high MII consumers while largely disregarding low MII consumers, presumably assuming that low MII consumers are immovable when it comes to engaging in charitable behaviors.

A repeated finding in donation research is that consumers are more likely to donate when they believe their contribution will have a positive impact. One's perception that their donation

can make an impact has been termed response efficacy. We suggest that the positive effect of response efficacy on donation behavior will be particularly strong for low MII consumers. Given that low MII consumers are less likely to define their identity based on their morality, we propose that their underlying motivations to donate will be more self-focused in nature, thereby being more influenced by appeals highlighting response efficacy, or their ability to personally make an impact.

### **Method and Data**

Study 1: we recruited 303 Prolific.co participants to examine whether low MII consumers' ability to have an impact with their donations positively affects their likelihood of donating, and whether their perception that the cause is worthy of their personal donation mediates this effect. We manipulated whether participants saw that others were donating a low (vs. high) amount, since others donating less makes further donations relatively impactful, and measured our proposed moderator (MII), mediator (perceptions of whether the cause is worthy of the individual's donation), and dependent variable (likelihood of donating).

Study 2: we recruited 218 undergraduate marketing students to examine whether inducing low MII consumers to focus on themselves increases their likelihood of donating and of spreading the word about the donation opportunity (WoM), with these being mediated by their response efficacy. We manipulated whether participants had a high (vs. low) self-focus, measured our proposed moderator (MII), mediator (response efficacy), and two dependent variables (likelihood of donating and WoM).

In both studies, Hayes (2022) PROCESS Model 7 confirmed our proposed moderated mediation (Study 1: CI [-0.774, -0.093]; Study 2: likelihood of donating: CI [0.002, 0.502], WoM: CI [0.002, 0.469]).

### **Summary of Findings**

The two experimental studies provided support for our assertion that low MII consumers are more likely to donate when they perceive that their donation will have an impact. Study 1 found that low MII consumers are more likely to donate when others are donating less (so their donation will have more of a relative impact). This was mediated by the extent to which low MII consumers perceive the cause is worthy of their personal support, thereby demonstrating an important relationship between low MII's consumers' focus on themselves and their personal impact on their donation likelihood.

Study 2 found that encouraging low MII consumers to focus on themselves heightened their perception of the efficacy of their contribution, which in turn increased their likelihood of donating and of spreading the word about the donation opportunity. This provides more direct support for our proposal that heightened response efficacy persuades low MII consumers to support a cause, and that can be achieved by encouraging low MII consumers to focus on themselves, in contrast to charitable appeals that typically draw focus to those in need.

### **Key Contributions**

Consumers prefer giving when their donation can make an impact. We find that this is particularly true for low MII consumers. These consumers have been presumed to be relatively immovable when it comes to engaging in prosocial behaviors, but we identify ways to increase

their likelihood of donating. It seems intuitive to focus on those in need when promoting charitable causes, however our findings suggest an alternative approach when targeting low MII consumers. When attempting to persuade these consumers to donate, it is best to focus on the impact that they, personally, can have on the charitable cause.

We identify marketing communication strategies that non-profit organizations and fundraisers can use to increase donation likelihood for a resistant consumer segment. Low MII consumers are more likely to donate and to spread the word about a cause when they perceive that their donation can make an impact, which can be achieved by 1) indicating that others have not donated much to the cause, thereby making the low MII consumer's donation relatively impactful, and 2) encouraging these consumers to focus on themselves when asking for a donation, as this increases their perception that their donation will have a positive impact.

**ROLE OF CAFFEINE IN PROCESSING HEDONIC AND UTILITARIAN  
APPEALS: INSIGHTS FROM FUNCTIONAL MAGNETIC RESONANCE  
IMAGING (fMRI)**

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Keywords: caffeine intake, hedonic appeals, utilitarian appeals, fMRI

Description: This study reveals that caffeine intake alters consumers' brain responses  
to hedonic and utilitarian appeals.

**EXTENDED ABSTRACT**

**Research Question**

The effects of caffeine on cognition raise lots of attention, including reaction times to cognitive tasks (Souissi et al., 2019), attention (Einöther & Giesbrecht, 2013), and executive control (Brunyé et al., 2010). Despite this breadth of research, the subtle ways in which caffeine influences consumer behavior remain unclear. From a neuroscientific perspective, caffeine stimulates our mind and body by releasing dopamine in the prefrontal cortex of the brain (Fisone et al., 2004; Linnet et al., 2011; Volkow et al., 2015). However, thus far, there exists a noticeable dearth of comprehensive fMRI-based models that can connect caffeine's influence with



cognitive functions vital to consumer behavior, such as reasoning, problem-solving, and decision-making (Florian Koppelstaetter et al., 2010). To bridge this gap, this study employed a decision scenario that incorporated both hedonic and utilitarian consumption factors. Our aim was to gain a more in-depth understanding of the processes underpinning caffeine's effects on consumer behavior. By employing fMRI, we sought to investigate the neural responses to hedonic and utilitarian appeals before and after caffeine intake.

### **Method And Data**

This study used fMRI to identify neural activity and applied a mixed design of 2 (beverage consumed: caffeinated coffee vs. water)  $\times$  2 (type of product: hedonic vs. utilitarian). The beverage consumed was a between-subject factor, whereas product description was a within-subject factor. 27 healthy adult volunteers (15 females,  $M_{age} = 28.5$ ,  $SD = 1.56$ , all right-handed) participated in the study after providing written informed consent. The participants, after refraining from caffeine for 12 hours, were randomly assigned to consume either a 300 ml caffeinated coffee or water before undergoing an fMRI scan. We allowed a 10-minute gap to activate caffeine effects.

Participants listened to product descriptions via headphones during the fMRI scan and made purchase decisions after each product introduction. We used four types of products—backpack, speaker, folding chair, and watch—described with either a hedonic or a utilitarian message (Amatulli et al., 2020; Vieira et al., 2018). Each product exposure lasted 20 seconds, followed by a 20-second rest. Hedonic and utilitarian appeals were randomly presented twice during the 12-minute scan.

Participants completed sixteen decision-making rounds, which should provide insights into the neural basis of caffeine's influence on consumer behavior.

### **Summary of Findings**

Significant activation was found when we compared the product descriptions using uncorrected cluster-based thresholding (voxel threshold  $p < 0.001$ , cluster threshold  $p < 0.05$ , cluster size = 10). Under the water group, the activation for hedonic description was stronger than the utilitarian description in the left middle occipital gyrus (MOG) and right lingual gyrus (LING). No significant results were shown in the contrast comparison of utilitarian > hedonic. Next, a similar contrast of product description was conducted under the caffeine group. The activation for utilitarian description in the right superior frontal gyrus (SFG) was stronger than that for hedonic description. The contrast comparison showed no significant result of hedonic > utilitarian.

Drawing from the neurological literature, mental imagery processes correspond to increased activity in areas of the visual cortex such as the occipital, parietal, and temporal cortices (Farah, 1989; Iseki et al., 2008; Pylyshyn, 2003; Thompson & Kosslyn, 2000). Therefore, under the control (water) group, we speculated that the activation of corresponding brain regions might be caused by the imaging and visualization process of consumption experience conveyed by hedonic appeal. However, the coffee intake changed the process. Under the caffeine group, we found stronger activation in the SFG of utilitarian > hedonic. The SFG pertained to memory for object location (Rottschy et al., 2012) and executed cognitive control (Liu et al.,

2017; Matsumoto & Tanaka, 2004). The positive activation in SFG suggests stronger self-control and higher cognitive status in processing utilitarian description after coffee intake (Boisgueheneuc et al., 2006).

### **Statement of Key Contributions**

This study investigates the neural mechanisms behind the effect of caffeine on consumers' responses to hedonic and utilitarian advertising appeals. The findings demonstrate that caffeine influences the way that consumers process different types of product descriptions. In the absence of caffeine, hedonic product descriptions, which emphasize pleasure and enjoyment, led to stronger activation in the middle occipital gyrus and lingual gyrus. These areas are associated with imaging and visualization processes, indicating that hedonic appeals may stimulate consumers' imagination of consumption experiences.

However, this pattern changed with caffeine consumption. Utilitarian product descriptions, focusing on practicality and functionality, triggered stronger activation in the superior frontal gyrus after caffeine intake. This brain area is related to self-control and cognitive processing, suggesting that caffeine may heighten consumers' cognitive involvement with utilitarian appeals.

The results of this study contribute to understanding the neural processes involved in consumer behavior, specifically how caffeine affects the way consumers process product information. This implies strategic advertising implications, such as placing utilitarian advertisements in locations where caffeine consumption is common, to potentially enhance their effectiveness. This study significantly advances our

understanding of the role caffeine plays in shaping consumer responses to different advertising appeals from a neural perspective.

## **SHOPPING EXPERIENCES OF AGING CONSUMERS IN THE US: A META-ANALYSIS**

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**Keywords:** Aging consumers, S-O-R model, Multi-channel shopping, Personal traits

**Description:** Starting from over 40 thousand articles, this meta-analysis of aging consumers in multiple shopping channels in the US proposes an extended S-O-R model to examine relational effects of shopping stimuli on organism and response variables.

### **EXTENDED ABSTRACT**

#### **Research Question**

What are the experiences of aging consumers in multi-channel retailing in the US?

#### **Method and Data**

This qualitative meta-analysis consists of four stages— searching, screening, extraction, and synthesis. The first and second stages are similar to conducting a systematic literature review. In the third stage, we extract relevant data, and in the final stage—synthesis. We searched in the Web of Science database for articles with an abstract showing relevance to aging consumers in shopping environments in the US. We arrived at 46,826 articles at the end of the first stage. We included articles that were written in English and published before 2022 but after 2000 in retailing studies. At the end of this step, we excluded 39,436 articles and retained 7,390 articles. We then excluded

7,282 articles that focus on non-aging consumers or non-US markets. At the end of this step, we retained 108 articles. In the final step, we read the 108 articles to further exclude irrelevant studies and finally included 24 peer-reviewed articles.

In the next stages, we used the Stimulus-Organism-Response (S-O-R, Mehrabian and Russell 1974) model as the conceptual framework to organize and analyze the data. We further categorized the data into three shopping channels (i.e., physical stores, TV shopping, online shopping), before analyzing them.

### **Summary of Findings**

From over 40 thousand articles, this meta-analysis of aging consumers finally includes 24 studies, conducted between 2000 and 2022. Through literature screening, data extraction, and analysis, this study offers a holistic view of aging consumers' shopping experiences in multi-channel retailing environments in the US. Adopting the influential S-O-R model to guide the analysis, we accumulate, cluster, and compare data about what stimuli, organisms, and responses, as well as what relationships among them, are studied in extant studies. Comparing the data to the S-O-R model, we identify the absence of the moderating effect of consumer traits and further develop an extended S-O-R model, which includes an "orientation" moderator, as a theoretical framework to guide future empirical studies. The relatively small number of extant empirical studies about aging consumers' emotional, cognitive, and behavioral responses to various retail environments indicate an urgent need for a better understanding of this growing market segment in an aging society.

### **Statement of Key Contributions**

This qualitative meta-analysis of aging consumers in varied shopping environments in the US systematically screens and analyzes findings from a wide range of studies. It offers a comprehensive understanding of the topic, both theoretically and empirically. This meta-analysis

offers invaluable insights gained from empirical studies of aging consumer's multi-channel shopping experiences spanning the past two decades. It helps marketers and retailers understand this marginalized yet lucrative market segment. Its focus on how environmental stimuli benefit marketing strategies and retailing design across shopping channels in attracting aging consumers. This study also offers a valuable angle in understanding the well-being of aging consumers in commercial spaces. The findings address beyond aging consumers' purchasing decisions and delve deep into their socio-psychological states, satisfaction, performance, and social interactions in various store environments.

Moreover, based on the meta-analysis, this study formally incorporates consumer's personal traits in the widely adopted Stimuli-Organism-Response model in retailing studies, making a theoretical contribution. Borrowing from the Orientations-Stimuli-Orientations-Responses model in communication studies, we introduce an "orientation" variable to capture consumer's personal traits as a moderator and develop an extended Stimuli-Organism-Response model. This model can serve as a theoretical framework for future empirical consumer studies in multiple shopping channels.

References are available upon request.

## **Should Jargons be Always Avoided? Effectiveness of Technical Terms in Product Descriptions**

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**Keywords:** Technical Jargons, hedonic, utilitarian, consumer behavior

### **CONTRIBUTION STATEMENT**

This research contributes to both academia and industry by showing that technical jargon could be effective for certain types of products and consumers. Interestingly, we find that consumers who generally rely on affect are more likely to purchase utilitarian products when the products are described with technical terms. This finding has theoretical and practical implications.

Marketing research on jargon has mostly focused on fluency theory, with a consensus to avoid technical terms or complex descriptions as they often reduce fluency. However, prior research has also found that even meaningless attributes can create perceived differences of product value, suggesting that consumers are not only relying on careful cognitive processes to understand product attributes but also how they simply feel about them. Our research is one of the first to document a positive effect of technical jargon under certain conditions. The effect holds even after controlling for fluency, indicating that another mechanism is at play. We intend to investigate potential mechanisms in future studies.

Our findings also have key implications for marketing practitioners. According to our findings, increased use of jargon can increase consumption of utilitarian products, especially if consumers are more reliant on affect. While many marketers advise against using technical terms when writing about products, selective use of technical jargon in product descriptions could promote sales of functional products. Future studies should test the generalizability of our findings and the effect in the field.



## **Abstract**

The rise of online shopping has led consumers to pay more attention to product descriptions than ever before. When describing products, some marketers use technical terms to potentially show credibility and expert authority. Yet, many marketers advise against using technical jargon, especially as it may reduce fluency. According to Kelly and Jacoby (1988), a key effect of high fluency is a positive evaluation of the stimulus due to the subjective ease of processing. Despite marketing implications of technical jargon in product descriptions, relatively little has been studied to assess when and for whom jargon could positively influence product evaluations.

Brakus, Schmitt and Zhang (2014) show that when consumers pay attention to experiential attributes, they process it more fluently and positively, while focusing on functional attributes requires more time to process. Is technical jargon experiential or functional? We argue that technical jargon could be processed as an experiential attribute for utilitarian products, especially for consumers who tend to rely on affect, as the jargon may seem to be a good “fit” for the functional product. That is, jargon may be processed through the peripheral route, as a positive heuristic (Petty and Cacioppo 1986). However, for experiential products, technical jargon may trigger high elaboration, which may lead to no effect because people do not understand why the jargon was used or what it means.

Through two studies, we uncover preliminary evidence that consumer attitude toward products described with jargon is moderated by individual differences of need for affect (NFA) and the type of product. Specifically, we hypothesize that consumers with higher NFA would favor utilitarian products more than hedonic ones when jargon is used. Our research contributes to our understanding of when and why technical terms can be favorable in marketing messages, especially in product descriptions.

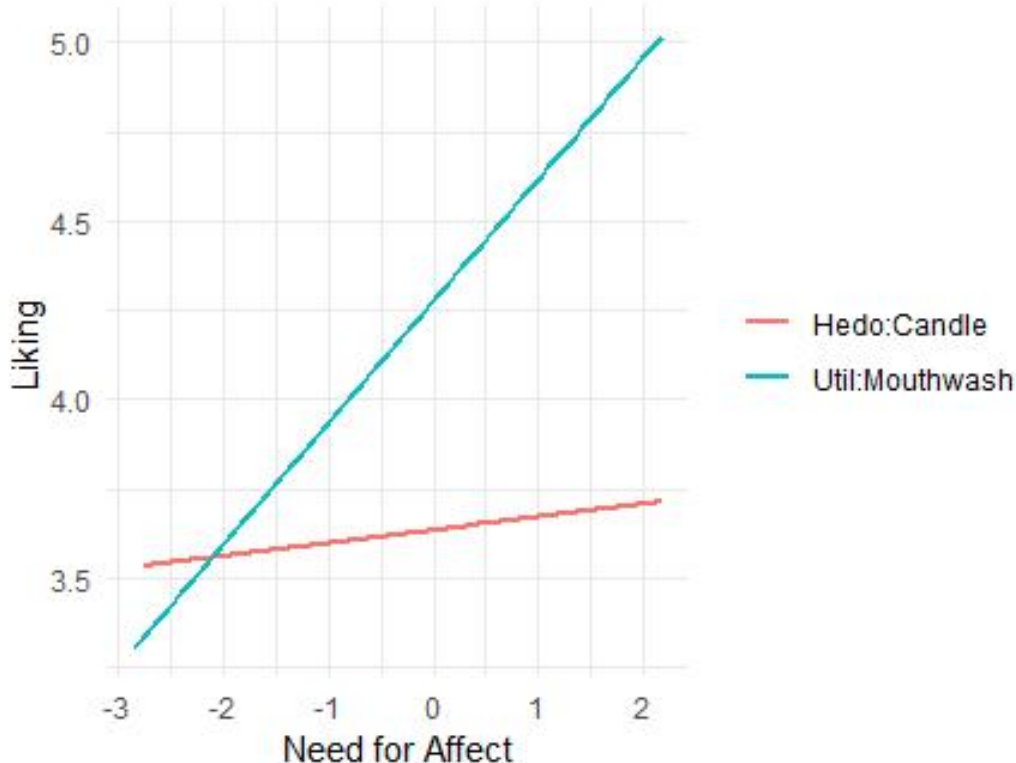
## **Study 1**

In study 1, we investigate how technical jargon influences consumer judgement for hedonic and utilitarian products. In addition, we measure the need for cognition and need for affect to explore individual differences.

We recruited 236 participants on Prolific for a “Product evaluation study,” randomly assigning them to one of two groups: hedonic versus utilitarian. In the hedonic condition, the participants saw a description and image of a scented candle, while in the utilitarian condition, they were shown a mouthwash product. In both conditions, technical terms were used to describe the products’ ingredients (e.g., “Benzly Salicylate” “Potassium sorbate”). After

reviewing the product information, the participants filled out their liking, trust, purchase intention and fluency of the product on seven-point Likert scales. Finally, participants responded to two scales of need for affect (Appel, 2012) and need for cognition, counterbalanced in order.

The fluency score of both product descriptions was significantly below the mid-point ( $p < .001$ ), but the candle condition ( $M = 2.40$ ) was significantly lower in fluency than the mouthwash condition ( $M = 3.5$ ,  $p < 0.01$ ). Hence, we control for fluency in our analysis. With liking as the dependent variable, we run a multiple linear regression and find a significant interaction between the conditions and need for affect ( $b = .40$ ,  $p = .02$ ), a significant main effect for fluency ( $b = .31$ ,  $p < .001$ ), and a marginal main effect for the conditions, with mouthwash favored more than candle ( $b = .31$ ,  $p = .10$ ). A spotlight analysis showed that there is no difference between conditions for low NFA ( $p = .66$ ) while a significant difference for high NFA individuals, where the mouthwash was significantly favored more than the candle ( $p = .005$ ).



The results show that technical jargon can play a significant role in consumer judgements depending on product type and people's need for affect. Though we do not test the mechanism, it is possible that people who rely more on affect may simply construe technical jargon to be a better fit for utilitarian products, even if they don't understand the jargon.

## Study 2

In study 2, we extend our findings from study 1 by using different stimuli and adding a non-technical jargon condition.

We recruited 399 participants and randomly assigned them to one of four groups in a two-by-two design: (hedonic versus utilitarian) x (jargon versus non-technical jargon). In the hedonic condition, the participants read about a perfume product, while in the utilitarian condition, they were shown a liver-detox product. In jargon conditions, technical terms were used (e.g., “Glutathione”, “Agrumen”) while more familiar terms were used in non-jargon conditions (e.g., “Milk thistle”, “Oud Wood”). Everything else was the same as in study 1.

The jargon condition ( $M = 3.04$ ) was significantly lower in fluency than the non-jargon condition ( $M = 5.15$ ,  $p < .001$ ). We combined the measures of liking, trust, and purchase intention ( $\alpha = .90$ ) as the dependent variable, and found a significant three-way interaction for our manipulated conditions and the NFA scale ( $b = .66$ ,  $p = .03$ ), as well as significant two-way interactions between jargon conditions and the product type ( $p = .03$ ) and between jargon conditions and NFA ( $p = .03$ ).

Replicating the results of study 1, study 2 shows that people who have a higher need for affect favor liver-detox more than perfume in the jargon condition. But this effect was marginally reversed in the non-jargon condition. These results show that jargon is useful in utilitarian products, especially among consumers who have a greater need for affect.

### **Discussion**

In this working paper, we provide preliminary insights into when jargon helps or hurts product descriptions. Through two studies, we show that people who rely more on emotions prefer jargons in functional products but not in hedonic products. These findings may help guide marketers to use technical terms in utilitarian products, especially when consumers may rely more on affect. In future studies, reliance on affect could be manipulated to show a causal moderating effect on technical jargons and product type.



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## **Social Media Influencers, Impulsive Behavior Tendencies, and Cognitive Dissonance: Some Preliminary Evidence**

### **Extended Abstract**

The surge in social media usage with the resultant increase in the number of social media influencers has created an opportunity for firms to rely on influencers to market their products. This has resulted in frequent unplanned online purchases and consequently higher post-purchase dissonance among customers. To understand this cognitive discord resulting from unplanned online purchases, four studies were conducted investigating the combined effects of income levels and impulsive behavior tendencies on consumers' post-purchase dissonance. Study 1 showed that consumer post-purchase dissonance increases with increasing impulsive behavior tendencies, specifically for low- and moderate-income groups. Study 2 reconfirmed this relationship for impulse purchases made for a product promoted by a social media influencer. Study 3 further explored the high-income group and demonstrated that dissonance did increase for them with increasing impulsive behavior tendencies only in the case of luxury products. Study 4 found that in the case of low/moderate-income consumers, exposure to positive word of mouth via customer satisfaction ratings attenuates the effect of individual impulsive behavior tendencies on consumer post-purchase dissonance. Conclusions and implications discussed.

### **Key Contributions to Academe and Practitioners**

Marketing through social media is poised to continue growing both in size and stature. Social media has spawned a whole generation of influencers who play an important role in shaping online consumer behavior. Anecdotal evidence suggests that online shoppers often resort to impulsive buying, which sometimes leads to dissonance. However, the paucity of research on this topic often prevents marketers from making informed decisions as to how to utilize social media influencers to increase sales while keeping online shoppers happy. To the best of our knowledge, this is the first empirical study that attempts to understand the combined effects of income, influencer types, and impulsive behavior tendencies on post-purchase cognitive dissonance. Our results suggest that income, type of goods, and word-of-mouth do affect the level of dissonance experienced by online shoppers with impulsive behavior tendencies. The findings of this study will thus have implications for both practitioners and researchers. Marketers will be able to identify factors that lead to post-purchase dissonance among online shoppers and take measures to mitigate the impact of such factors. The findings will also enable marketers to recalibrate their marketing messages for different categories of online shoppers based on income and to decide how best to utilize social media influencers to benefit not just the marketers, but also consumers including impulse buyers. For example, low and moderate-income groups can be made to feel satisfied, by reducing their cognitive dissonance through validation by others (e.g., satisfaction ratings from other customers, as demonstrated in our fourth study). The findings will also help researchers identify new streams of research in this emerging area of social media marketing.

## **Social Media Influencers, Impulsive Behavior Tendencies, and Cognitive Dissonance: Some Preliminary Evidence**

### **INTRODUCTION**

Rohan, a 22-year-old male, is on TikTok, Instagram, Snapchat, Facebook, and YikYak for almost seven hours daily and follows social media influencers like Kyle Jenner. He considers himself to be an impulse purchaser, and admits, “Almost all my purchases are impulse purchases!” His usual purchases are made at night when he is browsing his phone. No doubt, Rohan is a big spender but has not regretted a single purchase he made last year. On the other hand, Ann, a 20-year-old female, spends 3-4 hours daily on TikTok, Instagram, Snapchat, and Reddit, and follows influencers like Hailey Bieber. She usually does not spend a lot on shopping but often regrets the purchases she has made and especially about the clothes in her closet that she has never worn.

Why does Ann regret her purchases and Rohan doesn't? Perhaps, the answer lies in the fact that people tend to evaluate their own actions differently. Could it be that their intrinsic impulsive behavior tendencies create such a variance? While impulse buying might have existed since time immemorial, the ubiquity of social media together with the proliferation of vlogs by influencers and the ease of online shopping might have added new dimensions to consumers' post-purchase dissonance. This study seeks to unearth how the level of income can be a contributing factor to consumers' post-purchase dissonance. Our key research question is whether consumers with high impulsive behavior tendencies will face more cognitive dissonance than consumers with low impulsive behavior tendencies. If so, would income level, type of products, and validation from other customers attenuate or further enhance such dissonance?

Social media usage has been increasing at an accelerating pace for the past few years. The COVID-19 pandemic added further impetus to the use of social media during the past three years as people spent longer than usual at home, especially during the height of the pandemic. The growing popularity of social media also motivated innovative firms and entrepreneurs to experiment with various social media platforms for business development and brand promotions. As a result, social media got transformed into a market space where consumers could buy products rather than just post pictures of friends and family (van Den Berg, 2021). Along with the rise in the popularity of social media emerged another group of people with a large base of followers and expert knowledge on a subject matter, known as ‘social media influencers’, who significantly shape consumers’ online purchasing behavior. A social media influencer plays the role of an endorser for brands catering to the needs of all individuals. Such influencers on social media networking platforms like Twitter, Instagram, and Facebook (Frederg et al., 2011) play an important role in influencing how online shoppers make their purchase decisions and evaluate their actions (Lim et al., 2017).

In a set of four studies, we explore the hitherto under-investigated roles played by social media influencers in the case of online purchases. Specifically, we explore individual impulsive behavior tendencies (e.g., Dholakia, 2000; Punj, 2011; Sharma et al., 2010; Siorowska, 2011; Verplanken and Herabadi, 2001; Flight, Rountree, and Beatty, 2012; etc.) that drive online purchases in the presence of such social media influencers and the consequent cognitive dissonance (Festinger, 1957) associated with such impulse buys. We also seek to explore boundary conditions for the effect of impulsive behavioral tendencies among consumers in different income groups. It should be noted prior research has demonstrated a positive correlation



between impulsive behavior tendencies and impulsive buying behavior (Flight et al, 2012, Foroughi et al, 2013).

Study 1 demonstrates the effect of individual impulsive behavior tendencies on cognitive dissonance related to online purchases, which is further reconfirmed in the context of social media influencers in Study 2. Studies 3 and 4 investigate boundary conditions for this above-mentioned effect, specifically (i) type of product and (ii) validation via satisfaction ratings from other customers.

### **CONCEPTUAL BACKGROUND**

Post-purchase dissonance, a form of cognitive dissonance, is experienced by customers when they feel dissatisfied with a purchased product that does not reach their expectations. With the availability of multiple options for consumers to choose from, the expectations from brands have increased (Bednarska-Olejniczak, 2017). Early studies about purchase dissonance found that post-purchase communication is an effective technique to decrease purchase dissonance (Hunt, 1970; Stevens, 1971). Post-purchase dissonance has been studied at an extensive level which has resulted in many ways marketers have tackled the problem of customers experiencing post-purchase dissonance. Since the seminal work of Festinger (1957) on cognitive dissonance, a lot has been written about the factors that lead to such dissonance and the effect of such dissonance. However, what is missing from the literature, largely due to the recency of social media, is the impact of influencer marketing on online purchases and the cognitive dissonance that may follow such purchasing behavior, specifically, impulsive purchasing behavior.

‘Impulse Buying’, a phenomenon first studied by Clover in 1950, who also identified several categories of impulse buying, seems to be on the rise with the proliferation of various

social media platforms. While various factors that affect impulse buying including a positive emotional response in a retail environment are well documented (Chang et. al., 2011), not much is known as to what triggers impulse buying behavior among online shoppers. Factors that play a role in impulsive behavior in brick-and-mortar environments include but are not limited to the store/shopping environment, demographic differences, the type of product, and the various kinds of socio-economic factors (Muruganatham et al., 2013). Prior research has investigated impulsive buying as an outcome variable as well as a predictor and a trait, that is, impulsive behavior tendencies. Since social media marketing represents one of the fastest-growing segments of online shopping, it is worth exploring how individual impulsiveness is enhanced during an online shopping experience that is swayed by social media influencers. The reason and ways in which individuals engage in impulsive buying is an important part of consumer behavior research as it helps enable brands and companies to market their products in ways that are more appealing to individuals. How consumers form opinions about products in relation to the prior knowledge they possess also determines how they produce which determines their likeliness to buy it (Hartley et al. 2016).

Building on Appelbaum's (1951) work suggesting that impulsive purchasing may stem from the consumer's exposure to a stimulus while in the store, it can be argued that the words of social media influencers can also act as stimuli in social media settings and lead to increased impulsive buying (Koay, Teoh and Soh, 2021). Existing research suggests that impulse purchases lead to cognitive dissonance in consumers. Online shopping platforms provide customers the comfort of buying from home which increases the ease of purchasing products and hence leads to higher impulsivity (Kim and LaRose, 2017). George & Yaoyuneyong (2010) demonstrated how people experienced cognitive dissonance when they purchased products

impulsively. With the aim to revisit this foundational hypothesis in a social media setting, and further, explore boundary conditions for the impulsive behavior tendencies effects, we focus on the following hypotheses. Specifically, we investigate impulsive behavior tendencies, an individual trait, as a predictor for cognitive dissonance, which is moderated by the income level of the consumer. Further, we examine whether the low-income group consumers who are prone to cognitive dissonance due to their lack of discretionary income would be able to reduce their dissonance (e.g., McKimmie et al, 2003; Festinger, 1964, etc.) with regard to their online purchases when they are exposed to other customers' post-purchase satisfaction ratings of the relevant product. In addition, we also explore whether high-income group consumers would be prone to such impulsive behavior tendencies effects on dissonance when they indulge in luxury brand purchases on social media (e.g., Kumar, Khan, and Singh, 2022).

**Key Hypotheses:**

H1: Impulsive behavior tendencies have a positive effect on consumer cognitive dissonance in the case of online shopping and influencer marketing.

H2: The income/economic background of individual consumers moderates the effect of impulsive behavior tendencies in the case of online shopping and influencer marketing such that:

H2a: Cognitive Dissonance increases with increasing impulsive behavior tendencies for low- and moderate-income consumers.

H2b: No such effect exists for high-income consumers.

H3: Impulsive behavior tendencies has a positive effect on high-income group consumers' cognitive dissonance for luxury goods in the case of online shopping and influencer marketing.

H4: Exposure to positive word of mouth via customer satisfaction ratings attenuates the effect of impulsive behavior tendencies on low-income group consumers' cognitive dissonance in the case of online shopping and influencer marketing.

**STUDIES**

Exploratory interviews initiated our research which comprised four studies. All the studies followed four similar steps: i) participants' impulsive behavior tendencies were measured by 10-point Strongly Disagree-Strongly Agree Likert statements from existing scales (e.g., I often buy without thinking, It is fun to buy spontaneously, I buy products and services according to how I feel at that moment), (ii) followed by a distractor task, then (iii) participants were exposed to influencer posts/purchase scenarios for a specific product and (iv) participants demographics and cognitive dissonance measures were collected by using 10-point Likert-like Strongly Disagree-Strongly Agree statements (e.g., I feel angry when the product I purchased doesn't match my expectations, I have wondered if I could have made a better buy, etc.).

### **Study 1**

*Methods.* Two hundred participants completed the survey for monetary incentive via Amazon Mechanical Panel. First, participants' impulsive behavior tendencies were measured, followed by a distractor task, and they were asked about their social media browsing behavior and online purchases. Afterward, they were shown a series of influencer posts across product categories and influencer gender types and asked about their overall feelings of dissonance regarding online product purchases. Income responses were used to create low versus moderate versus high-income participant groups.

*Results.* 54% of the participants were male and 61% finished a four-year college degree, varying in age between 18 to 65 years old. The majority used Instagram (89%) and Facebook (81%) as social media sites. 99% spent at least 1-2 hours on social media, and 43% between 3-4 hours. Further, 82% prefer to shop online and 87% mentioned that they have engaged in impulse purchases.

A customized ANOVA was run on cognitive dissonance with income group and impulsive behavior tendencies as the independent variables. Results show there was a significant main effect of impulsive behavior tendencies ( $F(194) = 38.6, p < .001$ ), income ( $F(194) = 6.72, p < .01$ ), and the two-way impulsive behavior tendencies by income interaction ( $F(194) = 4.88, p < .01$ ). Follow-up analyses show, increasing impulsive behavior tendencies lead to increasing cognitive dissonance for the (i) low-income group ( $t(42) = 5.65, p < .001$ ) and the (ii) moderate income group ( $t(112) = 3.76, p < .001$ ). No such effects of impulsive behavior tendencies on cognitive dissonance for the high-income group ( $t(40) = 1.36, p = .2$ ). This supports H1 and H2. Note, the relevant two-way impulsive behavior tendencies by income interaction remain significant when income is not categorized. In addition to this, when the different income groups were asked about their rationale for impulse purchases, some of the popular rationales for the low-, moderate-, and high-income groups were ‘sale, when feeling down’, ‘when feeling down, liking an ad,’ and ‘sale, like an ad, celebrity promotions,’ respectively. 61% of the low-income group, 43% of the moderate-income group, and 31% of the high-income group spend around \$200-400, \$400-600, and \$600-800 on impulse purchases respectively.

## **Study 2**

*Methods.* Two hundred and six participants completed the survey via Amazon Mechanical Panel for a monetary incentive. The main objective of this study was to capture the proposed impulsive behavior tendencies effect in the context of brands endorsed by influencers. This study is very similar to Study 1, except that participants were given a purchase scenario accompanied by a social media post by a social media brand influencer (male or female). Participants were randomly assigned to one of the two conditions. Prior to this study, a pretest was run to identify appropriate influencers for all the remaining studies.

*Results.* 58% of the participants were male with similar demographic profiles and online behavioral characteristics as in study 1. A customized ANOVA was run on cognitive dissonance with income group, influencer type, and impulsive behavior tendencies as the independent variables. Results show there was a significant main effect of impulsive behavior tendencies ( $F(194) = 26.96, p < .001$ ), a two-way influencer type by income interaction ( $F(194) = 6.56, p < .01$ ), and the three-way impulsive behavior tendencies by income by influencer type interaction ( $F(194) = 5.26, p < .01$ ). Follow-up analyses show, irrespective of the influencer type, there was a significant two-way income by impulsive behavior tendencies interaction for the male influencer ( $F(96) = 3.43, p < .05$ ) and female influencer ( $F(98) = 3.78, p < .05$ ) incorporated purchase scenarios. Consistent with study 1, there is a positive effect of impulsive behavior tendencies on cognitive dissonance mainly for the low-income group, for both male ( $t(30) = 4.82, p < .001$ ) and female ( $t(31) = 5.25, p < .001$ ) influencer conditions. There was also an effect in the case of the moderate-income group assigned to the male influencer condition ( $t(52) = 7.59, p < .001$ ), with marginal significance for the female influencer condition ( $t(57) = 1.91, p < .1$ ). No main effects of impulsive behavior tendencies for high-income group conditions ( $ps > .4$ ). This once again confirms H2 in a more realistic setting of influencers in the context of online shopping.

### **Study 3**

*Methods.* The main goal of this study was to explore the high-income group and demonstrate the effects of impulsive behavior tendencies on cognitive dissonance, which was absent before. One hundred and eight participants completed the questionnaire for monetary incentives via Amazon Mechanical Panel. This study is exactly the same as Study 2, except (i) a

new pair of influencers were used, (ii) luxury brands were considered, (iii) a no-influencer control condition was added, and (iii) participants were only from the high-income group.

*Results.* 57% of the participants were male with similar demographic profiles and online behavioral characteristics as in study 1. A customized ANOVA was run on cognitive dissonance with influencer type and impulsive behavior tendencies as the independent variables. Results show there was a significant main effect of impulsive behavior tendencies ( $F(102) = 62.73, p < .001$ ). Increasing impulsive behavior tendencies were associated with increasing dissonance across all influencer-type conditions. H3 was supported.

#### **Study 4**

*Methods.* The main goal of this study was to explore boundary conditions for the effect of impulsive behavior tendencies among consumers in the low/moderate-income group. Two hundred and nineteen participants completed the questionnaire via Amazon Mechanical Panel. This study is the same as study 2, except (i) a new pair of influencers were used, (ii) word-of-mouth priming via customer satisfaction ratings (vs. not) was considered, and (iii) participants were only from the low-income group (moderate income group not considered for the sake of simplicity of the study design).

*Results.* 50% of the participants were male with similar demographic profiles and online behavioral characteristics as in study 1. A customized ANOVA was run on cognitive dissonance with influencer type, word-of-mouth priming, and impulsive behavior tendencies as the independent variables. Results show there was a significant main effect of impulsive behavior tendencies ( $F(211) = 30.88, p < .001$ ) and a three-way influencer type by word of mouth priming by impulsive behavior tendencies interaction ( $F(211) = 3.89, p = .05$ ). For illustrative

purposes, in the case of male influencer condition, it was seen that in case of no word of mouth priming, the impulsive behavior tendencies effects persists as before ( $t(42) = 5.63, p < .001$ ), however, it disappears in case of the word-of-mouth priming condition ( $t(64) = 1.18, p > .2$ ). H4 was supported.

## **CONCLUSIONS**

This study provides interesting insights into the psychological landscape of consumers with high impulsive behavior tendencies who purchase products after being influenced by social media influencers and also the growing importance of influencer marketing. The findings show a clear difference between different income groups in terms of how they evaluate their own purchase decisions. The findings of this study should help marketers take actions designed to reduce the level of dissonance among online shoppers who are influenced by social media and influencers. The findings also allow us to gain a better understanding of the boundary conditions that should enable marketers to develop different social media messages for luxury products and consumers with higher incomes. As social media is expected to continue playing an ever-increasing role in our lives, the more we learn about different facets of influencer marketing, the better it will be for consumers. It is hoped that the findings will generate more research curiosity among academics and practitioners and direct them to undertake new areas of research related to social media such as ethics of influencer marketing, combining the power of artificial intelligence and machine learning with influencer marketing, proposing legislations and/or industry standards to protect consumer interests, handling sensitive cultural issues related to the global reach of influencers, etc. While much work lies ahead, it is hoped that the findings of this research will act as a stimulus for further studies that will enrich our understanding of the complex subject matter of online impulse buying and post-purchase dissonance.



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**STATUS MATTERS: AN EXPLORATION OF THE INTERSECTION OF  
STATUS CONSUMPTION, LUXURY CONSUMPTION, MATERIALISM, AND  
SUBJECTIVE WELL-BEING**

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**Keywords:** Subjective well-being, Status consumption, Bandwagon and snob effects, Luxury, Materialism

**Description:** This research provides fresh insights into the complex relationship between varying forms of status-driven consumption and subjective well-being, revealing that status and bandwagon consumption enhance well-being, while snob consumption and an emphasis on material possessions can reduce it.

## EXTENDED ABSTRACT

### **Research Question**

Luxury marketers need to uncover the underlying motivations behind status-driven or luxury consumption, as this could greatly impact their marketing strategies. Apart from identifying the drivers behind these types of consumption, it is also essential to further explore their impact on consumers' well-being. The concept of well-being has been a subject of extensive contemplation and academic discussion and it remains a significant area of research across various scientific fields.

Given the crucial role of well-being in our lives and the growing interest in luxury consumption, it is important to investigate the potential impact of status-driven consumption on well-being. The academic literature consistently supports the significant influence of people's status on their well-being.

Based on the above points, the current paper examines the following research questions:

(a) How does status as a fundamental motive (SFM) influence status consumption (SC)? (b) How do SC, bandwagon, and snob luxury consumption impact an individual's subjective well-being (SWB)? (c) As bandwagon and snob are two ostensibly antithetical forms of luxury consumption, are they equally effective in affecting subjective well-being? (d) How does status (as a fundamental motive) relate to materialism and (e) what is the subsequent effect of materialism on subjective well-being?

### **Method and Data**

A quantitative research via a large-scale online survey was utilized. Two pretests initially took place consisting of 25 and 45 US-based Amazon MTurkers respectively to eliminate potential biases. Next, a US-based Amazon MTurk sample comprising 1241

individuals was recruited. The surveys were performed using Qualtrics. We took specific preventive actions to overcome potential quality concerns associated with this specific sampling methodology. These actions included filtering out spammers (i.e., people who exhibit little attentiveness to the instructions and aims of the researcher), speeders (i.e., people who complete the task faster than a human could have done under normal circumstances), and cheaters (i.e., people who lie or violate the terms of MTurk). After excluding problematic cases, 974 participants remained. Established multi-item scales were used in the questionnaire. All scales were 7-point Likert-type measures.

The study aimed to confirm a proposed theoretical model containing multiple multi-item latent variables connected with complex relationships based on a large sample. The Covariance-based Structural Equation Modeling approach is deemed as highly appropriate under these conditions. Common method variance's (CMV) existence was tested and since it was verified that CMV had no practical impact on the analysis, measurement and structural model evaluation took place.

### **Summary of Findings**

Our findings support the positive link between SFM and both SC and materialism. Individuals motivated by a strong drive for status attainment are more likely to engage in the consumption of goods that symbolize and confer status, as well as hold materialistic values. Model findings empirically reinforce the view that SC has a positive effect on both bandwagon and snob.

Third, it sheds new light on the impact of different forms of consumption on subjective well-being. The urge to consume for status was expected to positively impact subjective well-being and can also enhance an individual's subjective well-being indirectly

through bandwagon and snob. The empirical data also highlight that SWB is positively affected by status consumption and bandwagon, respectively. Contrary to our conceptualization, the results showed that snob has a significant negative effect on subjective well-being. Finally, our findings also validated that materialism is negatively associated with subjective well-being.

Overall, our study expands our understanding of how individuals' subjective well-being can be reinforced, through their consumer purchases. Given the social nature of humans as a gregarious and interdependent species, the social dimensions of consumption appear to be more important subjective well-being drivers than the individualistic and materialistic ones.

### **Key Contributions**

This study makes several contributions to marketing literature. First, it confirms a positive relationship between SFM, SC, and materialism, confirming a link between the inherent motivation for status attainment and both, status consumption and materialism. Second, it strengthens the notion that SC drives both bandwagon and snob luxury consumption. Third, it provides new insights into the impact of different forms of consumption on SWB, highlighting that while status consumption and bandwagon enhance well-being, snob has a negative effect. Fourth, it adds to the growing literature on the negative impact of materialism on SWB.

The results imply that luxury marketers should use status to motivate purchases since it affects various consumption forms. But this status-driven approach should be applied cautiously. This is because not all status-infused consumption types are meritorious. If consumption has materialistic stimulation or snob expression, then it will have detrimental effects on SWB. Consequently, in the long-term, consumers will resort to

other choices to avoid the negative effects. On the contrary, if consumption is triggered by the need to follow the majority, then a virtuous consumption cycle emerges. This happens because consumers will indulge in more consumption to further increase the positive feelings and augmented life satisfaction levels.

References are available upon request.

## **THE DARK SIDE OF PERCEIVED ECONOMIC MOBILITY**

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**Keywords:** Perceive economic mobility (PEM), Credit card usage, Consumers' confidence index (CCI), Impulsive spending, Financial decision-making.

**Description:** How perceived economic mobility (PEM) impacts credit card usage likelihood through an increase in consumer's confidence in the economy.

### **EXTENDED ABSTRACT**

**Research Question:** Does high (versus low) levels of perceived economic mobility (PEM) impact consumers' credit card usage likelihood? If so, why? Specifically, when consumers believe that society today offers high possibilities for upward economic mobility, will they display higher (or lower) intentions of using a credit card for an unexpected discretionary purchase compared to those who believe that such upward social and economic mobility is less attainable?

**Method and Data:** *Pretest* (N= 167). Participants were randomly assigned to a news story that highlighted how hard work does (or does not) bring success in the long run, how people are poor due to laziness (or social injustice), and that people have (or do not have) a chance to escape

poverty. *Study 1* (N= 274), was a one-factor (PEM: high vs. low) between-subject design. Following the same PEM manipulation used on the pretest, participants were asked to indicate the likelihood of making a unexpected and clearly discretionary purchase using with their credit card (sliding scale of 0 to 100). *Study 2* (N= 438), used a two (social mobility: positive vs. negative) by two (consumers' confidence index: high vs. low) between-subject design. Following the PEM manipulation, participants were presented with the same impulsive purchase scenario used in study 1. Subsequently, participants answered questions regarding their confidence in the economy – Consumer Confidence Index CCI (adapted from Federal Reserve bank of Saint Louis, 2003; McWhinney et al., 2023; University of Michigan, 1946).

**Summary of Findings:** *Pretest* (N= 167): Participants in the high-PEM condition reported higher levels of PEM ( $M_{High\ PEM} = 4.82$ ) than those in the low-PEM condition ( $M_{Low\ PEM} = 4.22$ ), ( $F(1, 166) = 7.62, p < .05$ ). *Study 1* (N= 274): An ANOVA revealed that high-PEM lead to higher likelihood of credit card usage ( $M_{positive} = 38.62$ ) compared to low-PEM ( $M_{negative} = 28.92$ ), ( $F(1, 273) = 6.66, p < .05$ ). These results supported H1. *Study 2* (N= 438): An ANOVA replicated study 1 results: higher PEM manipulation lead to higher likelihood of credit card usage: ( $M_{High\ PEM} = 38.42, M_{Low\ PEM} = 30.47$ ), ( $F(1, 308) = 4.69, p < .05$ ). To investigate whether CCI mediates the PEM to behavior intentions relationship (H2), PROCESS model 4 was conducted. Results shown PEM significantly impacts CCI ( $\beta = -.21, se = .10, p < .05$ ) and CCI significantly impacts the likelihood of credit card usage ( $\beta = 12.66, se = 1.93, p < .05$ ). The mediation model is significant ( $F(2, 306) = 24.20, p < .05, R^2 = .14$ ). The indirect coefficient is significant ( $\beta = -2.65, BootSE = .144, 95\% BootCI = [-5.81; -.12]$ ) as reflected by the confidence-intervals that do not contain zero.



**Key Contributions:** Credit card overuse is a major concern for Americans. The average American household owes approximately \$7,486 in revolving debt (Federal Reserve, 2022). The staggering amount of debt Americans' households carry is hardly a new concern (Amar et al., 2011; Celsi et al., 2017; Haws et al., 2012; Kettle et al., 2016). However, the recent increase in cost of living, 16% in the past three years (Bureau of Labor Statistics, 2022), contrasted with the slower pace of income growth, up 7% in the same period (Bureau of Labor Statistics, 2022), has highlighted the harmful consequences of credit card overuse.

This research examines how perceived economic mobility (PEM) impacts credit card usage. Our studies show that consumers with high-levels of PEM are more likely to engage in unexpected credit card purchases than their counterparts with low-levels of PEM. We trace this effect to an increase in consumer's confidence in the economy (University of Michigan, 1946).

These findings are relevant for researchers, policymakers and consumer advocates. Possible interventions are discussed. For instance, research has shown that higher levels of PEM can curb impulsive behavior in materialistic consumers and aid in impulsive purchases when such a purchase is positioned as a means to achieve financial success (Yoon and Kim, 2016). As such, by highlighting the negative impact of credit card debt on long-term financial success, it is possible to curb the negative effect of PEM on impulsive behavior and credit card (over)use.

References are available upon request.

## THE EFFECT OF AMBIENT LIGHTING ON CONSUMER GOAL PERCEPTION

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**Keywords:** Ambient lighting, illuminance, goal perception, goal progress

**Description:** We provide initial evidence that ambient lighting influences consumers' perception of goal proximity and progress.

### EXTENDED ABSTRACT

**Research Question** – Can ambient lighting influence consumers' perception of goal proximity?

**Method and Data** – Study 1 used a single factor (ambient lighting: dim vs. bright) between-subjects design. The participants were primed to recall a situation in which they were in a dim (vs. bright) place. Then, they were randomly assigned to two scenarios: doing a sit up and paying off credit card debt. A total of 210 participants were recruited from Amazon's Mechanical Turk. Next, Study 2 was a 2 (ambient lighting: dim vs. bright) × 2 (goal progress: midpoint vs. endpoint) between-subjects design. The ambient lighting priming remained consistent as in Study 1. For goal progress manipulation, the participants were told that their fitness goal is to stay fit and wear a dream swimsuit for the next vacation. The plan was to run 4 miles three times a week. In the midpoint condition, the participants were told that they were at the 2-mile mark whereas those in the endpoint condition were told that they were at the 3-mile mark. A total of 237 undergraduates participated in the study.

**Summary of Findings** – In study 1, consumers believed that they are closer to the goal and more likely to achieve the goal in dim (vs. bright) lighting. The study 2 findings show that the effect of ambient lighting is more pronounced at the midpoint (vs. endpoint) of goal completion in that the participants believed that they were closer to goal completion in dim lighting at the midpoint of a goal.

**Statement of Key Contributions** – Across two studies, we provide initial evidence that ambient lighting influences consumers' perception of goal proximity and progress.

**The Effect of Attitude Confidence in Consumer Bias Correction**

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**Keywords:** correction magnitude, attitude confidence, bias correction, product  
attitude

**Description:** The current research shows for the first time that attitude confidence can negatively influence the degree to which people perceive themselves to be biased and thus the actual magnitude of bias correction.

## EXTENDED ABSTRACT

### **Research Question**

Consumers are often influenced by many irrelevant factors, leading to biased product evaluations. In recent years, a growing number of psychology and marketing scholars have found that people can detect biases in certain situations and correct their initial biased judgments to achieve perceived accuracy. However, no studies have explored the underlying factors and mechanisms that lead to different correction magnitudes when bias correction is activated for the same bias. The current research shows for the first time that attitude confidence can negatively influence the degree to which people perceive themselves to be biased and thus the actual magnitude of bias correction. Our findings suggest that enhancing customers' attitude confidence will make them more likely engage in a smaller extent of attitudinal correction, even when persuasive biases are noted. The current research may help marketing managers better predict and control customers' corrective magnitudes to enhance the effectiveness of marketing persuasive attempts.

### **Method and Data**

200 college students were randomly assigned into a 2 (Attitude Confidence, AC: high/low)  $\times$  2 (Correction Activation, CA: yes/no) mixed design with AC as a between-participant factor and CA as a within-participant factor. The time interval between phases was six weeks. Participants were asked to read three ads. The target ad for a fictitious brand "Quiren" organic shampoo was the last ad. The first ad was for a fictitious supermarket, "SMarket". The second ad was a filler ad for a fake snack brand. Before reading the target ad, participants were asked to participate in a task

designed to manipulate attitude confidence. Participants were asked to list two life events where they felt most (or least) confident when manipulated to be high (or low) in attitude confidence. Afterward, participants read the target ad, where a celebrity endorsed “Quiren”. Participants then evaluated the target product and answered manipulation check questions. Six weeks later, the same participants took part in another experiment. The first three ads and manipulations were identical to the testing phase, except that participants in the retesting phase were informed of potential endorser bias in order to trigger bias correction by reading a bias-prompting tagline in the first ad.

### **Summary of Findings**

Participants’ average ratings of the target brand were analyzed by a 2 (AC) × 2 (CA) repeated-measures ANOVA. A significant CA main effect ( $M = 5.39$  vs.  $4.37$ ,  $F [1, 198] = 459.39$ ,  $p < .001$ ), and a significant AC × CA interaction ( $F [1, 198] = 25.98$ ,  $p < .001$ ) emerged. Correction activation negatively influenced target attitudes, irrespective of attitude confidence. That is, when correction was activated (vs. when correction was not activated), the likable endorser produced less favorable target judgments in both high attitude confidence ( $M = 5.33$  vs.  $4.55$ ,  $F [1, 198] = 133.45$ ,  $p < .001$ ), and low attitude confidence conditions ( $M = 5.45$  vs.  $4.18$ ,  $F [1, 198] = 351.92$ ,  $p < .001$ ). As predicted, in an analysis of interaction contrast, participants with low attitude confidence corrected significantly more than those with high attitude confidence ( $M = 1.27$  vs.  $.78$ ,  $F [1, 198] = 25.98$ ,  $p < .001$ ).

### **Statement of Key Contributions**

The contributions of the current research are threefold. First, to the best of our

knowledge, the current research is the first one that proposes and empirically examines the negative effect of attitude confidence on correction magnitude in consumer settings. Emphasizing the role of attitude confidence in correction magnitude is crucial for marketers. Enhancing consumers' attitudes toward products is not the only important focus for marketing or persuasive strategies; strengthening consumers' confidence level toward product attitudes may be equally substantial since higher confidence would make consumers more resistant to attacking information from competitors. Second, the current research is a supporting study for naïve theory-based correction models. In alignment with the assertions of naïve theory-based correction research, the current research shows that corrections based on an individual's subjective perception about the validity of the initial judgment may not always reach accuracy; they sometimes create even more biases. Finally, the current research may offer some important implications for business practices. The current research helps marketing managers better predict and control customers' corrective magnitudes to enhance the effectiveness of marketing persuasive attempts.

**THE EFFECT OF FOOD PRESENTATION ON CONSUMERS' PLATE-  
CLEARING TENDENCY**

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**Keywords:** Plate-clearing tendency, Shared plating, Individual plating, Psychological  
ownership

**Description:** This research shows that compared to shared food presentations, where  
food for all diners is presented in a single plate, individual food presentations, where  
each diner's food is served on a separate plate, can increase plate-clearing tendency  
because of an enhanced psychological ownership of the food.

## **EXTENDED ABSTRACT**

### **Research Question**

Food waste is a pressing issue, particularly during the consumption stage. Previous research has mainly addressed household food waste, such as food purchase, expiration, and discarding, neglecting the dining context. Notably, group dining settings are prone to higher food waste. In China, a study discovered that restaurant food waste reached around 17-18 million tons in 2015, with group dining occasions, like social gatherings and business banquets, surpassing individual dining instances like work meals and private dining in waste generation. Therefore, it is crucial to explore the factors in group dining settings that influence consumers' tendency to consume all the food available (i.e., plate-clearing tendency).

This research focuses on comparing the influence of two different types of food presentation—shared plating vs. individual plating—on consumers' plate-clearing tendency. In shared plating, food is placed in large dishes or platters for sharing, which is common in Eastern countries. In individual plating, each person is served with their own portion of food on a separate plate, which is common in Western countries. We asked two questions: (1) Do different food presentations influence consumers' plate-clearing tendency when dining with others? (2) If so, what is the underlying mechanism?

### **Method and Data**

Study 1 tested the main effect of food presentation (shared plating vs. individual plating) in a local restaurant. Participants included pairs of diners who ordered the



two-person set meal. Peanut soup was chosen as the experimental dish. In the shared plating condition, the soup was served in a large bowl for sharing, while in the individual plating condition, it was served in two separate smaller bowls. The amount of unfinished peanut soup was measured as the dependent variable.

Study 2 excluded the alternative explanation of social influence. The study was a single-factor (group dining: shared plating vs. group dining: individual plating vs. single dining) between-subjects design. Single dining refers to participants dined alone. The study was disguised as free tasting event and took place at a university cafeteria, using stir-fried rice as the experimental material.

Study 3 examined the mechanism through participants recruited in Prolific. Participants imagined having lunch with a friend and ordering a salad bowl. The salad bowl was either served on one shared plate or two separate plates. Then, participants rated their plate-clearing tendency and psychological ownership of the food.

### **Summary of Findings**

Study 1 showed that customers left a significantly lower amount of peanut soup unfinished when it was served in the individual plating condition ( $M = 88.49$ ,  $SD = 98.95$ ) compared to the shared plating condition ( $M = 117.33$ ,  $SD = 131.91$ ;  $t(78) = 3.18$ ,  $p = .002$ ).

Study 2 revealed that the weight of unfinished food in the individual plating condition ( $M = 38.41$ ,  $SD = 50.64$ ) was significantly lower than that in the shared plating condition ( $M = 81.16$ ,  $SD = 78.80$ ;  $p = .025$ ). The weight of unfinished food in the single dining condition ( $M = 34.77$ ,  $SD = 56.52$ ) was significantly lower than that

in the shared plating condition ( $p = .018$ ), and there was no significant difference between the single dining and individual plating conditions ( $p = .86$ ).

Study 3 showed that participants in the individual plating condition reported a higher plate-clearing tendency than those in the shared plating condition ( $M_{\text{individual}} = 5.09$ ,  $SD = 1.29$ ;  $M_{\text{shared}} = 4.12$ ,  $SD = 1.67$ ;  $t(198) = 4.60$ ,  $p < .001$ ). The indirect effect of psychological ownership was significantly positive ( $B = .98$ ,  $SE = .21$ , 95%  $CI = [.59, 1.41]$ ).

### **Key Contributions**

Theoretically, this research sheds light on consumer food waste in group dining, an area that has received limited attention in previous studies. This research specifically examines the two different food presentation styles: shared plating and individual plating, which are the two mainstream plating styles in various parts of the world, thus contributes to the food waste literature by identifying a common and important factor in driving consumers' food waste behavior. Second, it expands the understanding of the social influence on food consumption by demonstrating that an individual's food intake is influenced not only by dining companions and social context but also by environmental factors such as food presentation. Third, it contributes to the literature on psychological ownership by identifying factors that can influence ownership perception in public contexts.

Practically, in countries where shared plating is the traditional way of serving food, our research offers practical advice to practitioners and policymakers on reducing food waste associated with shared plating presentation. Governments and

policymakers can consider promoting the adoption of individual plating style in family and restaurant dining as a means to reform traditional food presentation. Emphasizing the benefits of food hygiene and waste reduction associated with individual plating can help increase public willingness to change traditional dining habits.

**THE EFFECTS OF PERCEIVED CLOSENESS BETWEEN EXPECTED PRICE AND OBSERVED PRICE ON PURCHASE INTENTION: A CONFIDENCE-DRIVEN DECISION-MAKING PROCESS**

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**Keywords:** internal reference price; observed price; purchase intention.

**Description:** This research aims to examine the influence of perceived closeness between consumers' expected price and the observed retail price of a product, and its relation to consumers' purchase intentions.

**EXTENDED ABSTRACT**

**Research Question**

Do consumers consistently rely on economically rational price judgments? Prior research based on adaptation-level theory and range theory found that consumers rationally reject a price beyond an internal range created from past experiences. However, research on the psychological mechanism by which consumers choose among product alternatives within the price range remains unexplored. Under complex and dynamic shopping situations, consumers are reluctant to exercise analytical decision-making with the integration of information involved (Bruner, 1960). Instead, consumers may follow intuition, which refers to the “probabilistic structure of cues and variables relevant to one’s judgments, decisions, and behavior” (Lieberman, 2000: 110). This research fills a gap by postulating that consumers are reluctant to systematically scrutinize accumulated explicit information, and

in contrast, follow an intuitive process that generates additional abstract evidence to assist their decision-making. Specifically, the author introduces the concept of “perceived closeness” between the expected and observed prices ( $P_{\text{closeness}}$ ) and examines how this variable affects consumer choice among product alternatives within an internal price range. In essence, “perceived closeness” may function as an intuitive cue, aiding consumer judgments on prices within an internal range.

### **Method and Data**

Data were collected from 930 consumers across three universities in the United States. The convergent and discriminant validity of the measurements of constructs were checked with confirmatory factor analysis using structural equation models in SPSS Amos. To test the hypotheses, the author conducts moderated-mediation models using the Hayes PROCESS macro in SPSS with a 5000 bootstrap. As “closeness” is a subjective perception that differs across participants, this research measured it with a circle metaphor derived from the Inclusion of the Other in the Self Scale (Gächter et al., 2015). The participants were asked the question: “imagine that you are looking to buy a smart TV in an electronics store, how much are you expecting to pay for it?” The  $P_{\text{closeness}}$  variable was represented on the seven-point Likert scale (1 = closeness gap is large, meaning expected is distant from observed, and 7 = closeness gap is small, meaning expected approximates observed). Other scales (self-confidence, prior product knowledge, price sensitivity, product involvement, purchase intention) were adopted from previous research.

### **Summary of Findings**

The findings show that consumers are more confident to make a choice when their expected price of a product is close to its retail price, regardless of prior knowledge and price

sensitivity. The results confirmed that self-confidence partially mediates the relationship between perceived closeness and purchase intention. The research also clarifies the role of prior knowledge, price sensitivity, and product involvement using moderated mediation analyses. The results revealed that consumers' self-confidence is not influenced by prior knowledge when they make decisions relying on perceived closeness. Also, consumers tend to neglect price sensitivity when they feel confident in the purchase context. Product involvement negatively moderates the effect of self-confidence on purchase intention. From an intuitive decision-making perspective (IDM), this research proposes a new psychological mechanism under which consumers' intuitive price perception influences their purchase intention by considering the perceived closeness between the expected price and observed price.

### **Key Contributions**

This research has important implications. Marketers can determine the sales-maximization price of a product by learning consumers' price expectations. For example, marketers can disclose a new product's features and specifications and host a "reveal event," showing a prototype before official release of the actual product to the stores. Recently, Sony hosted a live stream event to introduce the PlayStation 5 and, surprisingly, held the retail price as a secret. This event created numerous discussions and "guesses" on social media and related search terms yielded about 97,900,000 results on Google. Based on the findings of this research, marketers for PlayStation 5 might consider choosing a retail price that is close to consumers' expected price. Marketers can also use various marketing research methods, such as survey and focus groups, to gather consumers' thoughts on the "reasonable" retail price. Future research could explore the role of perceived closeness on effects between product type (utilitarian/hedonistic) and knowledge type (objective/subjective).

References are available upon request.

## **THE IMPACT OF VIRTUAL VISUAL ELEMENTS ON INDIVIDUAL CREATIVITY**

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Keywords: creativity, virtuality, visual elements, nontraditional mindset, new product adoption

Description: This paper demonstrates that exposure to virtual visual elements can lead to increased creativity, which is driven by the activation of a nontraditional mindset.

### **EXTENDED ABSTRACT**

#### **Research Question**

The widespread integration of virtual visual elements in various aspects of everyday life is a result of digital technology's ubiquity. These elements include virtual backgrounds, virtual scenes from social games like Horizon, and etc. While prior research has focused on the impact of basic visual information on creativity, the impact of virtuality on cognition and decision-making has been overlooked. This study aims to contribute to the literature by suggesting that virtual visual elements can increase creativity by activating a nontraditional mindset.

Virtual visual elements present a novel dimension of visual expression. They can steer individuals away from relying on conventional solutions and towards active exploration of new ideas in the virtual space. The default state of reality lacks the



impetus for individuals to explore unconventional solutions, while the virtual world offers a departure from reality and a new possibility for manifestation that broadens thinking space. Real-world constraints often discourage innovation (Wang et al., 2019), whereas virtual space offers reduced constraint and diminished negative repercussions for breaking rules and exploring new paths. As a result, individuals feel more emboldened to break through traditional mindset, leading to improved performance in creative tasks.

### **Method and Data**

Three studies were conducted to test the proposed hypotheses. Experiment 1 ( $N = 186$ ) aimed to establish the main effect of virtual visual elements on individuals' creativity using a 2 (visual elements: virtual vs. real) between-subjects design through a divergent creativity task (generating ideas for a mattress) and ruled out a series of alternative explanations including creative intent, emotion, arousal, imagination and psychological distance. Experiment 2 ( $N = 388$ ) adopted a moderation-based approach to test the mediating role of nontraditional mindset by using a 2 (visual elements: virtual vs. real) x 2 (mindset: nontraditional mindset vs. control) between-subjects design. Nontraditional mindset was manipulated by presenting untraditional use of common products. Meanwhile, Experiment 2 used a convergent creativity test (RAT) to enhance internal validity. Experiment 3 ( $N = 196$ ) extended to new product adoption by employing a one factor between-subjects design. To provide more evidence for the underlying mechanism, we also directly measured nontraditional mindset for mediation analysis.

### **Summary of Findings**

Results of Study 1 showed that when people viewed virtual visual elements, compared to the real ones, they generated more innovative ( $F(1, 184) = 11.86, p = 0.001$ ) ideas, without sacrificing usefulness. Meanwhile, the alternative explanation of creative intent, emotion, imagination and psychological distance were excluded.

Results of Study 2 documented a significant interaction between virtuality and nontraditional mindset ( $F(1, 384) = 9.69, p = 0.002$ ). That is when the nontraditional mindset was not activated, participants viewed virtual visual elements performed significantly better in RAT than the ones viewing real elements ( $F(1, 384) = 3.92, p = 0.048$ ), which replicated the main effect in Experiment 1. However, in nontraditional mindset condition, participants who viewed real elements performed even better than those viewed virtual elements ( $F(1, 384) = 5.87, p = 0.016$ ).

Results of Study 3 showed that viewing virtual (vs. real) advertisements increased willingness to adopt innovative product options ( $F(1, 194) = 12.54, p < 0.001$ ). Additionally, the mediating effect was directly supported (CI [0.0060, 0.22]).

### **Key Contributions**

This study contributes to the research on the impact of visual elements on creativity by exploring the impact of virtuality on cognition and decision-making. While previous studies have examined specific visual elements, such as color or natural elements (Mehta & Zhu, 2009; Palanica & Fossat, 2022), the overall impact of visual experience has received less attention.

Furthermore, the study also contributes to the literature on situational factors that affect individual creativity. This research area has shown that creativity is influenced by various situational factors, such as noise intensity and tactile experiences (Kim et al., 2022; Mehta et al., 2012). This study makes a valuable contribution to the episodic factors that influence creativity.

Practically, enhancing creativity, which is a positive mental energy when facing stress, is especially important in a time full of uncertainty. Besides, companies launching new products or brands can consider virtualizing the advertising or sales environment to promote innovation and facilitate adoption.

**THE IMPACTS OF CONFLICTING INFORMATION ON CONSUMERS' ATTITUDES TOWARD AND WILLINGNESS TO ADOPT MEDICAL CANNABIS PRODUCTS**

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**Keywords:** stigmatized products, medical cannabis, conflicting information, risk perception, attitudes

**Description:** In this paper, we examine the impacts of conflicting information on consumers' attitudes toward and willingness to adopt medical cannabis products through two experimental studies.

**EXTENDED ABSTRACT**

**Research Question**

The legalization of medical cannabis in many countries has been spurring the pharmaceutical industry worldwide in recent years. Despite the increasing number of studies attesting to the

benefits of medical cannabis, these products are still stigmatized due to their relatively recent legalization, making their acceptance difficult for consumers.

As advertising is not an available source of information about medical cannabis products, consumers have to rely on other sources when searching for information on such products. However, consumers will often find conflicting information about medical cannabis not only across the available sources, but also within the same source. Although there are some fledgling studies on the impacts of different information sources on health-related decisions and behaviors, findings are inconsistent and focused on single sources without considering the outcomes when information is conflicting. Moreover, little is known about consumers' adoption of stigmatized products and the role of information on risk perception in such a process.

Given the context above, the research question guiding this study is: what are the impacts of conflicting information on consumers' attitudes towards and willingness to adopt medical cannabis products?

### **Method and Data**

Two experiments were conducted to answer the proposed research questions. In study 1 ( $n = 161$ ), we test hypotheses 1a: conflicting information across different sources will lead to lower willingness to adopt medical cannabis products; and 1b: perceived risk mediates the effect of conflicting information across different sources on willingness to adopt medical cannabis products. The study was a one-factor between-subjects design with four conditions reflecting different information sources (physician vs. friend vs. media vs. control).

Study 2 ( $n = 378$ ) was designed to test hypothesis 2: conflicting media information will lead to negative attitudes toward medical cannabis products. The study was a one-factor between-subjects design with five conditions encompassing all possible combinations of information's

valence (positive/positive vs. negative/negative vs. positive/negative vs. negative/positive vs. control).

### **Summary of Findings**

Results from study 1 showed that participants were significantly less willing to adopt medical cannabis if presented with conflicting information about such a product. Although participants' level of trust in different health information sources varies, their lower willingness to adopt medical cannabis products after exposure to conflicting information holds independent of the information source. These results corroborate previous research that showed the detrimental impacts of conflicting information on consumers' product adoption decisions. Further analyses revealed that conflicting information impact participants' willingness to adopt medical cannabis through perceived risk.

Study 2's results revealed that even within the same source (media), conflicting information has a significant and negative influence on participants' adoption decision process. Participants exposed to conflicting information about medical cannabis presented low attitude levels, similar to those exposed to two negative news pieces and lower than those who read two positive news pieces. These results align with previous studies that showed that conflicting information unsettles consumers' attitude formation. Although previous studies are inconclusive regarding the valence of conflicting information effects on consumers' attitudes, our results reveal that it has negative impacts.

### **Statement of Key Contributions**

Our theoretical contributions are threefold. First, we found that when exposed to conflicting information about medical cannabis, consumers' willingness to adopt medical cannabis

decreases. This finding contributes to the literature on consumer decision-making and product adoption by showing the adverse outcomes associated with conflicting health-related information consumers find across different sources. Second, we found that conflicting information increases consumers' risk perception, decreasing their willingness to adopt medical cannabis products. This finding contributes to the stigmatized products' literature by revealing the effects of conflicting information on risk perception and its impact on consumers' willingness to adopt such products. Third, conflicting information was shown to have the same impact on consumers' attitudes toward medical cannabis as negative only information. Our finding confirms that conflicting information unsettles consumers and hence negatively affects their psychological well-being, expanding the literature on consumer well-being.

Our study also provides a couple of managerial implications. First, we provide health marketing managers with insights into the roles of health-related information in consumers' product adoption process. Second, informing consumers about the benefits of medical cannabis products can help educate them, moving them away from potentially less healthy choices.

## **THE PSYCHOLOGICAL FACTORS IN SHARED BIKING SERVICE ADOPTION**

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**Keywords:** Shared biking services, Shared biking adoption, Psychological factors, Structural Equation Modeling

**Description:** This paper develops understanding consumer perception regarding shared biking services which requires the analysis of psychological factors underlying the late diffusion of shared biking services.

### **EXTENDED ABSTRACT**

#### **Research Question**

Shared biking services, as a form of micro-mobility services, rank as one of the fastest-growing transportation innovations in many cities around the world transforming consumer mobility behavior (Nikitas, 2019). However, innovative shared mobility services diffuse differently around the world, due to several factors. Therefore, this study aims to analyze the factors influencing consumer perception of shared biking services and the factors triggered by service innovation, such as perceived complexity, perceived risk, and compatibility. In addition, we also aim to understand



the benefits that consumers perceive in terms of usefulness and hedonic values. In line with these, we formulated our research questions as follows:

RQ1) Do the perceived usefulness and hedonic value affect the behavioral perception toward the use of bike-sharing services?

RQ2) How do the delivery risk perception and perceived complexities affect the behavioral perception toward using bike-sharing services?

RQ3) Do attitudes have an effect on the intention to use bike-sharing services?

RQ4) Does compatibility have a mediating role between bike-sharing attitude and intention?

### **Method and Data**

This research uses online survey data from 330 respondents from Turkey collected between 2021 and 2022. A structural equation modeling analysis was conducted to investigate consumer perceptions regarding shared biking through the analysis of psychological factors underlying the late diffusion of shared biking services. The statistical tools SPSS version 28 and AMOS version 28 were employed for data analysis. Consumers' adoption and utilization decisions for innovative services were found to be strongly influenced by knowledge or experience related to the functions or attributes of innovation (Hwang et al., 2016). Therefore, we investigated the effects of usefulness, compatibility, and complexity as attributes of innovation. Similarly, we investigated hedonic value including fun, entertaining and exciting content as a major driver of behavioral intention (Jahn and Kunz, 2012). Lastly, we also operationalized the perceived risks as an evaluation of uncertainty and critical resistance factor of behavioral intention for adopting and using a novel service and reference to the possibility of injury and concerns over personal information. We utilized the validated scales when operationalizing the proposed constructs.

### **Summary of Findings**

By following the premises of innovation diffusion, self-congruence and value theory, we investigated the factors that may influence shared biking attitudes. Herein, the perceived complexity of shared biking service systems negatively influences consumer attitudes. As the customers view registering or borrowing/returning as difficult, they develop negative attitudes toward these services. Another finding, in line with the prior research (Cheng et al., 2019; Chen et al., 2014), was that perceived usefulness positively affects attitudes toward bike-sharing services. Benefits related to commuting performance and overcoming traffic congestion appear to be influential in forming positive attitudes toward shared biking. Additionally, perceived hedonic value has a positive effect on attitude; hedonic values such as fun, excitement, and entertainment contribute to favorable attitudes in adoption and acceptance, as previously discussed in the literature (e.g. Chopdar et al., 2022; Zhang et al., 2021). Although perceived risk was previously found to have a negative impact in some contexts (e.g. Song et al., 2021), in Turkey, we understand perceived risk concerns are much less influential. Besides, compatibility partially mediates the relationship between attitude and intention to use bike sharing which supports the previous finding by Wang et al. (2021), stating that compatibility has a significant effect on mode switching.

### **Key Contributions**

From a theoretical perspective, the findings strengthened our understanding of shared biking perceptions, provided further support for innovation diffusion, self-congruence and value theory, and developed a theoretical framework integrating variables related to both barriers and drivers, thus guiding future studies on the sharing economy.

Practically, the findings of this research have important implications for shared service providers in both the private and public transport sectors. This study will provide insights with the potential to contribute to the development of service design and service marketing strategies that respond better to users' needs, and, to facilitate the spread of these mobility systems.

References are available upon request.

**THE PURSUIT OF MEANING: LONELINESS INCREASES PREFERENCE FOR  
ART-INFUSED PRODUCTS**

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Keywords: loneliness, art-infusion, meaningfulness, preference

Description: This research demonstrates that loneliness increases preference for art-infused products because lonely individuals find more meaning in them.

## EXTENDED ABSTRACT

### Research Question

Loneliness, the unpleasant feelings of social isolation, (Peplau & Perlman, 1982) is associated with the perception that one's life lacks meaning (Stillman et al., 2009). We argue that feelings of loneliness increase preference for art-infused products, and that this effect occurs because lonely individuals are more likely to find the consumption of art-infused products more meaningful. The bases for these predictions are as follows.

On the one hand, when consumers are lonely, they are more likely to recognize the meaning-based concepts within their consumption-related judgments. This is because individuals selectively pay attention to features of an environment or object depending on their current need states and motivations (Taylor and Fiske, 1978; Park et al., 2014). Thus, with an increased desire to find meaning in life, lonely individuals will be drawn to features of meaningfulness in a product more so than when they are less lonely.

On the other hand, the consumption of art-infused products can be perceived by consumers as a more meaningful activity. Art infusion refers to the use of artworks within advertising, packaging, or design (Hagtvedt & Patrick, 2008). One pertinent feature of artworks is that they can also be perceived as adding meaning to people's lives (Hagtvedt, 2022). Thus, art-infused products could be perceived by consumers as more meaningful than those that are not art-infused. Importantly, however, we argue that such perceptions are likely to become more accessible for lonely consumers who are motivated to search for meaning in life.

### Method and Data

*Study 1* examines whether trait loneliness is associated with an increased preference for art-infused products and the role of meaningfulness in this regard. Participants (131 MTurkers)

were first asked to complete the loneliness scale (Wang et al., 2012). They were then asked to choose between two product options, art vs non-art. Finally, they were asked whether their preference was driven by price considerations, quality considerations, or product meaningfulness.

**Study 2a** provides causal evidence of the effect of loneliness on preference for art-infused products and that product meaningfulness would mediate this effect. First, participants (221 MTurkers) were randomly assigned to either the lonely or control condition. They were then asked to choose from three sets of options: art vs non-art as the focal dependent variable, and art vs art and non-art vs non-art as filler choices. Next, participants were asked how much their choices were driven by product quality, price, and meaningfulness.

**Study 2b** rules out luxury as an alternative explanation. The first task used similar procedures and materials to those of Study 2a. Then participants (202 MTurkers) were asked to choose between an art-infused and a luxury product.

**Study 2c** replicates Studies 2a and b by testing a consequential decision-making context as the dependent variable. Participants (126 students) were randomly assigned to either lonely or control condition and as a reward for participation, they were asked to choose between a cafe located in the art gallery (art) and a usual cafe (non-art).

**Study 3** employed a 2 (feelings: loneliness, control) x 2 (product: art-infusion, control) experimental design. Participants (406 Prolifics) were randomly assigned to either lonely or control condition. Next, participants were asked to evaluate either an art-infused or a non-art-infused product.

**Summary of Findings**

Across five studies, we show that lonely (vs. non-lonely) individuals have increased preferences for products that are integrated with art. We also provide evidence that lonely individuals have an increased preference for art-infused products because they see more meaning in them. Thus, we establish product meaningfulness as the mechanism that drives the preference for art-infused products.

**Key Contributions**

This research contributes to literature on loneliness by demonstrating that lonely as compared to non-lonely individuals have an increased preference for art-infused products. We also contribute to the art-infusion literature. Prior research has demonstrated the spill over of the perception of luxury on objects associated with artwork. This research, however, explores an additional mechanism (Hagtvedt, 2022) through which art-infusion influences consumer evaluation of and preference for associated products. We demonstrate, meaningfulness as an additional mechanism, over and above that of perceptions of luxury to influence consumer perceptions and responses. From a practical perspective, the findings from this research provide important implications for marketing and management practitioners. The search for meaning in life is an ever-increasing desire in this day and age of technology and social alienation. In designing products, and marketing efforts for lonely consumers in particular, products should be integrated with some form of visual art and in doing so enhance the perceived meaningfulness of the product.

**THE RELEVANCE OF USER-PRODUCT INTERACTIONS FOR MARKETING:  
LESSONS LEARNED FROM INDUSTRIAL DESIGN RESEARCH AND RELATED  
DISCIPLINES**

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**Keywords:** User-product interactions, types of user-product interaction, levels of user-product interaction, elements of user-product interaction, literature review, conceptual framework

**Description:** This paper provides a comprehensive systematic review of literature on user-product interactions, highlighting the limited attention given by marketing literature and emphasizing the need for further research to enhance marketing knowledge for both research and management.



## **EXTENDED ABSTRACT**

### **Research Question**

User-product interactions play a vital role in shaping product experience and contributing to the overall customer experience. While the relevance of customer experience is widely acknowledged in both research (Lemon and Verhoef 2016) and practice, the marketing literature has not devoted sufficient attention to understanding user-product interactions compared to other disciplines. The field of industrial design has a long tradition in investigating the effects of user-product interactions on product-relevant outcome variables (Agost and Vergara 2014) and its underlying mechanisms, such as emotions (Desmet 2012) and sensory effects (Schifferstein 2006). A noticeable research gap, however, exists when it comes to user-product interactions as drivers of marketing-relevant outcomes (Daugherty et al. 2008). This paper aims to address this gap by systematically reviewing relevant literature on user-product interactions from the year 2000 onwards. The results culminate in the development of a conceptual framework tailored specifically to the study of user-product interactions in the field of marketing. This work further identifies potential avenues for future research in marketing shedding light on unexplored aspects of user-product interactions.

### **Method and Data**

This paper follows a systematic and transparent analysis of current research on user-product interactions since the year 2000. The analysis is guided by the CAD framework (collection, analysis, and discussion of data; Bichler et al. 2022) and studies by David and Han (2004), Simsek et al. (2021), and Tranfield et al. (2003). Two databases, Web of Science and EBSCO Host Business Source Premier, were utilized to ensure comprehensive coverage of relevant academic journals on the main search term “user-product interaction”. A total of 1,142 articles were obtained from Web of Science and 954 from EBSCO. These articles were then screened

based on titles and abstracts, resulting in 144 potentially relevant references. Further refinement was carried out through manual review and citation tracking, resulting in a final sample of 45 articles for the literature review. The collected data were analyzed employing content analysis to summarize and cluster the broad topic of user-product interaction. The study's framework and categorization of user-product interaction types and levels were derived deductively and inductively, respectively, incorporating Desmet and Hekkert's (2007) framework of product experience.

### **Summary of Findings**

Three main topics emerged on "user-product interactions": types of interaction, levels of interaction, and elements of interaction. The majority of the 45 papers originate from design studies, industrial engineering, marketing, business research, and psychology. *Types of user-product interaction* involve three stages: non-physical, non-instrumental, and instrumental interaction. Only two studies cover all three stages, while most papers investigate only one or two stages. The importance of different senses varies throughout the stages with vision dominating early interactions and touch becoming more prominent as the interaction progresses. *Levels of user-product interaction* examine the role of frequency of interaction. Repeated interaction enhances inter alia product attractiveness and word-of-mouth. However, research also finds that the positive effect of aesthetics on perceived usability decreases with repeated exposure. *Elements of user-product interaction* are categorized into sensory elements, elements of meaning, and emotional elements. Sensory elements encompass how products excite the user's senses with vision being dominant at purchase and touch becoming more important later on. Elements of meaning include aesthetics, functionality, and symbolic value, each contributing to the user's perception of the product. Emotional elements emphasize the importance of positive emotions during user-product interactions while only a few studies focus on negative and unconscious emotions.

**Key Contributions**

This paper contributes to the literature on user-product interactions by systematically analyzing and synthesizing existing research and identifying future research opportunities. It develops three research propositions. The first focuses on clarifying the role of product design aesthetics, functionality, and symbolism at different types/levels of user-product interaction for marketing success. The second proposition highlights the need to examine the relevance of different types of user-product interaction with regard to marketing success metrics. The third proposition emphasizes the importance of researching negative, single, and unconscious emotions in user-product interactions. Managerial implications include the finding that visually appealing images might be sufficient to advertise “aesthetic products,” while for “functional products,” customers should be able to experience the product’s features through touch. It also shows the importance of positive emotions over time for product success. Limitations of this paper include search term selection, database restrictions, and the manual review of articles. In conclusion, this systematic literature review highlights the need for marketing research in the field of user-product interactions, identifying research propositions and underscoring the potential for future studies in marketing and consumer behavior.

**Selected References are available upon request.**

**THE ROBOT WON'T LOOK AT YOU: ARTIFICIAL INTELLIGENCE WILL  
INCREASE MORE UNETHICAL CONSUMER BEHAVIOR**

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*Keywords:* Artificial intelligence, Unethical consumer behavior, Face theory, Anticipatory loss of face, Machine gaze

*Description:* In this study, we conducted four experiments and showed that when consumers interact with AI rather than human agents, they are more likely to engage in unethical behavior due to lower anticipatory loss of face, but such effect would be eliminated if endowing AI agents with the eye gaze.

## EXTENDED ABSTRACT

### Research Question

Artificial Intelligence (AI) is disrupting marketing innovations and reshaping today's consumer behavior (Davenport et al., 2020). However, unethical consumer behavior is on the rise in consumer-AI interactions. Previous studies found that this increase is caused by lower anticipatory guilt for unethical behavior when consumers interact with AI agents (Giroux et al., 2022; Kim et al., 2022). But such findings ignore the role of social relationship, such as "face", an important factor influencing consumer behavior, especially in collectivist cultures (Liu et al., 2015; Fyall et al., 2017). In this regard, because AI (vs. human) agents are believed to be low in agency, we propose that consumers will feel lower anticipatory loss of face when interacting with them and more likely to engage in unethical behaviors. By endowing AI with gaze, consumers will be more conscious of "face" when interacting with AI, which is helpful to offset their increased unethical behavior when interacting with AI (vs. human) agents.

### Method and Data

We conducted four experiments in China to test our hypotheses: In Study 1, we recruited 159 participants and tested the basic hypothesis wherein consumers are more likely to engage in unethical behaviors when they interact with AI (vs. human) agents in a product return scenario. In Study 2, we recruited 180 participants and test the mediating effect of anticipatory loss of face, that is, where consumers perceive

lower anticipatory loss of face when interacting with AI (vs. human) agents, thus promoting unethical consumer behavior in a checkout scenario. In Study 3, we recruited 160 participants and test the mediating effect of anticipatory loss of face again, with excluding the alternative explanation of anticipatory guilt in a purchase scenario. In Study 4, we recruited 180 participants and test the moderating role of machine gaze, showing that a machine gaze would mitigate unethical consumer behavior when consumers interact with AI agents in a purchase scenario, using a three-cell (service agent: human vs. AI without gaze vs. AI with gaze) between-subject design.

### **Summary of Findings**

Through integrating literatures, we inferred that AI is regarded as low in agency and lacking the ability of social judgment, which results in lower anticipatory loss of face and more unethical consumer behaviors when consumers interact with AI agents. Four empirical studies showed that consumers were more likely to engage in unethical behavior when interacting with AI agents rather than human agents (Study 1); where anticipatory loss of face, instead of anticipatory guilt, played the key role (Study 2 & 3). However, by endowing AI with the facial feature of a machine gaze, which could enhance the social cues conveyed, so that unethical consumer behavior will be reduced due to the increased anticipatory loss of face in consumer-AI interactions (Study 4).

### **Key Contributions**

In this study, we identified the mechanism of anticipatory loss of face in

unethical consumer behavior when consumers interacting with AI agents in collectivist culture, which supplementing the AI-related literatures. Face is an important construct in explaining consumer behaviors especially in collectivist culture; and we found that consumer would fear losing face in eyes of others to avoid unethical behaviors. In addition, we extended the application of mind perception theory, introducing the agency dimension of AI agents into the field of unethical consumer behavior. Agency reflects whether an entity is capable of autonomous thinking and social judgment, thus consumers would feel less judged and more likely to engage in unethical behaviors, which is neglected in previous studies. Finally, we identified the key factors to reduce the unethical consumer behavior when applying AI. We found that by giving AI the feature of gaze, consumers' anticipatory loss of face could be enhanced, thus reducing the likelihood to engage in unethical consumer behavior.

## **THE SHAPE-ENVIRONMENT ASSOCIATION AND ITS IMPACT ON CONSUMERS' SHAPE PREFERENCE**

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**Keywords:** Exposure to nature; Angular vs. Circular Shape; The congruence effect; Perceived congruence

**Description:** This research examines the shape-environment association and its impact on consumers' preference for weak sensory products.

### **EXTENDED ABSTRACT**

#### **Research Question**

Shape is an important element in marketing design (Jiang et al., 2016). Many previous studies have shown that different shapes have different symbolic connotations, which can influence consumers' judgment and attitude toward products (Jiang et al. 2019). While these studies provide meaningful insights, it remains unclear whether the associations between shapes and environmental factors exist. Based on the components of the environment, our surroundings can be divided into natural and built environments (Abraham et al. 2010). In this research, we focus on the associations between circular (vs. angular) shapes and natural (vs. built) environments and their impact on consumers' shape preferences.



The existing literature suggests that immersion in natural (vs. built) scenes can increase the value individuals place on the development of close relationships and community contributions (Weinstein et al. 2009). In the meanwhile, prior studies on shape have revealed that circular shapes tend to induce associations with traits that express approachableness and friendliness, while angular shapes tend to induce associations with traits that express toughness and strength (Berlyne 1960). Taken together, we propose that consumers associate natural (vs. built) environments with circular (vs. angular) shapes, which would lead to a congruent effect on consumers' shape preferences.

### **Method and Data**

Study 1 used an Implicit Association Test (IAT) to examine the shape-environment association. Participants were asked to assign a series of stimuli into one of the two categories as fast as possible (Greenwald et al. 1998). Each participant completed seven blocks of trials.

Study 2 used a 3 (photos: nature vs. built vs. control) between-subjects design to examine whether the shape-environment association can affect consumer product preferences. First, participants in the nature and built conditions were shown a series of pictures of natural scenes or built scenes. Participants in the control condition skip this task. Next, participants were asked to indicate their preference between a square packing box and a cylindrical packing box.

Study 3 employed a 2 (shopping mall style: with nature vs. without nature) between-subjects design. First, participants were shown a video of a hypothetical mall. The only difference between the videos in the two conditions was the presence of natural elements. Next, participants were asked to indicate their relative preference

for two candidate logo designs (circular logo vs. angular logo) of the mall. Finally, we assessed the perceived congruence between shopping mall style and logo shape.

### **Summary of Findings**

The results of Study 1 showed that participants' classification was faster when the two category labels were grouped in a congruent manner (i.e., "angular/urban" versus "circular/ nature") than when the two labels were incongruent (i.e., "angular/nature" and "circular/urban";  $p < 0.001$ ). The D score was also significantly greater than zero ( $p < 0.001$ ). These results provide good evidence that consumers do perceive nature, relative to urban, as being more strongly associated with circular (vs. angular).

In Study 2, participants in the nature condition reported a greater preference for the square shape packing box than those in the built ( $p = 0.001$ ) and the control condition ( $p = 0.006$ ), but there was no significant difference between the latter two conditions ( $p = 0.658$ ).

The results of Study 3 showed that participants in the with-nature condition had a greater preference for the circular logo than those in the without-nature condition ( $p < 0.001$ ). We then performed a mediation analysis (Model 4). The 95% confidence interval of perceived congruence excluded zero (95% CI = 1.15 to 2.31), indicating perceived congruence as a mediator.

### **Key Contributions**

Our findings contribute to the extant literature in several important ways. First, we expand the existing understanding of shape symbolism by identifying a novel implicit association between natural (vs. built) environment and circular (vs. angular) shapes (Jiang et al. 2016; Lieven et al. 2015). Second, although environment type has

received considerable attention in the field of environmental psychology (Bratman et al. 2012), relatively little is known about how its potential influence on consumer behavior. The current research addresses this research gap by exploring how the type of environment might influence consumers' shape preferences and provides a new angle for related research.

Our findings also provide meaningful implications. To obtain better promotion outcomes, marketers can flexibly employ natural elements in retail settings based on the target product. For example, when promoting products with circular shapes, marketers can introduce natural elements into the store, such as potted plants and natural sounds, to increase the perceived attractiveness of the target product. Conversely, marketers should minimize the use of natural elements when promoting products with angular shapes. In addition, in an online shopping context, marketers can add or remove natural elements in product advertising, website design, and other content based on the product's shape.

References are available upon request.

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## **THE SWARM: THE IMPACT OF CONSUMER FAKE REVIEWS ON A SOCIAL JUSTICE BRANDING ALLIANCE**

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**Keywords:** Fake Reviews; Swarm Behavior; Social Justice Branding; Cobranding

**Description:** The purpose of this study is to explore the impact of fake reviews on a strategy of social justice advocacy in a co-branding relationship.

### **EXTENDED ABSTRACT**

#### **Research Question**

The current climate of social justice advocacy has moved companies to seek opportunities to demonstrate to their stakeholders, support of diverse businesses and communities. While the initiatives and tactics vary, a growing interest is in social justice cobranding relationships between large established companies and minority-owned brands, as a demonstrative strategy. However, in the event of a contentious environment such as that exacerbated in the era of the unjust killing of George Floyd among others, any well-developed branding effort may be adversely impacted and less likely to elicit the positive consumer response that the cobrand partners may expect. Consequently, consumer reviews of these cobrand relationships may give

~~a false account of their experience with the represented products. In this light, the following~~

questions are explored: What is the impact of fake reviews that arise out of consumer vitriol aimed at the cobrand partners? Why do consumers react in a swarm-like manner toward firms that embrace social justice branding practices?

### **Method and Data**

Data for this study was provided by TrustPilot, consisting of 17,177 online customer reviews. We take a qualitative grounded theory approach to analyzing the data. The analysis entailed an iterative coding process using open coding to identify similarities and patterns of reviews. Axial coding followed to identify common themes, which were then combined into categories (Strauss and Corbin, 1998). We observed a pattern depicting a sequence of triggers, content type, and focus. The pattern revealed moments of transition time which was preceded by advertisements advocating social justice. This triggered consumers to post incendiary reviews in reaction to the ad. Drawing on Roos (1999) Transition Time Analysis this process and technique are adopted here to further understand the meanings in our data and the impact that time and sequence have on the evolution of the reviews.

### **Summary of Findings**

Consumers who seek a genuine product review run the risk of being caught in a swarm of communication convergence that does not serve to assist them in making a purchasing decision. Further, consumer biases can unknowingly impact how they process a company's social justice branding initiatives thereby decreasing the likelihood of positive receptivity of a company's brand offerings. In today's global society, the current push for social justice and equity has encouraged many companies to invest in supplier diversity programs. However, these firms

~~must understand that social justice branding may trigger negative thoughts and feelings from~~

some consumers while invoking positive feelings and emotions in others.

### **Key Contributions**

This research adds to the literature on social branding and fake online reviews. We make theoretical contributions to the consumer behavior literature by proposing a conceptual framework from which to understand consumer swarming behavior related to fake reviews. Research on fake reviews is essential to understanding how customers can be influenced (Wu et al., 2020) to purchase or not purchase a product or service. In some cases, fake reviews can be used to bolster a company or product's reputation. But in other cases, fake reviews can be problematic for companies as those who post them use them as an opportunity to negatively influence the perceptions of a business (Lee et al 2018).

References are available upon request.

**TOWARDS A MORE SUSTAINABLE DIGITAL ECONOMY: A HOLISTIC  
UNDERSTANDING OF GIVING CONSUMERS RIGHTS TO CONTROL THEIR  
INFORMATION**

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**Keywords:** Consumer welfare, consumer privacy, information privacy, information control, privacy-protective behaviors.

**Description:** Applying a multi-method approach that includes text mining and text analysis into consumers' social media posts, a field experiment, and eight online experiments to examine 155,021 consumers from 2019 to 2023, we investigate *how*, *why*, and *under which conditions* informing consumers about their rights to information control affects their privacy-protective behaviors and downstream marketing outcomes for firms and consumers.

**EXTENDED ABSTRACT**

**Research Question**

Consumer data forms the backbone of the digital economy, and its importance has increased dramatically since the COVID-19 pandemic hit. Nevertheless, governmental privacy regulations and firms in North America do little to protect consumer data from being overly used and misused. The emerging consumer movement in information privacy protection suggests that consumers no longer wish to remain silent about their privacy violations but rather advocate for

and take action to protect their fundamental privacy rights. Consumers' privacy-protective behaviors, which are detrimental to the sustainable growth of the digital ecosystem, are being increasingly leveraged to safeguard consumers against potential intrusions. Following the European Union's General Data Protection Regulation (GDPR) that came into effect in 2018, some U.S. states and Canadian provinces have started revising their privacy legislation to give consumers greater control over their personal information. The implications of this initiative on consumer decision-making pertaining to privacy and on organizational outcomes have yet to be ascertained. In this research, we investigate *how*, *why*, and *under which conditions* informing consumers about their rights to information control affects their privacy-protective behaviors and downstream marketing outcomes for firms.

### **Method and Data**

We apply a multi-method approach that includes text mining and text analysis into consumers' social media posts, a field experiment, and eight online experiments to examine 155,021 consumers from 2019 to 2022.

### **Summary of Findings**

Textual analysis in Study 1 suggests that consumers proactively seek ways to protect their privacy boundaries if their rights to information control are explicitly taken away. When the data-sharing practices between WhatsApp and Facebook were formally made public, consumers expressed via texts their intentions to quit WhatsApp and switch to other smaller yet more secure messenger applications. Although findings from Study 1 highlight that consumers' rights to information control should be respected to avoid potential backlash from consumers, findings from Study 2 (online experiment) and Study 3 (field experiment) suggest the paradoxical effects



of informing consumers about their rights to information control. Specifically, compared to firms that explicitly do not offer consumers rights to information control, firms that explicitly offer consumers such rights empower consumers, gain their trust, reduce their privacy-protective behaviors, and leverage favorable downstream marketing outcomes. Nevertheless, firms that explicitly offer consumers rights to information control directionally perform worse than firms that remain silent regarding consumers' rights to information control. Although firms may opt to remain silent as most firms in the digital marketplace do, this approach seems less viable when consumers are concerned about their privacy. Study 4A (online experiment) reveals that when consumers' privacy concerns are triggered, for example, through exposure to privacy violation news, firms that explicitly offer consumers rights to information control (vs. firms that remain silent) can reduce the extent to which consumers protect their privacy through information disclosure. When consumers' privacy concerns dissipate, for example, through *repeated* exposure to privacy violation news, notifying consumers of their rights to information control may however lose effectiveness in mitigating privacy-protective behaviors (Study 4B, 4C, and 4D, online experiments).

Results also suggest meaningful managerial implications for firms constructing business information strategies in the borderless digital economy. In part, such strategies depend on the existing regulatory framework and the extent of industry self-regulation. For countries that lack a comprehensive regulatory framework and sufficient industry self-regulation (e.g., USA/Canada), firms that take the initiative to offer consumers rights to information control either voluntarily or obligatorily can lessen consumers' privacy-protective behaviors to a greater extent than firms that do nothing. Studies 6A and 6B (online experiments) show that American and Canadian consumers disclose more truthful information in response to a firm's data request if the firm

voluntarily or obligatorily offers consumers rights to information control than if the firm does nothing. For countries where regulatory frameworks are stricter and enforced (e.g., Germany), these practices backfire as consumers may become increasingly fatigued with the strictly regulated but ill-devised approaches to privacy rights. Results from Study 6B reveal that German consumers disclose less truthful information in response to a firm's data request if the firm voluntarily offers consumers rights to information control than if the firm does nothing.

### **Key Contributions**

This research aims to shift the contemporary discussion from the unchecked market power of businesses in the digital economy to the emergence of consumer movements in the privacy domain. Further, this research enriches the literature on consumer behavior and decision-making in the privacy domain and guides policymakers and businesses in devising suitable policies for a sustainable digital economy. Our research contributes to the existing consumer behavior research and decision-making in the privacy domain in several ways. First, we contribute to the scant literature on consumers' privacy-protective behaviors by applying a multi-method approach to examine various behaviors along the consumer journey of interacting with firms that include: (1) click-through rate in response to the ads on social media platforms; (2) accurate information disclosure, withholding information, and falsifying information in response to firms' data requests; and (3) switching behavior when firms violate consumers' privacy. Second, our work helps explain the mixed effects of information control on information disclosure documented in the literature (Mothersbaugh et al., 2012) by differentiating between various aspects of information control (Brandimarte et al., 2012). We conceptualized and then empirically demonstrated that consumers' privacy-protective behaviors vary depending on how the rights to information control are displayed to and perceived by consumers. Third, findings

from the cross-country study (The United States vs. Canada vs. Germany) provide insightful managerial implications that can support public policymakers and firms in devising appropriate business practices and strategies in a borderless digital economy. Finally, this research extends the emerging theory of consumer involvement and empowerment in the marketing literature (e.g., Dahl et al., 2015; Fuchs et al., 2010; Fuchs & Schreier, 2011) in privacy decision-making domains. This research also motivates firms to voluntarily shift power to consumers to extract higher quality consumer data—a better “oil”—to fuel the digital economy and achieve better downstream marketing outcomes.

*References are available upon request.*

## **TRANSGRESSIVE GENDERED CONSUMPTION AND CROSS-GENDER BRAND EXTENSIONS**

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**Keywords:** gendered consumption, gender transgression, cross-gender consumption, brand extension

**Description:** This paper examines the cross-gender dissociation of products and target users and informs marketers of various cross-gender brand extension possibilities.

### **EXTENDED ABSTRACT**

#### **Research Question**

From a young age, individuals acquire social norms and expectations about how to *perform* gender roles (West and Zimmerman 1987). Gendered behavior may not align with individuals' biological sex (female/male; Butler 1993), because masculinity and femininity are independent gender dimensions (Deaux 1985). Decoupling femininity and masculinity from biological sex blurs the boundaries of what is considered appropriate gendered behavior. This decoupling occurs when consumers partake in gender transgressive behaviors (i.e., behaviors that violate traditional gender expectations), such as men using makeup or women drinking whisky. Research supports that men are more likely to forgo intrinsic preferences that conflict with (masculine) gender norms (Gal and Wilkie 2010; McCreary 1994), and female gender-norm transgressors are perceived less negatively (Moller, Hymel, and Rubin 1992; Sirin, McCreary, and Mahalik 2004).

This research examines transgressive gendered behaviors (i.e., acts that goes against current masculinity and femininity norms). First, we establish gender associations for a comprehensive set of brands, products, and human traits/roles. Second, we examine the relationship between brand/product gender associations and their usage universality among men and women. Third, we investigate individuals' responses to the divergence of consumers'

biological sex and gender performance in consumption, particularly towards male versus female transgressors.

### **Method And Data**

We chose 118 brands in nine product categories, identified 187 marketed products, and extracted 87 gender traits/roles (Haines, Deaux, and Lofaro 2016). **Study 1a** (MTurk; n=566) established gender associations of brands, products, and traits/roles. Overall, we identified 78 masculine, 102 feminine, 182 androgynous, and 0 undifferentiated stimuli. Many items identified as masculine (e.g., independent, car) or feminine (e.g., emotional, soap) in previous studies emerged as androgynous. **Study 1b** (MTurk, n=505) identified 33 items that were universal for men, 83 for women, 246 for both men and women, and none for neither. **Study 2** (MTurk, n=209) examines consumer responses to men's and women's gender transgression in a product context, and gender differences in these responses. The study used a 2 (target gender: men, women)  $\times$  3 (product gender: masculine, feminine, androgynous). A repeated-measures GLM shows faster reaction times to men's (women's) conventional pairings than men's (women's) transgressive consumption pairs. Second, reaction times were faster for women's (vs. men's) conventional consumption ( $p < .001$ ). Third, men (but not women;  $p = .574$ ) respond more quickly to men's (vs. women's) gender transgressions ( $p = .045$ ). This means that men disassociate men and feminine items more than they disassociate women and masculine items, while women do not show this difference.

### **Summary of Findings**

Comparing studies 1a and 1b, we find that gender perceptions do not necessarily reflect universality of adoption. For example, Burger King and wrench sets are perceived as masculine and Starbucks and lip balm are perceived as feminine, but they are universally used by both men and women; Rolex and beanies are universal only for men and Louis Vuitton and doing household

are universal only for women, but they are perceived androgynous. This difference between gender perceptions and usage universality informs cross-gender brand extension in terms of perception-behavior dissonance.

Second, we visualize a potential region of acceptability for cross-gender brand extensions by plotting products' usage universality (based on study 1b; x-axis) against the reaction time to products (based on study 2; y-axis). For a male target market, cross-gender brand extensions to products with medium usage universality among women but longer reaction time (i.e., the region of acceptability) are likely most beneficial, as male consumers do not immediately judge such products as a mismatch with a male target market. The left side of the region (low usage universality among women, e.g., bear oil) or right side of the region (high usage universality among women, e.g., nail polish) is either saturated or risky.

### **Statement of Key Contributions**

Research on how people perceive men's and women's gender transgressions in consumption is scarce. This research sheds light on how gender transgressions are perceived, what domains they emerge in, and their implications for managerial practice. This research contributes to the literature in two ways: First, it compares gender perception and universality of adoption by men and women in terms of traits, roles, characteristics, occupations, and brand and product consumption and shows a divergence between gender perception and usage preference. Second, this research develops the notion of a region of acceptability of potential cross-gender brand extensions to product categories, based on both explicit (i.e., self-reported universality ratings) and implicit (i.e., reaction time measures) consumer responses to product–target gender pairings. This region of acceptability of gender-transgressive product consumption allows consumers to challenge current consumption stereotypes and marketers to support consumers by introducing cross-gender brand

extensions without mitigating consumer attitudes. Informed cross-gender brand extensions facilitate bridging the gap between universality of use and cognitive dissociation of products and target users. From a societal perspective, modification to traditional gender perceptions could mitigate the negative consequences of gender stereotypes and dissonance due to the apparent divergence between consumers' gender perceptions and consumption preferences.

**UNCOVERING THE IMPACT OF PRODUCT DESIGN ON MARKETING  
SUCCESS: A LONGITUDINAL STUDY**

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**Keywords:** Product exposure, product design, aesthetics, functionality, purchase intentions, word-of-mouth, joy, longitudinal design

**Description:** This paper explores the impact of product design on marketing success throughout various levels of product exposure revealing changes in design perception and its effects on marketing metrics over time and emphasizing the decreasing influence of product design aesthetics and the increasing influence of product design functionality while also highlighting the potential of customer joy to offset the diminishing impact of aesthetics on marketing success.

## EXTENDED ABSTRACT

### Research Question

Product design, comprising aesthetic, functional, and symbolic attributes, plays a strategic role for product success. While existing research has primarily focused on the impact of product design on consumer behavior at the point of purchase, it has largely neglected its influence at different levels of product exposure like product use (Wiecek et al. 2019).

Findings on the longitudinal effect of the design dimensions vary. Regarding product design aesthetics, some studies argue that it can be fully captured visually (Sonderegger et al. 2012), while others suggest that consumer perception of aesthetics changes with repeated exposure due to a better understanding of the product’s design attributes (Landwehr et al. 2013).

Likewise, increased exposure reveals information about functionality which raises consumers’

confidence in judgment and affects their responses (Gilal et al. 2018). Furthermore, positive customer emotions play a role for product design and marketing success. However, the positive effect of positive emotions on marketing success may diminish with repeated product exposure and needs further clarification (Homburg et al. 2015). This research thus examines the influence of product design on marketing success at different levels of exposure considering the role of emotions.

### **Method and Data**

A longitudinal empirical study was conducted to investigate the influence of product design on consumer behavior in the category of premium kitchen knives. Data collection involved five points in time including initial visual product perception (online), first physical product interaction, product usage, four-week product usage, and 24-week long-term product usage. Participants ( $n=100$ ,  $M_{age}=34.19$  years, 47 % male) were recruited from a Central European university research lab and were representative of the target population. Established scales were utilized to measure the constructs with seven-point Likert scales ranging from “strongly disagree” to “strongly agree”. The product design dimensions aesthetics and functionality were assessed with three items each, the positive emotion of “joy” was measured using a single item, purchase intention and word-of-mouth (WOM) were evaluated through three items each. Perceived quality and consumer product category involvement served as control variables and were measured with one and three items, respectively. Design expertise, another control variable, was assessed using three items based on the centrality of visual product aesthetics (CVPA)-scale.

### **Summary of Findings**

All constructs demonstrated satisfactory reliability and validity. The longitudinal analysis focused on the changing role of aesthetics and functionality for marketing success over time.

Linear mixed models (LMMs) were employed to account for the interdependence in the data structure due to repeated exposure to estimate fixed and random effects (Fitzmaurice, Laird, and Ware 2004). We used a top-down model-building approach and likelihood ratio tests to evaluate the models. Our analysis primarily focused on the interaction terms representing the differential slopes over time with increasing exposure. The results indicated a significant negative interaction effect of aesthetics and exposure on purchase intention and WOM and a significant positive interaction effect of functionality and exposure on these marketing metrics. Similarly, the analysis revealed significant interaction effects of aesthetics, exposure, and joy for purchase intention and WOM indicating that product-induced customer joy has the power to counteract the diminishing effect of aesthetics on the marketing metrics over time. Alternative models incorporating control variables were examined.

### **Key Contributions**

This longitudinal study bridges the gap between industrial design, consumer behavior, and marketing yielding valuable insights into the role of product design for marketing success. The research establishes a link between product design and marketing metrics by exploring how the impact of design changes over time and with increasing exposure levels. It also considers the influence of product-induced customer joy. The findings demonstrate that the positive effect of aesthetics on marketing success diminishes with higher exposure levels. Conversely, functionality becomes more critical for marketing success with increased exposure. The study highlights the power of joy in offsetting the declining impact of aesthetics on marketing success. Managerially, the results suggest that product design aesthetics plays a significant role in the visual perception stage and diminishes in importance thereafter. Products with primarily aesthetic benefits can thus be promoted effectively through visual content (e.g., pictures). For “functional” products, mere visual perception is insufficient and physical interaction is key. Additionally, marketers can leverage customer joy through

touch and active testing to offset the declining effect of aesthetics. Tutorials and after-sales services can ensure customer satisfaction and facilitate long-term success of product design's impact on marketing metrics. Future research should explore these dynamics across different product categories.

**Selected References are available upon request.**

## **UNDERSTANDING THE ANTECEDENTS OF PLANT-BASED FOODS BEHAVIOR - AN EXPLORATORY STUDY USING COM-B MODEL**

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**Keywords:** Consumer behavior, COM-B model, consumer dietary types, plant-based foods

**Description:** This paper looks at the behaviours of Australian consumers towards plant-based foods using the COM-B model.

### **ABSTRACT**

The paper reports key findings of a pilot study testing an extended model based on the Capability, Opportunity, Motivation and Behavior model in the PB foods context using a sample of 108 respondents. The study findings show the overall model was statistically significant and explained 69% of the variance in behavior.

### **INTRODUCTION AND RESEARCH AIM**

The present food systems are neither healthy nor sustainable, which gives rise to changes in dietary patterns for the betterment of the health and environment of current and upcoming generations, especially in high-income and high-meat-consuming nations such as Australia (Willett et al., 2019). Despite several health benefits (Larsson & Wolk, 2006), ecological benefits (Rees et al., 2018) and being more inexpensive than meat-based foods (Permanente, 2013), the Australian plant-based (PB) foods market has been developing quite marginally for the last few years, with just about 2.5 million Australians, that equates to only 11-12% of the total population (Roy Morgan Research, 2019).

In order to increase the number of vegetarians and PB food eaters in an Australian context, it is essential to study the antecedents influencing the behaviors towards PB foods. Several

systematic literature reviews endeavored to understand the factors influencing PB foods behaviors. Stoll-Kleemann and Schmidt (2017) conducted a systematic review of 155 articles and proposed a model of factors that influence behavior towards meat eating. They combined personal, social, and external factors, though there was no clear explanation of the directions of relationships between these factors. Harguess et al. (2020) also criticized Stoll-Kleemann and Schmidt's (2017) study and suggested including more antecedents (i.e., intentions) and the signs of directions between them. Graça et al. (2019) evaluated 110 studies and claimed that meat-reduced and PB foods literature lacks an all-encompassing theoretical model.

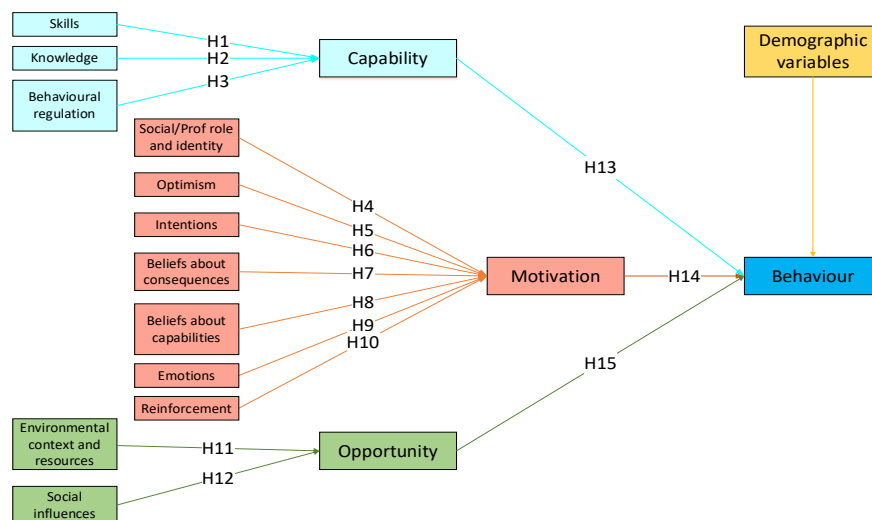
Moreover, researchers have found differences between consumer dietary types in terms of buyers' habits, environmental concerns, cooking skills, and knowledge (Grassian, 2020; Vainio et al., 2016). For instance, Vainio et al. (2016) found that vegetarians have a high level of concern regarding consequences to their health, weight and environment compared to meat-eaters. Graça et al. (2019) recommended recognizing these differences, as it would be irrational to assume comparable results with buyers having distinct characteristics. Based on the recommendations, this paper aimed to investigate antecedents of PB food behavior in an Australian consumers' context using the COM-B model from the theoretical domains framework (TDF) as a theoretical lens. This paper addresses the following research objectives: 1. To examine what antecedents influence Australian consumers' PB food buying behavior towards purchasing PB foods, and 2. To examine whether there is a difference in behaviors towards PB foods across different dietary types.

## **THEORETICAL FRAMEWORK AND HYPOTHESES**

The present paper draws on the COM-B model by Michie et al. (2011) - which includes capability, opportunity, and motivation (COM) – to improve understanding of the problems and possibilities of transitioning towards PB diets. The COM-B model proposes that changing

the occurrence of an individual's behavior comprises changing one or more of the three components, i.e., COM connecting either to the behavior itself or the competing behaviors (Michie et al., 2014). The COM-B model is a part of TDF, which has 12 domains: skills, knowledge, behavioral regulation, social/professional role and identity (SPRI), optimism, intentions, beliefs about consequences (BCONS), beliefs about capabilities (BCAP), emotions, reinforcement, environmental context and resources (ECR), and social influences (SI). Because of the comprehensive nature of the TDF and COM-B models, the researchers have chosen the COM-B model to understand the wide range of antecedents influencing behaviors.

The current study incorporated these COM-B model's antecedents and demographic factors: age, sex, education, and income. Of the 12 antecedents, skills, knowledge and behavioral regulation were hypothesized to influence capability positively (Hypothesis 1 to 3); SPRI, optimism, intentions, BCONS, BCAP, emotions, and reinforcement were hypothesized to influence motivation positively (Hypothesis 4 to 10); ECR and SI were hypothesized to influence opportunity positively (Hypothesis 11 and 12). Finally, COM positively influence PB foods behavior (Hypothesis 13, 14 and 15). The proposed model is presented in Figure 1 below.



*Figure 1: Model of PB foods buying behavior antecedents*

## **METHODOLOGY**

This pilot study used convenience and self-selection sampling to recruit potential participants from a university in Australia for an online survey. Data was collected through a Qualtrics survey during May-June 2021. After deleting missing responses, checking for normality of distribution and outliers screening, the authors left with 108 responses. Data were analyzed using SPSS version 28. Cronbach's Alpha was greater than 0.70, implying that the internal consistency was within the range of 'good reliability' (Zikmund et al., 2010). Frequencies and descriptives were calculated for all constructs prior to ANOVA. A one-way Welch ANOVA was conducted to determine if behavior was different when considering dietary types. The final ANOVA analysis included a Games-Howell post hoc in determining between-group differences, segmented by four dietary types with behavior as the dependent variable. The Games-Howell post hoc test provides confidence intervals for the differences between means for dietary types and shows whether the differences are statistically significant. Pearson's correlation was used to determine the association between behavior and 12 domains. Then, hierarchical multiple linear regression was conducted for all continuous predictors of behavior and capability domains for model one, motivation domains for model two and opportunity domains for model three.

## **RESULTS**

The descriptive analysis revealed that all the age categories represented well with more than 15% except 64+ (3.7%), the highest number of respondents were from 45-54 (26%), with 73% of total respondents identifying as female. Respondents were classified into four dietary types: vegans ( $n = 13$ ), vegetarians ( $n = 25$ ), flexitarians ( $n = 26$ ), and omnivores ( $n = 44$ ). Behavior scores were statistically significantly different between dietary types (vegans, vegetarians, flexitarians and omnivores),  $F(3, 52.246) = 75.274, p < 0.001$ . Behavior scores increased from omnivores ( $3.94 \pm 1.14$ ) to flexitarians ( $4.91 \pm 0.93$ ) to vegetarians ( $6.06 \pm 0.46$ ) to vegans



(6.63 ± 0.32), in that order. Games-Howell post hoc analysis revealed that there was an increase in behavior in vegans than vegetarians, an increase of 0.57 (95% CI, .23 to .92), flexitarians, 1.72 (95% CI, 1.17 to 2.27), and omnivores, 2.69 (95% CI, 2.18 to 3.20), which were all statistically significant ( $p < .001$ ).

Pearson's correlations showed that the variables were significantly correlated ( $p < 0.01$ ) except optimism and self-monitoring and action planning (SMAP). There is no correlation between optimism and other variables such as knowledge, habits, SPRI, intentions, BCAP, BCONS, emotions, reinforcement, ECR, SI, and behavior. Optimism correlated with skills and SMAP ( $p < 0.05$ ) only. Moreover, there is no correlation between SMAP and knowledge, habits, SPRI, intentions, BCONS, emotions, reinforcement, ECR, SI, and behavior. SMAP only correlates with skills, optimism and BCAP ( $p < 0.05$ ). The Kaiser-Meyer-Olkin statistic was 0.815, and Bartlett's test of sphericity is significant, which shows the appropriateness and relevance of factor analysis. A principal component analysis was performed, which revealed that the factor loadings of all items were greater than 0.4, meaning they were appropriate for further analysis.

A three-stage hierarchical multiple linear regression was conducted to estimate the proportion of variance in behavior that can be accounted for by 12 COM domains. The assumptions of linearity, homoscedasticity, and multicollinearity were analyzed, with no outliers found. Hierarchical multiple regression was run to determine if the addition of antecedents of motivation and then antecedents of opportunity improved the prediction of behavior over and above capability alone. There was linearity as assessed by partial regression plots and a plot of studentized residuals against the predicted values. Residuals were independent, as evaluated by the Durbin-Watson statistic of 2.175. There was homoscedasticity, as assessed by visual inspection of a plot of studentized residuals versus unstandardized predicted values. There was no multicollinearity, as evaluated by tolerance values greater than 0.1 (See Table 1).

**Table 1: Hierarchical Multiple Regression predicting behavior towards PB foods from capability, opportunity and motivation variables**

Variable	Consumer Behavior towards PB Foods					
	Model 1		Model 2		Model 3	
	B	$\beta$	B	$\beta$	B	$\beta$
Constant	.772*		.288		.071	
Skills	.109	.097	.127	.114	.153	.136
Knowledge	.441**	.549	.345**	.430	.338**	.421
Habits	.306**	.332	.260**	.283	.235*	.255
SMAP	.019	.021	-.045	-.051	-.059	-.066
Optimism			.021	.016	.033	.025
BCAP			.147*	.165	.134*	.150
BCONS			-.079	.096	-.078	-.063
Emotions			.903*	.864	.874**	.837
REINF			-.711	-.666	-.699	-.655
SI					.095	.080
$R^2$	.656		.714		.719	
$Adj.R^2$	.642		.688		.690	
$F$	49.07**		27.22**		24.81**	
$\Delta R^2$	.656		.058		.005	
$\Delta F$	49.07**		4.01**		1.60	

Note:  $N = 108$ . \* $p < .05$ , \*\* $p < .001$ . SMAP = Self-monitoring and action planning, BCAP = Beliefs about capabilities, BCONS = Beliefs about consequences, REINF = Reinforcement, SI = Social influences

The overall model (Model 3) of the COM variables to predict behavior was statistically significant,  $F(10, 97) = 24.807$ ,  $p < 0.001$ , and explained 69% of the variance in the behavior. The first block (Model 1), which included capability antecedents, led to a statistically significant difference  $F(4, 103) = 49.074$ ,  $p < 0.001$ , and explained 64.2% of the variance in behavior. Thus, H13 was supported. The results show that coefficients of knowledge and habits are 0.549 and 0.332 at  $p < 0.001$ , respectively. Thus, the findings supported H2 and H3a, but skills and SMAP are 0.097 and 0.021 at  $p > 0.001$ , respectively, thus not supporting H1 and H3b. The second block (Model 2), which included motivation antecedents to predict behavior, led to a statistically significant difference  $F(5, 98) = 4.008$ ,  $p < 0.005$ , and explained 68.8% of the variance in behavior, and by adding motivation antecedents accounted for an additional 4.6% of the variability. Thus, H14 was supported. The results show coefficients of BCAP and emotions are 0.165 and 0.864 at  $p < 0.005$ , respectively. Thus, the findings supported H8 and H9, but optimism, BCONS, and reinforcement are 0.016, -0.064 and -0.666 at  $p > 0.005$ , respectively, thus not support H4, H5, H6, H7, and H10. However, the third block (Model 3),

which included opportunity antecedents, led to a statistically insignificant difference  $F(1, 97) = 1.592, p > 0.005$ , and by adding opportunity antecedents accounted for only 2% of the variability. Thus, H15 was not supported. The results show coefficients of SI are 0.080 at  $p > 0.005$ , respectively. Thus, the findings have not supported H11 and H12.

## **DISCUSSION**

The results indicated that skills provide a non-significant influence on behavior. This outcome is similar to the existing literature, which recognizes that people lack skills in preparing PB foods (Sijtsema et al., 2021; White et al., 2022). This finding suggests that Australian consumers might believe they have no ideas how to cook meat-free meals and lack experience with unfamiliar ingredients. The results show that knowledge has a significant and positive relationship with the behavior. This result contrasts with Sijtsema et al. (2021), who found that flexitarians still experience barriers to inspiration or recipes for nutritional knowledge. However, this result is similar to White et al. (2022), which claimed that participants had a great deal of knowledge about PB foods. The outcomes show that habits significantly influence the behaviour. This result is similar to Grassian (2019), which found that participants already reduced their meat consumption while studying their current dietary habits, and during the period of dietary transition, participants appeared to have changed their dietary habits. The results indicate that SMAP does not significantly influence capability and is similar to Vizcaino's et al. (2021) study, in which the authors found a negative correlation between self-monitoring and adherence to a PB diet.

The results show that optimism does not significantly influence behaviors, and this contrasts with Sadiq et al. (2020), who found that optimistic consumers consume more organic food than pessimistic consumers. Optimism was found uncorrelated with all the variables while performing correlation analysis, as the questions were about general optimism and were not

related to PB foods. Hence, this might be the reason for the insignificant relationship between optimism and behavior. The outcomes show that BCAP has a positive and significant relationship with the behavior. BCAP originated from perceived behavioral control, which refers to having a strong will that a person can stop eating meat in the future. This finding is similar to Carfora et al. (2017), which found that perceived behavioral control is the most important predictor of healthy eating. Moreover, Bussi eres et al. (2012) claimed that BCAP is relevant factor in influencing the target behaviors among chiropractors in North America. It was found that BCONS do not significantly influence behavior. This result contrasts Tavender et al. (2014), where scholars have found that BCONS influenced the prospective assessment of post-traumatic amnesia. The non-significant result is primarily because of cognitive dissonance, where people feel bad for eating meat but are not ready to change their behaviors from meat-eating to PB-eating (Benningstad & Kunst, 2020). The results showed that emotions significantly influenced behavior, consistent to the findings of Piazza et al. (2015).. The results indicate that reinforcement does not significantly influence behaviors. This finding contrasts with Gan et al. (2019), which found that positive reinforcement resulted in increased behavior in the formal nutrition education of school-aged children. Saxe et al. (2006) state that dietary changes to the PB diet might reinforce personal empowerment, feeling of physical happiness, or improve quality of life after adopting these diets.

However, this paper found negative and insignificant results, which might be due to the convenience, comfort and easiness of preparing meat-based foods in Australian households (Sijtsema et al., 2021). The outcomes revealed that SI does not significantly influence behaviors, and this outcome is similar to Lea et al. (2006), which claimed it is a barrier to adopting vegetarian and vegan diets as family and friends eating meat pressurizes individuals not to adopt vegetarian and vegan diets. Finally, the results showed that capability and

motivation significantly influence behaviors; however, the opportunity domain revealed an insignificant relationship with behavior.

### **THEORETICAL AND PRACTICAL IMPLICATIONS**

The present paper extends the existing literature by providing enhanced knowledge about the behaviors of Australian buyers towards PB foods using the COM-B model for the first time. Also, this paper provides an understanding of the relationship between the antecedents of PB foods behavior by studying the relationship between COM and behavior. Gaining further insights into Australian consumers' capabilities and opportunities will generate further knowledge about underlying motivations as they are intertwined and interrelated. Moreover, by using the COM-B model as a conceptual lens, this paper identifies the capabilities (skills, knowledge), motivations (intentions, BCAP, BCONS, and reinforcement) and opportunities (ECR and SI) embedded within practices associated with PB foods. Theoretically, this paper contributes to the literature on the COM-B model and meat-reduced and PB foods by investigating related consumer behavior and product acceptance.

The findings offer knowledge about the behaviors of Australian buyers, which may guide PB food marketers and businesses to plan and project their marketing tactics. Also, with the understanding of capabilities such as skills and habits, PB food-producing companies might design their product packaging with detailed recipes to help consumers prepare easy, quick and tasty PB meals. Recent studies (e.g., Sijtsema et al., 2021; White et al., 2022) found that consumers transitioning from meat-based to PB diets find cooking meals with PB ingredients challenging. Moreover, PB food marketers offer a range of PB food options in supermarkets, restaurants, cafes and school and university canteens with knowledge about opportunity factors such as ECR. With this knowledge, PB food businesses could place their products in a central position in the supermarkets for better visibility and approachability of the consumers.

## LIMITATIONS AND FUTURE RESEARCH

PB food-related behaviors were measured using self-reported rather than real consumption behaviors. Hence, the result may not reflect the actual behaviors. Thus, the experimental study can be considered to address this limitation. Moreover, only the factors influencing behaviors holistically towards PB foods were examined at a single point in time. Behavior change measured through a longitudinal study is recommended. Next, the study examined the behaviors of university staff and students only, who are highly educated; hence the result may not be generalizable to the entire population. In addition, the current study had the limitations of a pilot study, such as a small sample size drawn from a single university. Due to the small sample sizes and limited scope of inclusion, our findings are difficult to generalize to the entire nation or abroad.

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## **VERIFYING THE EFFECT OF THE SOUTH CARDINAL DIRECTION ON THE ATTRACTIVENESS OF PLACES AND FOODSTUFFS**

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**Key words:** *sensory marketing; country of origin; four directions; gender difference*

**Description:** *This study indicated that when the image of the country is replaced by that of direction, the difference in the perception of climate between the north and south is remarkable from the perspective of effect on attractiveness of products/services.*

### **EXTENDED ABSTRACT**

**Research Question:** Country of origin (COO) is important information that influences purchase choices for products/services. At times, COO alters consumers' tastes and preferences; product evaluations change according to the country label, even for identical products. Consumers accept premium prices for goods/services originating from countries with a good image but demand lower prices for those from countries with a poor image. A COO indication with such an impact cannot be overlooked by market researchers and practitioners. COO is one of the most researched areas and arguably the most mature field of expertise in marketing. COO literally refers to "country" but also signifies states and regions as in "Designed in California" and "Made in Asia," respectively. Several studies have examined the effect of COO on consumer choices, but none have discussed the effects of the cardinal directions. This study bridged that gap. The research question for this study is "Do the four directions increase the attractiveness of goods and services?"

**Method and Data:** A randomized controlled trial (RCT) in an online survey environment verified the effect of the four directions on the attractiveness of products/services in the Japanese market. The results indicated that when the image of the country is replaced by that of direction, the difference in the perception of

climate between the north and south is remarkable. The main industries affected by this difference are places and foodstuffs. This study focuses on rental properties and travel as places and cheese and water as foodstuffs. By targeting four industries, generalized results that do not depend on specific products/services can be derived.

**Summary of Findings:** Attractiveness was highest when a southern COO was provided and lowest with the north. The Chi-square test result showed a significant difference only in the north and south and confirmed the high effect of the south. In terms of gender, the south effect was more pronounced for women. In addition, responses to the open-ended questions about the reasons for this attractiveness, and the application of correspondence analysis revealed that the east and west were plotted very close to each other. Consumers also associated very similar images of both. By contrast, the north and south were distinct. The north was characterized by “cold” and “snow” and the south by “delicious” and “calm,” in addition to climate-related words like “warm” and “climate.” It is clear that the warm climate in the south is positively perceived and conjures up images of attractive tourist destinations and delicious food.

**Statement of Key Contributions:** In the context of COO, there are three main differences between region/country/state (hereafter referred to as country) and the cardinal directions: (1) the country is unique, direction is shared; (2) the country image is dynamic, direction image is universal; (3) the countries exist at physical distances, not direction. Although some countries are advantageous and/or disadvantageous for COO, it is possible that all countries could benefit from the declaration of direction. Surprisingly, this possibility has not been discussed by existing marketing research. The analyses revealed the distinct attractiveness of the south. COO is recognized as one of the most researched areas in marketing; however, the perspective of direction is absent. This study aims to change this by theoretically expanding the possibilities of COO. In marketing practice, the use of directions is easier compared to the development of new technology and creation of designs. Hence, companies in all industries worldwide should discuss the use of cardinal direction information in the marketing of products and services.

**WHEN FEELINGS OF RESPONSIBILITY DO NOT FOLLOW FEELINGS OF OWNERSHIP: IMPLICATIONS FOR THE SHARING ECONOMY**

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Keywords: psychological ownership, actual ownership, responsibility, limited actual ownership

Description: Demonstrates that feelings of responsibility do not track with feelings of psychological ownership, highlighting the distinction between psychological ownership and actual ownership.

## EXTENDED ABSTRACT

### Research Question

Psychological ownership – a feeling that an object is “MINE!” – is associated with positive effects such as commitment to the organization (Pierce and Peck, 2018), higher willingness to pay (Reb and Connolly, 2007), or better care for public goods (Peck et al., 2021). Baxter et al. (2015, p. 140) note that “This feeling may occur with objects legally owned (my book), shared (my seat on the bus), or abstract (my idea, my organization, my city).” Prior studies demonstrate that psychological ownership produces positive effects that mimic *or even surpass* (i.e., Pierce and Peck, 2018) those of actual (or legal) ownership. But no studies have demonstrated boundary conditions for these positive effects.

Literature in management and marketing suggests that feelings of responsibility are expected of owners. For example, Peck et al. (2021) found that psychological ownership encourages the stewardship of public goods and that this prosocial behavior is explained by feelings of responsibility for the resource. We identify three broad types of ownership (pure actual [or legal] ownership, pure psychological ownership, limited actual ownership) and conduct three studies to investigate whether psychological ownership produces related feelings of responsibility across different settings that vary in type of ownership.

### Method and Data

For Study 1, we presented respondents with one of four scenarios that describe a pool that is: privately owned by the respondent (pure actual), owned by a neighborhood association (limited

actual), is a public pool (limited actual), or is owned by a friend (pure psychological). We told respondents that the pool had been damaged and that they would not be able to use it for the entire summer.

For Study 2, we presented respondents with a scenario involving a cell phone and information about exchange options. Respondents were told that they could (a) exchange their phone for free “in any condition”; or (b) the phone must be in “like new” condition or they would be required to pay \$1,000 for the exchange.

For Study 3, we presented respondents with a scenario involving a new long-term car rental service and information about insurance coverage. Respondents were told that the insurance coverage (a) had no deductible; or (b) had a \$2,000 deductible.

U.S. adults were recruited via Prolific. We measured psychological ownership with a 3-item scale adapted from Peck and Shu (2009). In Study 1, we used a single-item measure of financial responsibility developed for this study: “How much financial responsibility would you feel for the costs to repair the pool?” For Studies 2 & 3, we measured perceived responsibility with a single item adapted from Peck et al. (2021).

### **Summary of Findings**

In Study 1, we find that levels of psychological ownership vary with changes in type of ownership: they are highest in the pure actual ownership condition and lowest in the pure psychological ownership condition. Across the two limited ownership scenarios, feelings of

psychological ownership are higher in the HOA scenario vs. public pool. However, feelings of financial responsibility do not track directly with changes in feelings of psychological ownership. As expected, they are highest in the actual ownership scenario, but are next highest in the friend's pool scenario.

Study 1 demonstrates that feelings of psychological ownership track with actual ownership. This suggests that marketers may seek to boost feelings of psychological ownership among users in service-oriented or "shared" categories. But what is the effect?

In Study 2, feelings of psychological ownership are higher when the cellphone can be exchanged in "any condition", but feelings of responsibility are higher in the "like new" condition.

In Study 3, we find that feelings of ownership do not differ significantly across conditions (although directionally higher in the "no deductible" condition, the difference was not significant), but feelings of responsibility are higher in the \$2,000 deductible condition.

### **Key Contributions**

This is the first research to investigate and demonstrate that feelings of financial responsibility do not track with feelings of psychological ownership, which may call into question managerial attempts to increase feelings of psychological ownership. As brand owners shift from selling physical goods to offering liquid experiences (i.e., from pure actual to pure psychological ownership), understanding the implications of psychological ownership will become increasingly important. Managers in the sharing economy need to know not only which activities potentially

can increase psychological ownership, but also the downsides and whether it is worth the investment.

This research demonstrates that features designed to attract or benefit consumers (e.g., easier exchanges, lower fees) may increase feelings of psychological ownership, but may reduce feelings of responsibility for the shared item. Although a consumer provided with enhanced benefits may experience greater control, and therefore have higher feelings of psychological ownership, they may regard the shared item or service as more of a common resource. Such consumers may feel less responsibility toward the resource. Indeed, marketers may experience a “caring for the commons” problem that is not solved by increasing levels of psychological ownership. If so, this could increase costs for the brand to provide the service.

## THE EFFECT OF CUTENESS ON SPURRING WORD OF MOUTH

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**Keywords** Cuteness, WOM, altruism, big data

**Description** The current research proposes and examines the effects of cuteness on altruism, which leads to consumers' WOM behavior.



## **EXTENDED ABSTRACT**

### **Research Question**

Word of mouth (WOM) is the most effective marketing strategy, as around 90% of customers trust WOM over any other advertisement (Hayes, 2022). WOM refers to any unpaid and voluntary informal communication between individuals to share information (Huete-Alcocer, 2017; Sun et al., 2006). Indeed, a customer survey found that over 99% of consumers read online reviews before they make a purchase decision online (Clark, 2023). Also, consumers are more likely to trust information from their friends and family, so WOM is highly cost-effective (Bisht, 2022). Thus, many companies have worked on spurring more WOM. Companies such as BMW and Blaze Pizza even use reputation management software to increase the number of customer reviews (Birdeye, 2023).

Although a great amount of research has examined drivers of WOM, such as traits of consumers or products, less is known about marketing appeal that is easily applicable in the marketplace and increases WOM. Accordingly, the current paper explores which stimuli increase WOM and proposes the effects of cute stimuli on altruism, which in turn leads to WOM.

### **Method and Data**

We conducted three studies to explore the effects of cuteness on consumers' WOM behavior. Relying on field data, the first study aims to provide preliminary evidence for our prediction. We collected the rental property and online review data from the Airbnb website. We used text analysis to examine how cuteness relates to the number of online reviews on rental properties. We expect consumers to be more likely to write online reviews when the rental properties are considered cute. Next, Studies 2 and 3 tested the main effect and mediating effect with different

stimuli in controlled experimental studies. Study 2 aims to test the causal relationship between cuteness and WOM, and the robustness of our findings by using a controlled experimental study. Study 2 used a COVID-19 vaccination advertisement to test whether cuteness induces more WOM on COVID-19 vaccination. Study 3 has tested it lends additional support to the main effect and tests the mediating role of altruism. We employ a new manipulation of cuteness exposure (Dalmatian puppy vs. Dalmatian dog) to show the robustness of the effect.

### **Summary of Findings**

We develop a conceptual framework and demonstrate the positive impact of cuteness on WOM. Despite the widespread use of cuteness in marketing practice, the literature on cuteness does not provide an understanding of how cuteness may affect WOM. In order to address this gap, our theoretical approach claims that simple exposure to cuteness enhances altruism, which results in WOM. In line with our theorization, the findings of the current study demonstrate that exposure to cuteness is one of the major variables in creating WOM among customers. The results of Studies 1 and 2 demonstrate a direct link between exposure to cuteness and WOM. Study 3 shows that enhanced altruism is the underlying mechanism by which cuteness increases WOM.

### **Statement of Key Contributions**

The current research makes two main contributions. First of all, despite the significance of WOM and the wealth of research on its drivers, little is known about marketing appeal that actually increases WOM. Given that many marketers aim to increase WOM due to its impact on consumers and sales, this deserves greater attention.

Second, the current study expands our comprehension of how consumers respond to cuteness (Lv et al., 2022; Septianto & Kwon, 2022). While cuteness is popular in culture and

social media, its effects have been less studied in academia until recently. We contribute to the emerging literature on cuteness, showing that cuteness impacts consumers' WOM engagement. That said, when companies are willing to increase WOM, such as by writing online reviews or talking to friends or family about products/services, they may want to use cuteness. For example, using a picture of a puppy in an email asking for a written review could be an effective marketing strategy. Similarly, retail stores may consider having cute decorations to increase cuteness in stores in order to increase WOM.

References are available upon request.

## **WHY HUMANIZE YOUR PET'S FOOD? PET ANTHROPOMORPHISM AND PET NAMES**

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**Keywords:** pet, pet food, companion animal, name, anthropomorphism

**Description:** This study shows that human pet names improve evaluations of humanized pet foods through pet anthropomorphism.

### **EXTENDED ABSTRACT**

#### **Research Question**

Previous studies have shown that names have an association with social meanings. For example, names carry images of "age, intellectual competence, race, ethnicity, social class, and other attributes." (Kasof 1993, p. 140). It has also been pointed out that "names activate a reservoir of semantic information, which then informs judgment" (Laham et al., 2012, p.752). Thus, we consider that pet names would activate the same social meanings as human names. In today's context, the trend of 'humanization' is observed, where pets are often given human names. We predict that pet owners' tendencies to anthropomorphize their pets would increase when pets are given names that are typically given to humans.

At its core, anthropomorphism "entails attributing humanlike properties, characteristics, or mental states to real or imagined nonhuman agents and objects" (Epley et al., 2007, p. 865). Pet

owners gradually associated human-like images with their pets through repeated exposure to human-like pet names. Furthermore, pet anthropomorphism is associated with the Choice of humanized pet-related products(e.g. Apaolaza et al. 2022). Thus, our hypothesis states: Pet owners who give their pets human names are more likely to prefer pet foods that resemble human foods. This effect is potentially mediated by the degree of pet anthropomorphism.

### **Method And Data**

To test this hypothesis, we conducted an online survey using Yahoo! Crowdsourcing, a Japanese crowdsourcing service. The survey was released for dog owners only. At the beginning of the survey, a picture of an actual pet food product that highly imitated human food was displayed. The participants then responded with their product evaluations after reviewing the images and descriptions. Participants were asked to describe their pet ownership and dog breed and name and to indicate the degree of anthropomorphism (Epley et al. 2008), emotional pet attachment (Albert & Bulcroft 1988; Kaneko 2006), and the length of time they had kept their pets. In total, 188 valid responses were obtained (Mage = 49.4 years; 29% female).

To determine whether the pet names collected in this survey were similar to human names, an additional online survey was conducted. The respondents were asked to indicate on a 5-point scale whether they had ever heard the words used as a person's name, either domestic or foreign, and the average score was used as the human name score. The 140 dog's name were divided into five groups of 28 dogs each, and 309 respondents were randomly assigned to each group to answer the questions.

## **Summary of Findings**

A mediation analysis was conducted with the human name score as the independent variable, purchase intention and product evaluation as the dependent variables, and anthropomorphism as the mediating variable (Hayes 2017, Model 4). In each analysis, attachment to the pet was considered a possible confounder; therefore, pet attachment and the length of time of pet ownership were controlled as covariates. As expected, the results confirmed the positive effect of the human name score on anthropomorphism ( $b=.17$ ,  $SE=.07$ ,  $t=2.50$ ,  $p=.014$ ) and product evaluation ( $b=.42$ ,  $SE=.11$ ,  $t=3.85$ ,  $p<.001$ ). Bootstrap analysis using 10,000 resamples revealed a significant indirect effect of anthropomorphism ( $b=.07$ ,  $SE=.04$ , 95% CI [.01, .16]), supporting our hypothesis.

The results of this study support our hypothesis, consistent with prior predictions. This indicates that pet owners who give their pets human names prefer foods that imitate human food. In addition, the results reveal that this effect is mediated by the tendency to anthropomorphize pets.

## **Statement of Key Contributions**

To the best of our knowledge, this is the first research studying consumer preferences for imitation pet foods and the impact of pet names on consumer behavior. This research focuses on the significant 'humanization' trend in the pet food market and contributes novel insights to current pet marketing studies.

We examined pet anthropomorphism, demonstrating that giving pets human names amplifies consumers' tendency to attribute human characteristics to their pets. Our work offers practical insights for businesses engaged in pet food production and retail. We found that owners who

give their pets human names have a stronger preference for 'humanized' pet food products, appear similar to human food. This suggests that companies can use pet names to identify potential customers. Given that specialty pet retailers and veterinary clinics often have access to pet names, they could utilize this information to personalize their marketing communications.

References are available upon request.

## **WHY, HOW AND WHEN INDIVIDUALS TRACK EXPENSES, AND IMPLICATIONS FOR FINANCIAL OUTCOMES**

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Keywords: expense-tracking, financial self-regulation, spending control, financial wellbeing

Description: This paper explores how individuals track their expenses and how spending control and tracking duration could differ based on tracking goals, tracking patterns, demographics and psychographics.

### **EXTENDED ABSTRACT**

#### **Research Question**

Zhang and Wong (2022) find that the act of expense-tracking draws attention to spending data, which provides critical feedback for individuals to (a) monitor and align their spending with their financial goals and (b) adjust their monthly budgets. Consequently, understanding patterns in how individuals keep tabs on their expenses may serve a critical role in promoting financial goal attainment. Given the research gaps in expense-tracking literature, this paper explores *why*, *how* and *when* individuals track their expenses, and what factors influence tracking duration and financial outcomes.

#### **Method and Data**

This research presents new descriptive evidence on expense-tracking behavior using both subjective and objective behavioral data from users of a Chinese financial app. This app allows users to track their earnings and spending, record transactions in various spending categories,



add notes to transactions, and perform basic spending analysis. We administrated a survey to app users to collect their self-reported (subjective) behavioral data ( $N=2003$ ), including goals for tracking, tracking behavior, psychographic characteristics and demographic information. This survey aims to understand *why* people track expenses, *who* engages in expense-tracking and *how* they track their expenses. Survey respondents' tracking data are also obtained from the financial app company. This transaction-level data serves as objective behavioral data. Additionally, we obtained administrative-level app data, including the number of downloads and the number of registrations by day, to explore the situational factors that motivate individuals to track their expenses.

### **Summary of Findings**

#### **Analysis 1: Motives For Tracking**

Most individuals track expenses to understand how they spend money (85.07%), with smaller percentages aiming to avoid overspending (9.69%) or save money (5.24%). The purpose of expense-tracking does not significantly affect spending control, indicating that tracking behavior itself is more important than their tracking objectives.

#### **Analysis 2: Tracking Patterns**

Users prioritize promptness (85.88%) and accuracy (85.27%) in recording transactions. Individuals who prioritize accuracy have better spending control. Expense-tracking is more likely to start at the beginning of each week and month, leading to longer engagement over time.

#### **Analysis 3: Individual Differences In Tracking Persistence**

Habit strength correlates with tracking duration. Forgetting (56.96%) and being too busy (39.94%) are the main obstacles to tracking. Female users are more likely to stop tracking, while

financial stability increases the likelihood of stopping. Monetary resources do not affect tracking persistence, but volatility does.

### **Key Contributions**

This research makes two main contributions. First, it uncovers patterns in how individuals track expenses, filling a gap in the literature on mental budgeting and financial self-regulation. Previous research has limited empirical evidence on expense-tracking patterns, despite its importance for financial outcomes. By investigating why, how, and when individuals track expenses, this study sheds light on these less understood aspects.

Second, the research emphasizes that the purposes of expense-tracking do not significantly impact spending control. Encouraging individuals to start tracking their expenses is more important than specific goals like budgeting or saving. This finding has implications for public policy and financial education, suggesting that promoting expense-tracking as a fundamental financial behavior is crucial.

By exploring individual differences in tracking behaviors and the factors that facilitate tracking persistence, this research goes beyond conventional ideas of habit formation and self-control mechanisms. It highlights some potential factors influencing tracking persistence. For example, tracking persistence may not depend on the monetary resources people have. Instead, volatility matters more in making individuals track persistently.

\*References are available upon request.

**WILL SUBSCRIBING TO DIGITAL CONTENT SERVICES BECOME A  
NEW LIFESTYLE? A DUAL PERSPECTIVE OF INNOVATION ADOPTION  
AND INNOVATION RESISTANCE**

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**Keywords:** subscription service, digital content, innovation adoption theory, innovation resistance theory, consumer behavior

**Description:** This study confirms that certain factors related to innovation adoption and resistance have a simultaneous impact on continuous purchase intention and actual usage of digital content subscription services.

**EXTENDED ABSTRACT**

**Research Question**

The definition of subscription has recently shifted to a fixed amount paid for using a product or service during the contract period, such as a monthly or annual fee. In addition, the proliferation of high-quality digital content has facilitated the development of “Content as a Service” (CaaS). There was a time when getting users to pay for Internet content was nearly unthinkable. Nonetheless, the success of streaming media

such as Netflix and Spotify demonstrated that digital prosperity is possible if sufficient attention is paid to user demand, especially since COVID-19 has partially altered consumer lifestyles. It is believed that the CaaS market in Japan will be promising because consumer values have shifted, with twice as many people valuing spiritual wealth as material wealth. However, despite the growing popularity of subscription-based products for digital content such as videos, music, and e-books, consumer awareness of this subscription economy model is not yet adequate. Furthermore, some subscribers are becoming increasingly selective regarding subscriptions today due to “subscription fatigue” or “subscription poverty”. Consequently, this study poses the following research question.

RQ: What factors influence the intention and actual usage behavior of Japanese digital content subscribers to continue their payments in the post-pandemic era?

### **Method And Data**

This study combines innovation diffusion theory and innovation resistance theory to investigate the consumers’ continuous purchase intention and actual usage of digital content subscription services from both positive and negative perspectives.

In February 2023, Freeasy Research Company was tasked with conducting an online survey of Japanese consumers who had previously utilized subscription services for digital content. First, 1,000 respondents were screened, and 319 were digital content subscribers. The official survey of 319 digital content subscribers yielded 300 responses. To avoid being influenced by dishonest responses, 250 valid responses were

collected after responses with a standard deviation of less than 0.5 were eliminated. Japanese-native speakers translated and proofread English questions to ensure accuracy and reduce ambiguity. The survey's measurement items were developed using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). SmartPLS Version 4.0.8.8 is more appropriate for the empirical study because this study used a predictive research model and collected small sample data. It is because it is robust, has fewer identification issues, and applies to smaller and larger samples. A satisfactory measurement model was obtained by using PLS analysis. The structural model was then examined using Bootstrapping (5000 subsamples).

### **Summary of Findings**

In general, this study confirms that innovation adoption and resistance factors influence continued innovation purchase intention and actual usage, but only compatibility affects both intention and behavior. It demonstrates the significance of integrating a new technology or service with consumer habits and lifestyles when popularizing it. The analysis then reveals that relative advantage positively impacts the intention to continue purchasing, indicating that the gap between paid and free digital service content must continue to grow. When "paying for digital content" becomes more widespread, it will be necessary to market services based on their distinctive qualities. Next, as the only resistance factor that harms actual usage, this study demonstrates that if digital content providers intend to increase usage frequency, they must overcome the obstacles posed by traditional usage habits. As stated previously, a smart way to reduce

subscribers' reliance on free content is to provide better services and meet the requirements of free services.

It is identified that providers need to pay more attention to the needs of Japanese consumers. Although the Japanese market is promising for digital content subscription services, there is still a long way to go before it becomes a part of the lifestyle.

### **Key Contributions**

From an academic standpoint, this study enriches the methodology of consumer behavior research. Since the factors that drive and hinder innovation are not entirely opposed, and the complexity of consumer intentions and behaviors cannot be uncovered if the two are studied separately. Furthermore, the concept of this study can provide a complete understanding of how to promote the diffusion of innovative technologies or products, particularly digital innovations, in the future.

From a non-academic standpoint, this study may have implications for all parties involved in digital content distribution. Initially, digital content providers will face the issue of subscriber saturation, and one of the future issues will be how to develop new subscribers while maintaining existing subscribers without losing them. Undoubtedly, this issue requires attention on a global scale. Second, as the impact of the pandemic on people's daily lives diminishes, consideration must be given to the possibility that consumer demand for entertainment in the virtual world may decline. Finally, suppose companies that provide digital content subscription services can determine from the findings of this study the factors that explain why Japanese consumers adopt and resist

continued subscriptions. In that case, they can consider a comprehensive response to the crisis.

**References are available upon request.**

# **Digital and Social Media Marketing**



## A STRUCTURAL LIFE COURSE MODEL OF DYNAMIC ROLE SELECTION IN Q&A SITES FOR PREGNANCY, CHILDBIRTH, AND CHILDCARE\*

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**Keywords:** Q&A Platforms, Two-Sided Markets, Latent Dirichlet Allocation, User-Generated Contents, Life Course Model.

**Description:** This paper investigates the indirect feedback loop on a two-sided platform by examining users' dynamic role selection and posting behaviors on an open Q&A mobile platform.

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# EXTENDED ABSTRACT

## Research Question

This study aims to explore the internalization of learning within a two-sided platform by investigating the dynamic role selection of users between the two sides of the networks. The primary research question addressed in this study is whether users' learning tends to be internalized within the platform. Specifically, the study seeks to understand whether users who initially engage on the platform by asking questions later switch to the role of answering questions, indicating the internalization of knowledge acquisition. By delving into this internalization process, we aim to shed light on the mechanisms driving the interdependence between user groups on a two-sided platform. Understanding how users transition from information-seekers to answer-providers can yield valuable insights into the growth and sustainability of such platforms. This research question is particularly relevant as it explores users' platform engagement behaviors and their contribution to the platform's overall knowledge sharing ecosystem. By uncovering the internalization of learning within the platform, we can gain a deeper understanding of how knowledge is acquired, shared, and leveraged by users. These insights have implications for platform design, user engagement strategies, and the overall success of two-sided platforms in various domains.

## Method and Data

This study provides empirical investigation of the research questions using data collected from an open question-and-answer (Q&A) mobile platform dedicated to pregnant women. The platform serves as an information-sharing hub for expectant mothers, allowing them to seek guidance, share experiences, and ask questions about various topics

related to pregnancy and childbirth. The data set contains all the texts including questions and answers posted by users and detailed user information. To analyze the unstructured text data, the study employs a topic model to identify the main topics of questions and measures text similarity to assess the quality of answers. These analytical techniques enable the study to capture the content and relevance of users' interactions within the platform. The study further explores the patterns of user posting behavior about different topics over time on both the question and answer sides of the platform. Finally, the study proposes a structural life-course model where users participate in both sides of the platform networks given their knowledge set. The model captures the users' interactions, such as posting questions, providing answers, and switching roles and aims to understand the dynamic nature of user engagement and knowledge sharing within the platform.

## Summary of Findings

The findings of this study provide valuable insights into the internalization of learning within a two-sided platform context. The data pattern analysis reveals that a substantial proportion of users engage in giving back behavior by switching from asking questions to answering questions within specific topics. This highlights users' inclination to share their knowledge and contribute to the platform's knowledge ecosystem. The modeling of users' posting behaviors further uncovers positive cross-group network effects, where the expected number of answers attracted more questions, and positive user experiences on the asking side increased the likelihood of users participating on the answering side. These findings suggest that users' learning experiences and interactions within the platform play a crucial role in promoting engagement and knowledge sharing on both sides of the platform. The counterfactual experiments reveal that shutting off the internalization of learning significantly reduce the number of answers posted and, moreover, have an indirect impact on the number of questions posted. In addition, improving the

match between questions and users knowledge set leads to an increase in the number of answers and subsequently an increase in the number of questions posted.

## Key Contributions

The key contribution of this study lies in its exploration of the dynamic role selection and internalization of learning within a two-sided platform. By introducing the concept of users' role switching, this study extends the existing literature on two-sided markets. The study's findings offer valuable managerial implications for platform providers. Understanding the internalization of learning within the platform can help platform providers devise strategies to strengthen the network effects on both sides and to grow the user networks. By promoting users' role switching and facilitating knowledge sharing, platform providers can enhance the indirect feedback loop, leading to increased engagement and improved user experiences. These insights contribute to the literature on two-sided markets and provide practical guidance for platform growth and development. In conclusion, this study contributes to our understanding of the internalization of learning within a two-sided platform and its impact on user engagement. The insights gained from this research can benefit both marketing researchers and practitioners seeking to leverage the dynamics of two-sided platforms to build a robust and vibrant knowledge ecosystem within the platform.

# **A STUDY ON MEDIATING EFFECT OF eWOM ON SOCIAL MEDIA INTENSITY & CONSPICUOUS CONSUMPTION AMONG NEPALESE CONSUMERS**

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**Keywords:** Conspicuous Consumption, Electronic Word of Mouth, Social Media Intensity, Social Networking Sites, Word of Mouth

**This paper studies about the mediating effects of electronic word of mouth on conspicuous consumption relying on social media intensity.**

## **ABSTRACT**

This study examines the influence of social media use on conspicuous consumption, considering the mediating role of electronic word of mouth (eWOM). It highlights the impact of personalized suggestions and social data on consumer behavior, emphasizing the changing dynamics of information immersion and social networking.

## CHAPTER I INTRODUCTION

The impact of information technology on our lives is hard to overlook. Almost every daily activity is now interlinking in a complex web of applications, platforms, and devices. We use social media platforms and personalized suggestions to consume music, movies and television programs, to choose restaurants, to buy fashion goods, and to review hotels and reality shows (often in real time). In short, we understand and make sense of the world – at least of its consumption possibilities – through the use of technological devices. On social media (SM), software functionalities, data operations, and techniques of information ordering construct a new technological regime (Kallinikos, 2006) that mediates consumption goods, social activities and cultural processes in new and non-trivial ways. Increasingly, these methods and techniques propose a personalized version of the world, a world ‘tailored for you’ that is both descriptive and prescriptive (Pariser, 2011). Personalization of online content, as empowered by SM functionalities and operations, is set to solve a problem: it reduces the abundance of information available, providing criteria of relevance for individuals and groups and thus, possibilities for reasonable action. SM’s production of personalized information does not simply filter our access to social reality. Its technologically mediated social context also

blurs the boundaries between social facts and algorithmic suggestions by encasing consumption process into a constant information feedback loop.

The advancement of new technologies and constant change in the social media landscape (e.g., the recent shuttering of Vine and rapid rise of Instagram and Snapchat) have enabled a brand’s social media users to more freely express, exchange, and share thoughts and opinions about the brand’s offerings with other social media users. Understanding and even encouraging users’ electronic word of mouth (eWOM) on social media have thus become one of the main strategic foci of brands in the social media realm (Trusov, Bucklin, & Pauwels, 2009).

Notably, in the fast-growing space of user-to-user interactions, social media users can exercise their power in favor of or against brands through their improved communication capabilities with other users. In such an environment, where brands both encourage and are leery of user-to-user interactions, it has become essential for brands to find ways to facilitate users’ positive eWOM in order to achieve their social media objectives (King et al., 2014). Since positive eWOM impacts consumers’ purchase intentions and decisions and brands’ sales, the study of factors that can foster positive eWOM among

brands' social media users is critical for brands to remain competitive (Ismagilova et al., 2016).

Social media has changed the lives of individuals, allowing them to express their personalities through social networks. In particular, according to Giovannini et al. (2015), individuals display high intention to purchase luxury fashion goods and are more urged to consume conspicuously as they are exposed to social media networks. And for them, luxury fashion goods, with their social visibility, a high price, high quality and exclusiveness are closely connected to the notion of conspicuous consumption. These brands serve as the media not only for gaining social status but also for self-expression and improving self- image.

To answer the question, two research objectives of the study are developed which are as follows:

- Determine the level of impact of the intensive use of social media on conspicuous consumption.
- Determine the effect of depending on electronic word of mouth on conspicuous consumption.

This Study clarifies the importance of social media for marketing managers, as it shows to them if they depended on their companies' efforts without sharing this information on internet, the lifespan of their companies would

be short, but if they changed their strategies toward internet users, their companies would survive and their investment would continue for a long time; this will be confirmed by the results of this Study, whereas using social media increases everyday more than before, especially in Nepal. Moreover, this Study shows the importance of using social media in a better way, which will in turn maintain companies' survival and lead into making massive profits; this will be clarified by giving examples of other companies that have fallen because they didn't use social media in realizing their goals and maintaining their survival in the market.

## **CHAPTER II METHODOLOGY**

To ensure the accuracy of research result, descriptive as well as explanatory research was carried out. Research describes the nature and characteristics of population and its data sample on the basis of statistical tools without any form of manipulation which ensures the descriptiveness of research. Also, the research was conducted with the view of identifying the impact and extent of cause-and-effect relationships among the dependent and independent variables which ensure explanatories of the research. The findings of this research were based upon the primary survey. The data had been collected formulating a set of questionnaires which was distributed to

the respondents i.e., to the Nepalese consumers of various demographic dimensions who are actively engaged in social media and tend to make and rely on electronic word of mouth for conspicuous consumption. The questionnaire was self-administered. The findings had been based in the data and facts provided by sampled respondent.

Various statistical tests such as correlation, regression, mean, standard deviation are bases of the data analysis of the study. The software called Statistical Package for Social Science (SPSS) and Microsoft Excel was used to analyze and interpret the quantitative data which is in easy availability and commonly used software by researchers in business setting. Descriptive statistic was used for the calculation of mean, median and standard deviation on the respondent profile. T-Test analysis and hypothesis were carried out in the process of research. The reliability of scales is analyzed using Cronbach's alpha since Cronbach's alpha test is best measure for multiple scale items and it is also the most popular test for the inter-item consistency reliability.

The study is individual research conducted with the objective of learning social media intensity and mediating effect of eWOM on the conspicuous consumption of Nepalese consumers. Consumer from various

demographic dimensions is considered as respondent of this study. The population of the study includes Nepalese consumers of various age groups ranging from 20 to 50 years of age with different professional engagement and variety of income level. Heterogeneous intensity in social media usage, social media experience and attributes towards conspicuousness is attempted to collect from the population of study. Respondent of the study were contacted via physical meet up, online medium, phone calls and digitally.

Sample for this study were the individuals who were actively engaged in the social media and making consumptions of products based on social media intensity and electronic word of mouth. For this, survey method was used and overall survey and study were guided by the objectives of the study. The study was designed to understand the individual's social media intensity and mediating effect of electronic word of mouth on conspicuous consumption. The sample was segmented based on their engagement and reliance on eWOM and making of conspicuous consumption. The respondents were contacted physically and digitally through online medium and phone calls and the researcher was able to reach 205 participants for the sample survey process. Out of the 205, primary 16 responses were considered for validation of the data.



Primary data collection method was used in the research. Data is first used to test the working hypothesis and then used as evidence to support a researcher's claim. Secondary data was used to support primary data wherever needed. The study of descriptive research and involved the use of survey method. Primary data was collected with questionnaire survey and was administered to obtain quantitative data. For the purpose of data collection through primary methods a Google form links were sent to respondents using the internet, physical form fills up and other social networking mediums were used to conduct survey.

The initial parts of the study included background, problem identification, literature review and conceptual framework are the outcomes of secondary data sources such as reports, journal articles, books, Government news and other sources. In this study, primary data were collected in order to address the issues identified in the objectives. As explained in sampling section, individuals having high intensity of using social media and reliance on Edom and having conspicuousness on their consumption were requested to fill structured questionnaires to collect the data as a source of primary data for this research project.

### CHAPTER III RESULTS

Cronbach's Alpha was calculated for the reliability test. For the reliability assessment the Cronbach's Alpha was calculated from the data of pilot test. Calculated Cronbach's Alpha of the collected data is shown as below:

Table 1. Cronbach's Alpha Coefficients

S.N	Variables	Cronbach's Alpha
1.	Social Media Intensity	0.625
2.	eWOM	0.921
3.	Conspicuous Consumption	0.861

Table shows the Cronbach's Alpha coefficients of independent and moderating variables. Social media intensity, with mediating effect of eWOM and dependent variable is conspicuous consumption.

Table 2. Reliability Statistics

Cronbach's Alpha	No. of Items
0.911	14

Above table shows the Cronbach's Alpha for the data is 0.911 which reveals the internal consistency of the studied construct and the data is reliable and valid. The Cronbach's Alpha of 0.911, shows that 91.1 percent of the data taken for the study is reliable. From the above calculation it can be inferred that the questionnaire prepared was reliable for the study

as the overall Cronbach’s Alpha was 91.1 (Number of items = 14).

Social Media Intensity is the first independent variable of this research. A five-point Likert Scale was used to assess the influence on Conspicuous Consumption as of Social Media Intensity. Responses of Social Media Intensity were assessed from 4 questions/statements and descriptive study of each questions drafted. The average mean of Social Media Intensity was 3.68.

eWOM (electronic Word of Mouth) is the second variable of this research. A five-point Likert Scale was used to assess the influence on Conspicuous Consumption as of eWOM. Responses of eWOM were assessed from 6 question/statements and descriptive study of each question drafted. The average mean of eWOM was 3.58.

Conspicuous Consumption is the only dependent variable of this research. A five-point Likert scale was used to assess the Conspicuous Consumption. Responses for Conspicuous Consumption was assessed from 4 questions/statements and descriptive study of each questions drafted. The average mean of Conspicuous Consumption was 3.515.

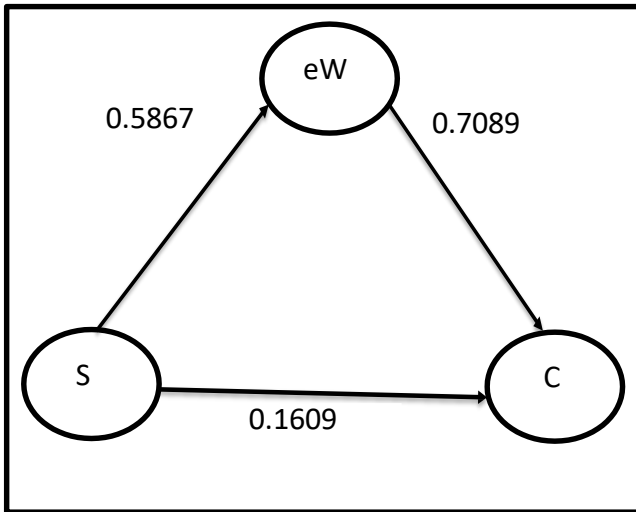
The correlations between dependent and independent variables are:

Table 3. Correlations between Independent, Mediating and Dependent variables

Variable	Correlations
SMI- CC	Pearson Coefficient = 0.432 Sig (2-tailed) = .000 N = 205
eWOM- CC	Pearson Coefficient = 0.726 Sig (2-tailed) = .000 N = 205
SMI- eWOM	Pearson Coefficient = 0.465 Sig (2-tailed) = .000 N = 205

Correlation is significant at the 0.01 level (2-tailed).

In the correlation table between independent, mediating and dependent variables 4.12, we can see that SMI (Social Media Intensity) has a positive correlation value of 0.432 with CC (Conspicuous Consumption). Similarly, eWOM (electronic Word of Mouth) has 0.726 correlation value with CC (Conspicuous Consumption) which is strongest among all the relations. The SMI (Social Media Intensity) has



also positive relationship with eWOM (electronic Word of Mouth) with correlation value of 0.465 respectively.

This section determines which independent variable explains variability in the outcome, how much variability in dependent variable is explained by independent variables, and it also carried out the effect of independent variables with dependent variable through mediating variable.

Table 4. Regression Coefficient of Social Media Intensity and eWOM on Conspicuous Consumption

Model	Coeff	se	P
Constant	0.379	0.253	0.136
SMI	0.160	0.072	0.026
eWOM	0.708	0.057	0.000

Table 4. shows the model significance of the relation in between independent, mediating and

dependent variables; Social Media Intensity, eWOM and Conspicuous Consumption respectively. The data presented in the table 4 has been illustrated in the figure 1 below through research framework structure. In the figure we can see that Social Media Intensity has positive and significant impact on the Conspicuous Consumption i.e.,  $\beta = 0.1609$ ,  $p < .01$ . this is positive and significant. Similarly, we can see those significant direct relationships between social media intensity and reliance of eWOM i.e.,  $\beta = 0.5867$ ,  $p < .01$ . and between reliance on eWOM and conspicuous consumption respectively i.e.,  $\beta = 0.7089$ ,  $p < .01$ .

Figure 1. Unstandardized Structures of Coefficient

Data is analyzed using Mediation model which focuses on the estimation of the indirect effect of Social Media Intensity on Conspicuous Consumption through an intermediary mediator variable eWOM causally located between Social Media Intensity and Conspicuous Consumption (i.e., a model of the form  $SMI \rightarrow eWOM \rightarrow$  Conspicuous Consumption), where Social Media Intensity is the input variable, Conspicuous Consumption is output and eWOM is the Mediating Variable. When examining that how Social Media Intensity exert it effects on Conspicuous Consumption which is commonly intervened by eWOM than this variable has a

causal relationship between Social Media Intensity and Conspicuous Consumption as per Figure 4.1 and termed as Simple Mediation Model. In this casual system there is at least one casual antecedent Social Media Intensity is projected as influencing an outcome Conspicuous Consumption through a single intervening variable eWOM. Such model establishes two pathways which influences consumption of conspicuous products by direct effect and indirect effect. In direct effect, pathways lead from Social Media Intensity to Conspicuous Consumption without passing eWOM. In indirect effects, a pathway of Social Media Intensity to Conspicuous Consumption is lead through eWOM.

Table 5. Direct effect of Social Media Intensity on Conspicuous Consumption

<b>Effe ct</b>	<b>Se</b>	<b>p</b>
0.16 09	0.07 21	0.02 68

The effect of Social Media Intensity on Conspicuous Consumption also supports to stated hypothesis on the basis of effect value 0.1609,  $p < 0.05$ .

Table 6. Indirect effects of Social Media Intensity on Conspicuous Consumption

<b>effect</b>	<b>BootLLCI</b>	<b>BootULCI</b>
<b>eWOM</b> 0.4159	0.2993	0.5467

Table 6 shows that the standardized indirect effect of SMI on CC through eWOM is 0.4159. Therefore, the effect of relationship between Social Media Intensity on Conspicuous Consumption is less than the effect of relationship mediated through eWOM.

Table 7. Direct and Indirect Effects (Standardize Structural Coefficients)

	<b>Direct</b>	<b>Indirect</b>
<b>SMI- CC</b>	0.1609	-
<b>SMI- eWOM-CC</b>	-	0.4159

Table 4.16 Shows that Social Media Intensity has less effect to conspicuous consumption in the direct effect i.e., 0.1609. Similarly, in indirect effect with the mediating reliance of eWOM, Social Media Intensity has greater effect to Conspicuous Consumption i.e., 0.4159.

#### CHAPTER IV DISCUSSION

The main purpose if this study is to analyze the influence of Social Media Intensity and eWOM on Conspicuous Consumption of Nepalese Consumers. This study empirically shows that the intensity of social media influences people’s consumption of conspicuous products. This study indicates that the more people are active on online social media, the more likely they are to consume conspicuous products, which present sense of prestige. Moreover, this influence can be intervened by the consumers’ reliance on eWOM. When people communicate with others

in their social network and/or consume other social media, they are more convinced and more motivated to consume products that are not necessary but impulsive. This finding is consistent with the recent study conducted by Wilcox and Stephen (2013), which found that the utilization of social networking sites makes people feel good about them while stimulating their spending. Therefore, people tend to make irrational choices when they spend too much time on social media and/or rely heavily on eWOM.

The sample for the research was taken from Nepalese consumers around Nepal. The specific objectives were to understand the influence of Social Media Intensity and reliance on eWOM towards Conspicuous Consumption. The key Findings indicate that there is significant influence of Social Media Intensity on conspicuous consumption and partial mediation towards conspicuous consumption relating to eWOM.

Domains of Social Media Intensity and eWOM were taken as an independent variable and Conspicuous Consumption was taken as dependent variable. The results of this study were based on the descriptive and inferential statistics analysis of the primary data that was collected with the help of survey questionnaire. Small pilot study was conducted using the

responses of selected group of 16 respondents before conducting the major survey over the sample population. The overall Cronbach's alpha coefficient was 0.852, which indicated that reliability of the instrument used is acceptable. After that the major study was conducted. There were 205 respondents who were from diverse backgrounds and demographics.

Findings showed that there exists a positive correlation between Social Media Intensity on Conspicuous Consumption. Partial mediation on Conspicuous Consumption when reliance to eWOM, which is comparatively higher significant than direct impact. The P-value for models was less than value of alpha.

Social Media Intensity dimensions were analyzed through social networking site Facebook, Micro blogging site Twitter, photo sharing site Instagram and video sharing site YouTube. Similarly, electronic word of mouth was analyzed through dimensions like advice, interaction, opinions, enquiry, comfort ability on opinion received, and reliability on opinion. Conspicuous Consumption domain was analyzed by thinking of friends about product or services, consumer profile, perception of brands among customers and impressions of brands.

The result showed that there is influence of social media on conspicuous consumption in a direct medium. This influence becomes stronger

when social media intensity relies upon electronic word of mouth. As internet of things and informational technology evolving around in the globe the human tendency to incorporate such technology is also becoming high. This result in shaping individuals' behaviors of response on various ways. This scenario has enriched social media and components associated with social media like eWOM immensely in shaping their actions. Several studies were conducted in the past by different researcher to find out the influence of social media intensity and eWOM on conspicuous consumption. The findings of this research were similar to some of the past studies provided that were conducted in these areas.

The result is somewhat similar to Thoumrungroje (2014) who argued that intensity of social media influences people's consumption of conspicuous products and also stated that this influence can be intervened to result higher when consumer reliance on eWOM. Similarly, this statement is also supported by the results of other studies which state that social networking has been found to increase the user's self-esteem and influence individuals to act and response accordingly (Gonzales, & Hancock, 2011). According to the findings of Gonzales & Hancock (2011) when people engage in social networking, they can control the information to be shared, so they tend to present positive

information about themselves among their network of acquaintances through actions that are shaped by the influences.

Some other studies found that online social networking usage can enhance the users' self-esteem while altering their self-control, which has subsequently led them to engage in a more impulsive or indulgent behavior (Wilcox, K., Kramer, T., & Sen, S., 2011) which is also related with the findings of our study about social media intensity influences on individual actions.

Conspicuous consumption behavior will encourage people to spend money luxuriously, both status-based and to show off the goods and services (Taylor & Strutton, 2016). It was found that media social can increase people's self-esteem (Gonzales & Hancock, 2011). These studies also make compatible conclusion regarding the findings drawn by the research carried out by this research. The results of this study indicate that conspicuous consumption is significantly influenced by the use of social media. When people more active using social media, especially Instagram, they will share all activities or anything that is bought or visited so that the sense of conspicuous consumption is also higher. The emergence of social media has changed landscape theory of conspicuous consumption, since all consumption now has the

possibility of conspicuous consumption based on how individuals use social media. It can be concluded that the increasingly intensive use of social media will lead to a growing sense of conspicuous consumption.

This study concludes that there is a positive influence between the uses of social media on conspicuous consumption through the activity of individual's reliance to eWOM. This shows that social media used every day will affect people to conspicuous consumption or excessive consumption to show off. Social media becomes an individual media tool in sharing anything in the media that associated with consuming goods or services to excessive praise.

In addition to the use of social media and mediation of eWOM can affect people to conspicuous consumption. Usage of social media as a whole has a positive and significant influence and categorized high enough impact on conspicuous consumption. Usage of social media is also associated with the self-esteem of a person in showing off his private life to audiences. This indirectly refers to conspicuous consumption behavior.

This study also supports research conducted by Thoumrungroje (2014) to find parallels between conspicuous consumption and the use of social media platforms. The results also support a study that explains that there is a positive relationship

between social media intensity and conspicuous consumption, which shows when social media intensity mediated by eWOM the influence become stronger.

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## **AI CREDIBILITY AND CONSUMER-AI EXPERIENCES: A JUSTICE THEORY PERSPECTIVE**

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**Keywords:** AI Credibility, Consumer-AI Experience, Justice Theory, Consumer Behavior, Artificial Intelligence

**Description:** Through conceptual analysis and qualitative study, this paper explores how perceived AI credibility is related to a higher perceived justice and results in improved consumer-AI experiences.

### **EXTENDED ABSTRACT**

#### **Research Question**

Consumers increasingly experience AI in their daily life, such as auto-correct, social media feeds, and voice assistants. Puntoni et al. (2021) categorize the four most common consumer-AI experiences as sharing data with AI, getting recommendations from AI, delegating tasks to AI, and interacting with AI. Consumers generally agree with AI's advantages, such as

personalization and convenience (Ipsos and WEF 2022; Onorato 2022). However, they are also concerned about misuse of their data or AI being used to manipulate their decisions (BEUC 2020), showing that consumers do not perceive AI as entirely credible, which may affect their experience with AI.

Specifically, the relationship of perceived AI credibility (i.e., consumers' perceived fairness, accountability, and transparency of AI) with different consumer-AI experiences is less understood. Further, the underlying mechanism by which AI credibility may be related to consumer-AI experiences has not been explored sufficiently, presenting a significant gap in the literature. Addressing this gap can help marketers alleviate consumer concerns about unethical AI and drive enhanced consumer-AI experiences. Therefore, this study aims to explore the following research questions:

RQ1: How do consumers perceive AI credibility and its relationship with their AI experiences?

RQ2: What is the mechanism by which perceived AI credibility may affect consumer-AI experiences?

## **Method and Data**

This research follows the conceptual development methodology (Jaakkola 2020) to build a conceptual framework and offer propositions. This study is based on literature analysis (to understand constructs and relationships among them) and a parallel qualitative study (using interviews to clarify the understanding and support the model empirically).

We conducted 35 semi-structured telephonic interviews with consumers with experience and awareness of AI-enabled offerings such as AI voice assistants, predictive typing, robot vacuum cleaners, and AI recommendations for shopping. The interview length averaged 49 minutes. The interview sample consisted of participants across age groups (18-25 years = 26%, 26-41 years = 47%; 42-57 years = 27%), gender (26% females), geographies, professions, and educational backgrounds. Before the interview, participants were asked to provide informed consent, where they were assured of confidentiality and anonymity. Interviews were conducted and recorded over a telephone call. They were transcribed verbatim by the authors. For coding, we followed an abductive approach where we coded the qualitative data per theoretically-driven themes, which were further updated as we obtained and analyzed more data (Saunders et al., 2019). The validity and reliability of our analysis were ensured using inter-rater agreement, respondent check for findings, and comparison with existing literature.

### **Summary of Findings**

This research offers a conceptual framework and propositions based on the literature analysis and a qualitative study. Perceived AI credibility is conceptualized by borrowing the three dimensions of fairness, accountability, and transparency from Shin et al. (2020). Perceived AI credibility is proposed to affect perceived justice comprising distributive (related to outcomes), procedural (related to processes followed while arriving at outcome), and interactional justice (related to interpersonal behavior in the delivery of outcome). Credibility is the believability of AI. If consumers perceive that AI is credible in giving fair outcomes, following due processes, and being transparent in its disclosures and interaction, it can significantly affect all three

dimensions of perceived justice about AI. Consumers will likely expect just treatment when dealing with an AI they can believe (or find credible).

Perceived justice is proposed to affect consumer-AI experiences positively. Finally, improved consumer-AI experiences can result in several favorable outcomes for marketers, such as the intention to share data with AI, follow AI's recommendations, delegate tasks to AI, and communicate with AI. The framework uses conceptual arguments from the literature supported by qualitative interviews.

### **Statement of Key Contributions**

The first theoretical contribution of our research is to the literature on AI credibility (e.g., Cheng and Jiang, 2021; Edwards et al., 2019; Shin et al., 2020) and consumer-AI experiences (Ameen et al., 2021; Puntoni et al., 2021) by conceptualizing a relationship between AI credibility and consumer-AI experiences. Second, this paper brings a novel perspective by applying justice theory to conceptualize the mechanism between AI credibility and consumer-AI experiences. Third, this work contributes to the ongoing research on consumer behavior with AI by providing a framework for future empirical investigations by researchers.

This study offers useful insights to companies and policymakers regarding product development, experience design, and promotions of AI-enabled offerings. It is crucial for marketers and product designers to not only improve the credibility of their AI but also work towards improving its perceptions. This is because even if AI-enabled offerings are made credible, consumers may not perceive them as credible if the awareness is low. Policymakers may take

insights from this study to frame guidelines about how companies should inform and increase awareness about their AI's credibility.

## **References**

References are available upon request.

## AN AUDIENCE THRESHOLD IN THE MILLIONS: EXPLORING INFLUENCER MARKETING ACTIVATIONS ONLINE

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*Keywords: influencer marketing, social media, digital marketing, marketing campaigns*

*Description: Online audiences with enough millions that are targeted with a singular message can create a threshold by which engagement percentages are guaranteed.*

### EXTENDED ABSTRACT

**Research Question:** Can a model determine if an online audience threshold guarantees activations?

**Method and Data:** (1) graph theory for selecting the initial set of influencers; (2) linear regression techniques for parameter estimation; and (3) non-linear parametric modeling for maximum reach estimation.

**Summary of Findings:** The model presented enables approximate calculations for initial sets, and further insight into a projected outcome, that allows users to explore the limitations and possibilities in influencer marketing approaches. An algorithm presented also offers a solution to reach a given marketing goal by choosing an initial set of influencers based on the graphs and the parameters observed from empirical data. Through a dynamic model, influencer marketing expectations can be supported with empirical, sound evidence.

**Key Contributions:** Influencer marketing campaigns often struggle to predict audience

activations and their prospective financial returns. This is further hindered by a lack of statistically relevant approaches to model expected outcomes. The current analysis offers a guided approach and recommendations for estimating and predicting social media engagements. By leveraging graph theory, regression analysis, and projection methods, the study gains insights from social media data to set feasible expectations for influencer marketing campaigns. The study demonstrates that network analysis, particularly degree-centrality, works well for choosing an initial set, provided analysts iterate over the degree-centrality range choices via subsequent regression analyses. Twitter data from the Higgs Boson Graph Dataset is utilized to operationalize the investigation's approach.

**References available upon request.**

## **An exploration into user-generated content, service failure recovery and customer–brand relationships: a commitment-trust theory perspective**

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Key words: service failure recovery, user-generated content, customer-brand relationships, fashion industry, commitment-trust theory

### **Abstract**

*User-generated content (UGC) and service failure have attracted considerable marketing inquiry over the last two decades. Previous studies primarily focused on the outcome of service failure and the impact of UGC on perceived failure severity. We depart from previous studies by examining the moderating role of UGC on the relationship between service failure recovery (SFR) and customer–brand relationship. Building on commitment-trust theory and from a phenomenological hermeneutical perspective, we explore this phenomenon through the interpretation of 60 in-depth interviews with millennials from three European countries: Italy, France and the UK. An analysis of the data was conducted using a qualitative approach to understand the main constructs and relationships derived from the data. This study conceptualises four distinct moderating characteristics of UGC in the SFR process: satisfied with experience and brand, dissatisfied with experience and brand, satisfied with brand and dissatisfied with brand. The insights from our RECB framework contribute to research on UGC and shed light on the relationship between SFR and consumer–brand relationships in the fashion industry. Overall, this study demonstrates that customer interactions with UGC significantly affect their responses to, and relationships with, a brand. The proposed framework opens up interesting avenues for future research on the moderating role of UGC on the relationship between SFR and customer–brand relationships.*

### **Key contributions to academe and practitioners**

Our study demonstrates that customers' trust and subsequent strong emotional attachment to a brand (satisfied with brand pathway) positively impacts their downward counterfactual thinking and brand salience. The UGC they encounter, even if it contains limited interactivity and connectiveness, prompts a neutral valence from the customer individually. This causes the UGC to have little impact on the positive brand relationship of customers on the satisfied with brand pathway. In contrast, customers following the dissatisfied with experience and brand pathway who encounter UGC with low responsiveness and empathy develop a negative



perspective resulting in a negative relationship with the brand. This may stem from the customer's need to connect with others for informational and emotional support (Liu *et al.*, 2022) during a failure event that arouses concern, worry and insecurity. This increases the individual's need to rely on others. Building on the central paradigm of SFR, we add to the current marketing literature by explicitly recognising the affordances of UGC on SFR and customers' responses to, and identification with, brands.

Drawing on prior literature and commitment-trust theory, the current study adopts a phenomenological, constructivist and hermeneutical approach. Commitment-trust theory grounds the research on the broad shared values, communication, trust and commitment that characterise a successful customer-brand relationship. We explore the moderating role of UGC created by customers on the relationship between SFR and customer-brand relationships through the interpretation of 60 in-depth interviews with millennials from three European countries: Italy, France and the UK. Millennials have historically exhibited the most interest in online fashion purchasing, they are the most innovative group of online users and they engage actively in UGC (Azemi *et al* 2019; Smith, 2011; Ozuem *et al.*, 2021a). We selected the fashion industry due to consumers' significant consumption of UGC. For example, a report by Statista showed that 45% of fashion and lifestyle consumers spend between one and three hours per day on TikTok, which is one of the leading UGC platforms (Dixon, 2022). Also, Mintel reported that 57% of female fashion shoppers rely on UGC to make informed decisions (Mintel, 2022). We present a framework that captures the interlinks between existing studies and our empirical data. Our main intention is to contribute to and enhance the UGC literature by presenting a well-grounded description of the relationship between UGC, service recovery process and customer-brand relationships.

**References available upon request**

**BEYOND THE SURFACE: A MULTIMETHOD EXPLORATION OF CHATBOT  
SERVICE QUALITY AND BRAND PSYCHOLOGICAL DISTANCE.**

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**Keywords:** Customer Experience, Virtual Assistant, Brand Management, Service Quality, Machine Learning.

**Description:** This article draws on three sequential studies to explore mental representations of perceived service quality with conversational agents.

**EXTENDED ABSTRACT**

**Research Question**

Intelligent Conversational Agents (ICAs) have gained relevance as systems enabling access to information and activities using everyday language (Følstad *et al.*, 2021). These systems emerged as tools supporting customer service activities (Arora *et al.*, 2013). In the digital environment, consumers have greater control over brand connections and the nature of services. This has created new challenges for practitioners and scholars concerned about managing and understanding consumer interactions. Moreover, the evolution of artificial intelligence (AI) led to ICAs as powerful communication tools for marketing (Tkachenko, 2020; Vlačić *et al.*, 2021)

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In recent years, a growing interest in understanding the quality of communication between virtual assistants and customers has been perceived. Using social agents allows brands to be recognized as active partners, expected to follow norms (Aggarwal, 2004). Also, previous studies have examined the social elements affecting individuals' representations in human-machines interactions (Lee *et al.*, 2021). However, there is a gap between the factors involved in construals and how brand bonds impact perceived chatbot service quality.

This study conducts a post-phenomenological perspective to examine how perceptions about brands and ICAs impact customer service expectations? (Aagaard *et al.*, 2018).

### **Method And Data:**

For study 1, we explore the evolution of chatbots in service quality through a data mining literature analysis. Data were collected using twenty-two keywords describing ICAs, and service quality on Scopus and Web of Science (WoS) databases. To extract insights from the unstructured information, we used Latent Dirichlet Allocation (LDA) and Dynamic Topic Modelling (DTM) techniques (Blei *et al.*, 2003; Blei & Lafferty, 2006).

In study 2, we interviewed 17 individuals who had used chatbots to explore their expectations and experiences (Loftus, 2005). For data analysis, a thematic analysis with expert opinions and the IRAMUTEQ package on R language allows for both hermeneutic and post-phenomenological approaches (Eatough & Smith, 2017). Data analysis was conducted through reduction, interpretive translation, interpretation, and description approaches (Terry *et al.*, 2017).

In study 3, we adopted the AOL technique to gain insights into the meaning of chatbots, involving scenarios in two different settings: (1) one evoking cognitive distance, (2) another eliciting emotional closeness to the brand. Participants (n=29) were asked to create an album collected that best represented their mental representations from an online search engine. The panel was asked to rate self-identification with other subjects.

Data were analyzed in two phases: (1) the INDSCAL technique to obtain a construal map (Kessous & Valette-Florence, 2019). (2) we applied *fuzzy k-means* to chatbot users' imagery clusters.

### **Summary of Findings**

In Study 1, four eras in research on chatbots service quality were identified. (1) using agents to support decision-making. (2) service-oriented architecture and user experience. (3) adaptation of service quality scales. (4) using AI to deliver realistic experiences. Brand transparency and privacy policies are new determinants of chatbot trust.

By analyzing the distribution of terms, we identified four thematic clusters. (1) highlights service quality relevance. (2) commercial interest in AI. (3) User experience and service. (4) Effects of ICAs on e-commerce.

During study 2, consumer experiences are described by affective and cognitive variables. Chatbot users expect brands to be able to use human dialogues through ICAs by using language, personality, and friendliness (social presence). Further, respondents identified functional competence as a default ICA capability. Finally, the perceived quality of the ICA's is influenced by brand image. When incongruent brand behavior, consumers negatively rate the service and ICAs' skills.

In study 3, people develop functional attitudes towards ICA behavior, anticipating customer support while rejecting anthropomorphism (clusters 1 and 2). Also, customers demand active problem-solving communication (clusters 3 and 4). Thereafter, customers seek brand congruence through chatbot performance, leading to a willingness to self-disclose (clusters 1, 3, and 5).

Under a cognitive scenario, consumers are looking for ICAs with limited anthropomorphic characteristics (*uncanny valley*), and usefulness is expected. An emotional scenario reveals factors relating to social presence and brand attachment (sentient quasi-others)

(Ihde, 1990). Furthermore, ICAs provide nonverbal communication skills to brands, previously only possible through human interaction.

### **Key Contributions**

Methodologically, this study developed an eclectic research method to provide a comprehensive brand relations consumers view. By using declarative and nonverbal methodologies and machine learning literature analysis about the service quality of ICAs, we provided a nuanced understanding of how customers perceive and interact with systems.

Theoretically, we contribute to the knowledge of the factors impacting service quality by identifying both affective and cognitive determinants of experiences and showing how these factors are influenced by brand relationships and perceptions of ICAs. We provide key insights into the complex factors shaping service quality in the context of conversational agents. This may be useful for future research and practitioners looking to design and implement conversational agents that meet customers' needs and expectations.

From a managerial perspective, we suggest that brand managers may use conversational agents for eWOM supervision, value co-creation, and delivering the brand's human qualities. We also recommend that brand managers prioritize the brand relationship form when designing and implementing ICAs, emphasizing non-humanized features during new interactions but focusing on the human touch once relationships are established.

**References are available upon request.**

**BRAND EXPLORATION IN METAVERSE: EFFECTS OF SELF-AVATAR RESEMBLANCE ON BRAND ATTITUDE AND PURCHASE INTENTION, AND MODERATED MEDIATION OF COPRESENCE**

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**Keywords:** brand metaverse, self-avatar resemblance, engagement, brand attitude, copresence, virtual item purchase intention

**Description:** The current study shows that in a brand metaverse, the resemblance between customers and their avatars (i.e., self-avatar resemblance) enhances brand attitude and further ‘virtual item’ purchase intention through the increase of the metaverse engagement, and the mediation effect is moderated by the number of concurrent visitors in the metaverse (i.e., copresence).

**EXTENDED ABSTRACT**

**Research Question – 200 Words**

With the metaverse's rising popularity, firms are creating virtual brand worlds for prospective/current customers to experience their brands virtually. In such brand-oriented metaverse (i.e., brand metaverse), customers engage in gaming/socializing activities and explore virtual products. One of the key elements determining customers' experience in a brand metaverse is their avatar. Understanding the importance of avatar in determining virtual experience, previous research focused on the self-avatar resemblance in a metaverse platform (i.e., SAR) and how SAR influences experience in the platform. However, previous research has not examined how SAR influences brand attitude and virtual item purchase intention in the brand metaverse context. To fill the research gap, this study examines the effect of SAR on brand attitude and virtual item purchase intention, and the mediating role of customers' brand metaverse engagement (i.e., BME). Furthermore, we introduce copresence (i.e., the number of concurrent customers) as a key moderator of the mediation effect.

**Method and Data– 200 Words**

The sample consists of young people residing in the US whose ages are between 18 and 24. The demographic group is known as the most popular users who visit metaverse-based virtual universes (Dwivedi et al. 2022; Park and Kim 2022). In our experiment, each participant is required to enter a brand metaverse and explore the brand in the virtual world. Before the exploration, each participant completed a pre-test survey designed to measure her/his attitude toward the brand. Also, they need to create and customize their avatar before entering the brand

metaverse. After the exploration, they are required to upload their photos of real self and avatar and the videoclip which records the whole exploration in the brand metaverse. Afterwards, they also fill in a survey which includes questions about brand attitude and virtual item purchase intention. By using a popular web-based software, we measure SAR with the photos. We also measure BME by manually checking the number of concurrent users, the number of item trials, and the playing time. After filtering out ineligible samples based on a manipulation check, the final sample includes 208 observations. For the data analysis, we use PROCESS macros.

### **Summary of Findings – 200 words**

As expected, we find a significant and positive effect of SAR on BME, which is also found to be related to brand attitude and virtual item purchase intention. Thus, we find a mediation effect of BME in the link between SAR, and brand attitude and virtual item purchase intention. In addition, our results tell us that copresence (i.e., the number of concurrent customers) significantly and positively moderates the mediation effect as hypothesized. Bootstrapping techniques, which tested the indirect effect (i.e., proposed serial mediation effect), show that the indirect effect is significant based on 95% confidence interval when copresence is high. As a supplementary analysis, we also test the serial mediation effect of SAR on real purchase intention and find consistent results.

### **Statement of Key Contributions – 200 words**

First, this study identifies a key factor – SAR, which determines the effectiveness of the brand metaverse being considered an important marketing communication medium. Previous ‘avatar resemblance’ literature studied the resemblance only in the role-playing ‘gaming’ context, but not in the brand metaverse context. This study contributes to the literature by empirically finding that such resemblance is a key determinant that engages customers in experiencing the brand. Second, this study examines the underlying mechanism of how SAR affects brand attitude and further virtual item purchase intention. We make a theoretical contribution by developing theories that customers with high SAR are engaged more in the virtual ‘brand’ metaverse platform, and the increased ‘platform’ engagement is positively related to brand attitude. That is, by proposing the mediation effect of the brand metaverse engagement, this study sheds light on understanding how the level of SAR affects customers’ attitude and purchase intention toward the brand. Third, this study identifies the number of concurrent customers visiting a brand metaverse as a moderating factor that strengthens the mediation effect. The result emphasizes the importance of interactions among customers visiting a brand metaverse for the effectiveness of the brand metaverse, providing important implications to ‘brand metaverse’ designers.

### **Reference**

References are available upon request ([jhyunlee@unist.ac.kr](mailto:jhyunlee@unist.ac.kr)).

**BUSINESS ECOSYSTEMS:  
MARKETING RELEVANCE AND GLOBAL MARKETS**

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**Keywords:** Ecosystems, Marketing, Global Markets

**Description:** The purpose of this paper is to evaluate and discuss the topic of business, industrial, and corporate ecosystems which play a major role in marketing and its related areas in the U.S. and global markets.

**EXTENDED ABSTRACT**

**Research Question**

What are the major characteristics, issues, and impact of business ecosystems and their significance in the U.S. and global markets?

**Summary of Findings**

We specifically pursue this topic within the areas of marketing, review-based discussions, and literature surveys. Findings of the paper reveal that in recent years, academic and practitioners' interest in business ecosystems have been heightened because of digital platforms, social media, new business models, and expansion of multinational corporations (MNCs). Selected industry-based ecosystems include Bangladesh's



readymade garments, apparel and textiles cluster, Sialkot's (Pakistan) sports goods industry, Italy's fashion, clothing and textiles ecosystem in Bergamo and Milan, Switzerland's Watch Valley, Los Angeles' entertainment and movie industry, Silicon Valley in Northern California, etc. Equally important are corporate and firm-specific ecosystems which include Apple, Amazon.com, Disney, Airbnb, Saudi Aramco, Taiwan Semiconductor Manufacturing Company, and Louis Vuitton Moët Hennessy (LVMH) of France. The topic is particularly relevant when dealing with business-related digital markets and social media platforms, public policy domains, and regulatory circles. Business ecosystems are analyzed because of their fast growth in consumer and industrial markets. This is also attributed to niche-based industries, digital models, and new markets. The work adds a meaningful value to the literature of marketing and business ecosystems. The paper also provides useful implications of this debate which at present lacks review-based studies and literature surveys in marketing.

### **Key Contributions**

This review- and survey-based paper evaluates business ecosystems and their marketing relevance in global markets. The paper is particularly important when dealing with digital markets, social media, and public policy areas in the U.S. and beyond. Business and industry ecosystems include many firms and compete and cooperate within their clusters and regions. Domestic businesses, MNCs, and online and digital marketing firms particularly gain because of the emergence of new business models and online technologies. In the presence of established global markets and emerging digital economy, multiple types of business ecosystems prevail in the U.S. and global markets

which add value to the marketing field and its related areas. Key features and contributions of this paper are as follows: (1) To analyze and systematically discuss business ecosystems and their role in marketing; (2) To review the literature of business ecosystems and related areas; and (3) To understand business ecosystems by systematically reviewing research contributions which provide useful findings and value added. Business ecosystems and marketing areas remain to be intertwined because of established industrial and consumer markets. In addition, we provide implications of this debate which are important in marketing and global markets.

References are available upon request.

**CANCEL CULTURE: THE MODERN NOOSE****Ertugrul Uysal, University of Neuchâtel****Ana Pušić, University of Dubrovnik****Katija Vojvodić, University of Dubrovnik**

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**Keywords:** Cancel culture; Social media; Group identification; Self-censorship; Polarization

**Description:** The matter of this paper is a deeper insight into the mechanisms and consequences of cancel culture, manifested in the polarization level and reduced well-being, both in individuals and brands.

**EXTENDED ABSTRACT**

**Research Question** – This paper presents a conceptual model that examines the repercussions of cancel culture, taking into account existing literature and the current climate in which cancel culture is prevalent. The model focuses on several key questions to provide clarity on the topic. First, we explore whether individuals who exhibit a heightened sensitivity to social norms are more likely to engage in cancel culture. Second, we investigate whether the level of self-identification with a particular social group influences the connection between sensitivity to social norms and the intention to express oneself or exhibit a reactance response. Then, we consider the impact of individuals' self-censorship behavior and reactance response on their well-being. Finally, we address the question of whether individuals' commitment to their own opinions and their engagement in self-censorship contribute to the exacerbation of polarization. In summary, this paper aims to lay the groundwork for future contemplation and exploration of the factors that influence individual behavior within cancel culture, particularly with regard to polarization and individual well-being. By studying the nature of cancel culture, this research strives to provide insights into the effects it has on individuals.

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**Summary of Findings** – This investigation into the effects of cancel culture can have important implications for marketing and consumer behavior research. By exploring the mechanisms underlying cancel culture, we can gain a deeper understanding of how consumers engage with brands and how they make decisions about which brands to support or avoid in this social climate. Our conceptual framework provides insights into how consumers are likely to respond to these types of campaigns. This information could help develop more effective and responsible marketing strategies for engaging with consumers in the digital age by taking into account the potential risks and benefits of different types of online discourse. For example, firms might prioritize engaging with consumers in an open and transparent manner, responding to their concerns, and addressing any perceived injustices to mitigate the risks of being "canceled".

**Statement of Key Contributions** – Investigating the effects of cancel culture can contribute to a deeper understanding of group dynamics, media effects, and the role of technology in shaping public discourse. It can also shed light on the psychological and social consequences of cancel culture, including the impact on individual well-being and meaningful dialogue that is essential for a healthy democracy. We believe that the proposed framework could be relevant to many disciplines including marketing, consumer behavior, political science, sociology, psychology, and communication studies. Additionally, the insights gained from this research can be used to educate the public about the potential consequences of cancel culture, encourage more thoughtful and responsible online discourse, and promote the importance of free speech and open dialogue.

**DEVELOPING AND VALIDATING A BRANDED APP ATTRACTIVENESS MODEL:  
THE PERSPECTIVE OF INTERPERSONAL ATTRACTION****Timmy H. Tseng, Fu Jen Catholic University****Ling-Wei Chang, Fu Jen Catholic University****Wun-Xuan Wu, National Taiwan University of Science and Technology**

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**Keywords:** Branded app attractiveness, app engagement, interpersonal attraction, branded app

**Description:** This paper develops a branded app attractiveness model.

**EXTENDED ABSTRACT****Research Question**

Most branded apps fail to retain consumers. Statistics show that nearly 84% of consumers will delete the app after one use (Feeley 2015). Hence, how to facilitate app engagement and stickiness is a research question of high practical relevance. Most of prior studies have examined this from a utilitarian perspective (Fang 2017; Hsieh et al. 2022). The role of branded app attractiveness has received little attention. Companies can design branded apps to attract consumers and creating firm values (Boyd et al. 2019). As the competition in app market has become fierce, the facilitation of branded app engagement and app stickiness is a key issue (Hsieh et al. 2022; Qing and Haiying 2021; Stocchi et al. 2022). It is important for companies to adopt active strategies by continuously creating different forms of app attractiveness to engage consumers in branded apps. As such, the aim of this research is to develop a branded app attractiveness model based on theories of interpersonal attraction. More specifically, this study seeks to answer the following questions. What is and what are the dimensions of branded app attractiveness? Whether branded app attractiveness facilitates app and brand outcomes via branded app engagement?

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## **Method And Data**

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Two studies are conducted. Study 1 aims to develop a new scale of app attractiveness following Hinkin's (1998) scale development procedure. Both interviews and literature review are used to identify the content domain of app attractiveness. The findings of ten consumer interviews validate all dimensions of app attractiveness. Notably, most of interviewees mention the importance of uniqueness dimension, resonating the reward uniqueness construct in the theory of interpersonal attraction where unique rewards create high attractiveness. Hence, the uniqueness dimension is added into the content domain of app attractiveness. The findings of three expert interviews validate the appropriateness of app attractiveness's definition. However, experts consider dimensions of social attractiveness and uncertainty reduction nongeneralizable and cooperation dimension as the baseline to all app contexts. Thus, these dimensions are removed. Representative branded apps in Taiwan are identified based on prior studies. Online survey was conducted to collect data via a market research firm. Study 1 collected 173 and 203 usable data for exploratory factor analysis (EFA) and confirmatory composite analysis (CCA) (Hair et al. 2020). The purpose of study 2 is to empirically test the hypotheses by 292 usable data. The measurement items of other constructs are all adapted from prior studies.

### **Summary of Findings**

In study 1, EFA results indicate that branded app attractiveness has six factors of task, appearance, propinquity, reciprocity, similarity, and uniqueness, explaining 67.56% of the total variance. CCA results show that app attractiveness is a second order reflective construct with six reflective sub-constructs. The new scale has criterion-related validity as it can predict a reflective construct consisting of two global items of app attractiveness (0.74,  $p < 0.001$ ). The convergent validity is achieved as AVE values are greater than 0.50. HTMT ratios are smaller than 0.90, supporting discriminant validity. App attractiveness positively influences continuance intentions (0.63,  $p < 0.001$ ), WOM intentions (0.75,  $p < 0.001$ ), feedback intentions (0.62,  $p < 0.001$ ), and brand loyalty (0.63,  $p < 0.001$ ). The new scale has incremental validity since app attractiveness can

<sup>494</sup> significantly predict app and brand outcomes when brand attachment is controlled for. The results

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of study 2 also validate the measurement model of app attractiveness scale as study 1. App

attractiveness positively influences app engagement (0.58,  $p < 0.001$ ), which in turn positively influences continuance intentions (0.54,  $p < 0.001$ ), WOM intentions (0.56,  $p < 0.001$ ), willingness to pay (0.56,  $p < 0.001$ ), feedback intentions (0.43,  $p < 0.001$ ), and brand loyalty (0.56,  $p < 0.001$ ). Furthermore, app engagement mediates the relationships between app attractiveness and app and brand outcomes.

### **Statement of Key Contributions**

This research contributes to the academe in fifth ways. First, while most of previous studies have adopted the utilitarian perspective, this research proposes the app attractiveness as a new relationship perspective. Second, this research conceptualizes app attractiveness and develops a model of app attractiveness based on theory of interpersonal attraction and relevant literatures. Compared to previous studies that have focused on the importance of developing specific type of consumer-brand relationships via branded apps, the app attractiveness perspective emphasizes the active role of companies to provide different types of app attractiveness (task, appearance, propinquity, reciprocity, similarity, and uniqueness) to facilitate app engagement. Third, this research is the first to apply the interpersonal attraction model to the branded app context and the model can predict positive app (continuance intentions, WOM intentions, and willingness to pay) and brand outcomes (feedback intentions and brand loyalty) adequately. Fourth, this research delineates the underlying process from app attractiveness to positive app and brand outcomes. It identifies app engagement as a key mediator between app attractiveness and outcomes. Fifth, this research develops a scale to measure app attractiveness, which can be utilized by future studies to develop more advanced model of app attractiveness.

“References are available uponrequest.”

## **DIGITAL COMPANIONS AND PSYCHOLOGICAL WELLBEING: EXPLORING THE ROLE OF SOCIAL SUPPORT**

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**Keywords:** Conversational agent, Artificially intelligent voice agent, social support,  
psychological wellbeing, digital companions.

**Description:** The study examines the role of conversational agents, artificially intelligent voice  
assistants (AIVAs) in particular as digital companion in providing social support to consumers,  
thus positively affecting consumers' psychological wellbeing.

### **EXTENDED ABSTRACT**

#### **Research Question**

A recent report by Madison County Department of Health (MCDOH) highlights loneliness and  
lack of social support as one major reason for depression and despair deaths of millennials.

Social supporting resources assist individuals in coping with the negative symptoms of stress  
and loneliness that occur following life events that disrupt or weaken their social relationships



and the resources they give (Cohen 2004; Sorokin, Rook, and Lu 2002). Since technology such as artificially intelligent voice agents (AIVAs) is becoming an indispensable part of everyday life and shows the capability of interacting as humanlike, it can be interesting to explore the role of AIVAs in consumer wellbeing. For example, Can AIVAs positively affect consumer wellbeing? What can explain the positive influence of AIVA usage on wellbeing? How can social support play a role? Would instrumental role or socio-emotional role be more important in such applications? Do such effects get more pronounced when people experience social isolation (loneliness)?

### **Method and Data**

It is proposed to do a survey-based empirical investigation, where data will be collected from two types of customers; one who have been using AIVA for at least six months and those who do not use or using AIVA, measuring their perceived social support from AIVA and its impact of their psychological wellbeing. The study will adapt the scale from previous studies to measure the constructs (Suurmeijer et al., 1995; Rosenbaum, 2006; Ryff and Keyes, 1995; Russell et al., 1980).

Data is proposed to be collected using online panels such as [www.prolific.co](http://www.prolific.co) with a sample of about 300-500 respondents screened using a familiarity and usage question. Structured Equation Modelling and PROCESS macros would be used to analyze data and to test measurement and structural model.

### **Key Contributions**

Theoretical

The study contributes to consumer wellbeing literature by integrating literature from various domains like marketing, social & clinical psychology, and human-computer interaction and

empirically shows how emerging technology like artificially intelligent agent can play a significant role in customers' psychological wellbeing, specifically for socially isolated (lonely) consumers. It also contributes to the literature on consumer technology consumption by showing that humanlike technology (e.g., AIVA), due to its anthropomorphic qualities, can enhance customers' value of technology by gaining functional and socio-relational benefits of technology consumption.

#### Practical Implications

The findings of the paper have implications for stakeholders and policymakers responsible for nations' health and wellbeing. In a world of social distancing and technology-dominated society, where people are isolated from human contact, leading to a lack of social support, which is a prelude to loneliness and has a detrimental impact on wellbeing (Rosenbaum et al., 2007), policymakers often struggle to find out a viable and affordable solution to such a severe and widely spreading problem of depression and lack of social support, harming peoples' wellbeing, a humanlike technology such as AIVA residing in one's personal place can be a source of social support, making it an affordable and accessible solution/tool for the problem of depression, hence taking care of people's wellbeing.

## **DIGITAL CONSUMER WISDOM: A PRACTICE-BASED FRAMEWORK**

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**Keywords:** Consumer wisdom; Digital consumption; Consumer well-being; Conceptual Framework

**Description:** A conceptual framework of digital consumer wisdom is presented that is centered on consumer practices in the digital domain.

### **ABSTRACT**

I conceptualize a practice-based framework of digital consumer wisdom by mapping Luchs and Mick's (2018) five-facet consumer wisdom onto the domain of digital consumption. Doing so results in a conceptual framework centered on consumer practices in the digital domain that are reflective of a high degree of consumer wisdom.

### **INTRODUCTION**

The average American consumer spends nearly 3 hours a day checking work emails and another 5 to 6 hours on their phone *outside* of their work requirements (Waltower 2023). Nearly a third of U.S. adults say that they are more or less “almost constantly” online (Perrin and Atske 2021). Similar astonishing patterns of digital consumption can be glimpsed around the world. Social

media usage across the world clocks in at an average of about two and a half hours (Dixon 2022) while internet usage across all devices combined is almost 7 hours per day for the typical global internet user (Kemp 2022). Consumers are incessantly engaging in a vast variety of digital consumption including email, social media, e-commerce, and streaming services (Petrosyan 2023). Given this ubiquity of digital consumption, there is an understandable level of concern among experts about how to manage digital consumption and its multi-faceted impacts.

This concern is increasingly reflected in academic discourse as well, as can be seen by recent work focusing on understanding addictive behaviors linked to different forms of digital consumption (Guedes et al. 2016; Murali and George 2007; Ng and Hastings 2005). A recent study (Cemiloglu et al. 2022) specifically highlighted the need to study the impact of digital consumption on consumer well-being. Within marketing discourse, however, barring a few exceptions (Berthon, Pitt, and Campbell 2019; Martin et al. 2013) hardly any work provides an integrative idea of what balanced digital consumption could look like. I attempt to formulate an initial answer to this question by proposing the concept of digital consumer wisdom.

In their seminal paper, Luchs and Mick (2018, 384) define consumer wisdom as “the pursuit of well-being for oneself and for others through mindful management of consumption-related choices and behaviors.” Subsequently, a growing body of work has highlighted the need to incorporate the idea of wisdom into our ever-evolving understanding of consumer behavior (Luchs, Mick, and Haws 2021; Ozanne et al. 2021; Schneider et al. 2022). I add to this discourse by mapping the facets of Luchs and Mick’s (2018) consumer wisdom onto digital consumption to provide a practice-based framework for digital consumer wisdom.

## **CONSUMER WISDOM: FACETS AND DIMENSIONS**

Luchs and Mick (2018) developed a multi-faceted conceptual framework for consumer wisdom.

A broad overview of these facets and their associated dimensions is presented below.

### ***Intentionality***

Wise consumers exhibit an ongoing intentional commitment toward envisioning a preferred lifestyle which they try to realize via conscientious personal resource management. Such envisionment involves defining and pursuing a meaningful lifestyle personalized to one's preferences and constraints. To ensure that such a lifestyle is possible, wise consumers engage in personal resource management by balancing different fungible resources in a way that allows them to enjoy the flexibility of pursuing their desires lifestyles.

### ***Contemplation***

The second theme linked to consumer wisdom comprises thoughtful consideration of different options in response to a consumption situation. This is achieved via a reflective consideration of the consequences of past consumption choices (retrospection) and the imagined consideration of future consumption choices (prospection), along with a systematic approach toward decision-making by taking all relevant knowledge into consideration (prudent reasoning).

### ***Emotional Mastery***

Wise consumers are likely to be mindful of their linkages between their emotional states and their consumption decisions. Consequently, wise consumers frequently try to pursue positive emotions (that would improve happiness and well-being) and avoid situations and behaviors tied to negative emotions (that would detract from happiness and well-being).

### *Openness*

Consumer wisdom is theorized to be linked to the degree consumers are open to growth, learning, and experimentation. This combines a growth mindset (Dweck 2006) with a readiness to try out consumption arrangements and practices (e.g., access-based consumption and co-production) that may run counter to the overconsumption ethos of modern consumer culture.

### *Transcendence*

The final theme of consumer wisdom stresses the humane aspect of consumption decisions by arguing in favor of a compassionate approach toward decision-making (oriented toward kindness, empathy, and welfare) that recognizes the inherent interconnectedness of all life (Hanh 1987).

## **DIGITAL CONSUMER WISDOM: A PRACTICE-BASED FRAMEWORK**

Table 1 illustrates the proposed practice-based framework of digital consumer wisdom by juxtaposing Luchs and Mick's (2018, 371-372) five facets and associated dimensions with practices indicative of a high degree of digital consumer wisdom. The following sub-sections provide a detailed discussion of each facet and dimension.

### *Intentionality*

I posit that a digitally wise consumer is one who is intentional about envisioning (and realizing) their ideal digital lifestyle in line with their preferences and constraints. Such an ideal digital lifestyle would involve a consideration of two aspects. The first would involve managing one's digital presence covering all platforms and formats identifiably linked to a consumer's personal and professional life. Examples would range from social media accounts (e.g., Facebook or

LinkedIn) and email accounts (personal or work-related) to all other forms of digital presence such as one's Google account or participation in online gaming environments. The second aspect would involve the relative position of one's digital presence in the non-digital or offline world of a consumer. As consumers differ widely in terms of the amount of time they spend engaged in digital consumption, there should be an intentional acknowledgement of the degree to which it fits within the contours of one's larger lifestyle.

In that regard, the personal resource management aspect of intentionality would involve considering the resources needed to maintain their envisioned digital lifestyle. Along with fungible resources like discretionary income and personal wealth (which would impact access to high-quality devices and fast internet speeds), wise digital consumers would also be intentional about how they direct their attentional resources. Given rapidly decaying attention spans (Hayes 2022), a key element of digital consumer wisdom would lie in acknowledging that it is often indispensable for day-to-day work but renders us more vulnerable to distraction (Newport 2016). Attentional resource management would involve being intentional about devoting optimal time and effort to each digital avenue while ensuring that such time and effort is not being carved out at the cost of attention they need to devote to the offline parts of their lives.

### ***Contemplation***

Given the near-impossibility of escaping digital consumption altogether, digital consumer wisdom is likely to require a strong commitment to regular periods of contemplation to evaluate one's digital consumption patterns. Given the addictive nature of many digital platforms (Cemiloglu et al. 2022), such contemplation could be instrumental in charting out a balanced approach to digital consumption that avoids excess and waste. Retrospection in such a scenario could involve the use of tools that allow people to measure how they spend their time online. By

considering the patterns of their past digital activity (e.g., the number of hours spent online or a more granular look at how such time was spread across different applications or platforms), wise digital consumers could acquire a concrete summary of their previous digital consumption choices. Consumers may realize that they are spending too much time on a particular app or just online in general. This could then feed into prospection wherein they can start planning for better consumption habits in the future (e.g., deciding on consumption limits or temporarily deleting certain apps). Both retrospection and prospection would be aided by the practice of prudent reasoning as consumers would assimilate the information about their digital consumption habits and then strategically plan to incorporate changes wherever necessary.

Furthermore, the idea of digital permanence – “once on the web, always on the web” – is one that wise consumers are likely to be more mindful of during contemplation. Some consumers may realize upon reflection that some of their past behaviors on social media platforms were immature or insensitive and this realization would then influence their future interactions on such platforms. Applying prudent reasoning could lead consumers to sanitize social media histories by removing anything that might be considered offensive or inappropriate while other consumers may acknowledge their past mistakes and reiterate their resolve to be more mindful in the future.

### ***Emotional Mastery***

Although some researchers have found that the link between digital engagement and decline in well-being is less severe than often imagined (Orben and Przybylski 2019), certain digital platforms such as Facebook have been linked to negative outcomes such as anxiety, depression, and body image issues (Frost and Rickwood 2017). However, other work has found that certain forms of digital content such as artificial intelligence-based apps can improve well-being (Inkster, Sarda, and Subramaniam 2018). Recognizing the mixed impact of digital consumption



on well-being, I theorize that consumers who use digital consumption wisely are likely to do so in a way that positively impacts their emotions and well-being.

In contrast to Luchs and Mick's (2018) proposal to avoid negative emotions and pursue positive emotions in general, however, I believe that digital consumer wisdom might often require tolerating some negative emotions and eschewing some positive emotions. A key concept that undergirds this argument is the distinction between hedonia and eudaimonia. Broadly, hedonia is defined in terms of high levels of pleasure and positive affect, and/or low levels of pain and negative affect (Alba and Williams 2013; Deci and Ryan 2008) while eudaimonia, a concept originally coined by Aristotle (4<sup>th</sup> Century B.C.E./1985) refers to closely-linked concepts such as flourishing, full-functioning, or meaningfulness (Lambert, Passmore, and Holder 2015; Ryff 1989; 2014; Waterman 1993). Prior work has documented how negative emotions can often be a part of eudaimonic experiences (Vorderer and Reinecke 2015) that are meaningful and fulfilling but not necessarily pleasant (e.g., watching a documentary or a sombre war movie). Conversely, not all positive emotions may be worth pursuing all the time. Addictions are likely to generate a powerful rush of "positive" emotions such as euphoria when engaged in (McAuliffe and Gordon 1974), but such behaviors are not likely to be those associated with wisdom.

Consumers should aim to avoid hateful rhetoric and content that is designed to elicit strong negative reactions and pursue opportunities that allow them to experience emotions such as flow, gratitude, and joy. However, given the informational possibilities linked with digital consumption, the avoidance of negative emotions should not lead to an "ostrich burying its head in the sand" tendency wherein consumers deliberately ignore content just because it might force them to confront some uncomfortable truths about themselves or the world at large. Similarly, wise digital consumers should also realize that several design elements within online spaces are

purposely included to create an addictive usage pattern (e.g., infinite pagination and video auto play) that deliver low-grade positive emotions at the cost of longer-term fatigue or guilt. Thus, emotional mastery would involve a simultaneous understanding of which forms of positive and negative emotions to pursue and which forms to avoid.

### *Openness*

One of the biggest advantages of digital consumption is the unprecedented level of access it offers consumers worldwide to improve the extent of their knowledge, skills, and relationships. Market offerings like Masterclass provide a huge roster of online courses across topics such as screenwriting, cooking, and music production which are taught by the biggest experts in the field. Consequently, I posit that a key aspect of digital consumer wisdom lies in cultivating an openness to pursue such learning opportunities. Having a growth mindset (Dweck 2006) in the realm of digital consumption, therefore, would involve seeking out these opportunities either wholly in the digital realm (e.g., online classes and tutorials) or in the physical realm (e.g., using something like Airbnb experiences to find in-person classes on carpentry or glass-blowing).

The aspect of alternative consumption, in contrast, does not lend itself as readily to the digital consumption domain because a significant part of such consumption is non-material in nature. However, in as much as electronic devices such as phones, tablets, and computers are instrumental in enabling digital consumption, wise digital consumers are likely to show higher involvement in researching more sustainable ways of acquiring, using, and disposing of such devices. Thus, alternative consumption might be strongly linked to buying devices with an eye on factors like longevity, fair pricing, and ease of repair in case of regular wear-and-tear.

### *Transcendence*

Finally, given the unprecedented level of connectivity digital gateways have brought with them, consumers who use digital consumption wisely are likely to do so in ways that acknowledge the interconnectedness between people and allow them to practice compassion in different ways.

This is seen, for instance, through the profusion of online communities that allow consumers to bond with each other and spread word-of-mouth about products and brands (Brown, Broderick, and Lee 2007; Kozinets et al. 2010) or through attempts at helping other people via avenues such as GoFundMe or Kickstarter (Brown, Boon, and Pitt 2017; Zhang, Lyu, and Luo 2021).

Similarly, compassion and interbeing could also be enacted by using digital consumption to enhance collective well-being by using digital avenues to curate and disseminate information on making sustainable consumption choices, raising awareness about unethical business practices, and refocusing attention on topics that can potentially impact large swathes of consumers or the planet itself (e.g., issues of climate change).

## **DISCUSSION**

By mapping the facets of consumer wisdom onto digital consumption, I take an initial step in conceptualizing a framework that provides some insights on what wise digital consumption could look like. Based on this framework, I define digital consumer wisdom as follows: Digital consumer wisdom can be defined as a set of practices which, when engaged in mindfully in line with situational constraints and personal preferences, collectively allow consumers to pursue and experience well-being in their respective domains of digital consumption.

### ***Theoretical Contributions***

By adapting Luchs and Mick's (2018) consumer wisdom framework to the domain of digital consumer behavior, this project moves the discussion from a product-oriented focus to a practice-oriented focus. Doing so results in a framework better suited to studying the non-corporeal nature of digital consumption in contrast to the original framework. Second, a practice-based framework preserves the behavioral nature of the original framework consistent with the different facets and dimensions of digital consumer wisdom.

### ***Managerial and Policy Implications***

The framework can aid marketing practitioners who seek to provide beneficial tools to consumers (e.g., Google's focus on improving digital well-being). It can also help policymakers understand the key points within the digital consumption journey for different groups of people where the average consumer might be rendered vulnerable to, for instance, deceptive marketing or online addiction. Such an understanding could help build on prior work looking at possible policy responses to the dangers of the dark side of digital consumption (Berthon et al. 2019).

### ***Future Research Directions***

A key next step in operationalizing digital consumer wisdom would be to undertake a detailed qualitative and subsequent scale-development approach to arrive at a more nuanced picture of the concept. Secondly, it would be instructive to conduct research with consumers who have become more mindful about their digital consumption practices and explore the linkages between their attempts to manage their digital behaviors and perceived well-being. Finally, digital consumer wisdom could also be used as a springboard to delve deeper into potentially interesting ideas such as digital well-being, digital detoxification, and digital minimalism.

**TABLE 1**  
**A PRACTICE-BASED FRAMEWORK FOR DIGITAL CONSUMER WISDOM**

Facet	Dimension	Practice
<b>Intentionality</b>	<b>Lifestyle Envisionment:</b> Defining and pursuing one's ideal digital lifestyle in line with preferences and constraints	<ul style="list-style-type: none"> <li>• Managing digital presence across personal and professional platforms identifiably linked to oneself</li> <li>• Balancing digital consumption with offline/non-digital consumption</li> <li>• Contextualizing digital consumption within one's overall life</li> </ul>
	<b>Personal Resource Management:</b> Managing resources (attention, time, effort, money) in line with one's ideal digital lifestyle	<ul style="list-style-type: none"> <li>• Allocating personal resources to digital consumption after thoughtful consideration of trade-offs</li> <li>• Undertaking corrective action regarding amount of attention, time, and money devoted toward digital consumption</li> </ul>
<b>Contemplation</b>	<b>Retrospection:</b> Reflecting on past patterns of digital consumption with a view to learning from them	<ul style="list-style-type: none"> <li>• Using available tools to track past digital consumption patterns</li> <li>• Reflecting on consequences of past digital consumption choices</li> </ul>
	<b>Prospection:</b> Planning future digital consumption with a view of striving for balance	<ul style="list-style-type: none"> <li>• Using behavioral strategies and interventions when needed to plan for balanced digital consumption in future</li> </ul>
	<b>Prudent Reasoning:</b> Using available information about digital consumption habits to strategically shape digital consumption habits	<ul style="list-style-type: none"> <li>• Assimilating information regarding personal habits and available tools and strategies to pursue mindful digital consumption</li> <li>• Taking corrective action regarding problematic past digital consumption consequences to prevent future problems</li> </ul>
<b>Emotional Mastery</b>	<b>Balancing Hedonia and Eudaimonia:</b> Being mindful of emotional consequences of different forms of digital consumption and balancing experiences of positive and negative emotions with a view to improve digital well-being	<ul style="list-style-type: none"> <li>• Directing digital consumption toward reasonable levels of hedonia (i.e., pleasure, positive affect, and absence of pain and negative affect)</li> <li>• Not avoiding digital consumption that might be meaningful but not pleasurable</li> <li>• Being comfortable consuming digital content that might challenge personal</li> </ul>

beliefs but would add to oneself in the long-run

**Openness**

**Growth Mindset:** Cultivating a learning-oriented mindset and using digital consumption as a tool for personal growth

- Pursuing learning opportunities in the digital domain (e.g., online courses)
- Using digital consumption to find learning opportunities in physical spaces (e.g., information regarding in-person classes)

**Alternative Consumption:** Being open to considering more sustainable and less wasteful ways to acquire, consume, and dispose of digital devices

- Researching ways to extend life of digital devices
- Refraining from unnecessary, premature, and trend-chasing digital device purchases
- Engaging in practices like device trade-ins and responsible device disposal

**Transcendence**

**Compassion:** Using digital platforms to support others

- Providing support for entrepreneurs and small businesses (via monetary contributions or e-word-of-mouth)
- Providing support for social causes and non-profits (via monetary contributions or e-word-of-mouth)

**Interbeing:** Acknowledging the collective interconnectedness among consumers joined via digital means despite physical separation

- Disseminating information regarding matters of collective well-being that impact large groups of people
  - Disseminating information regarding matters of environmental conservation, sustainability, and green consumption that impact the well-being of the planet itself
-

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# DIGITAL MARKETING AND E-COMMERCE ADOPTION: FINDINGS FROM SUB-SAHARA AFRICA

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## Abstract

E-commerce has evolved into a strategy for rapid business development, particularly in developed economies. This study provides a conceptual framework for illustrating the paths to e-commerce adoption. The paper investigates the UTAUT model and proposes an extension to it. The information was gathered from 540 people. The structural equation modeling - partial least squares technique was used to test the study's hypotheses. According to the findings, users' behavior is significantly influenced by performance expectancy, effort expectancy, facilitating conditions, website quality, and familiarity with online vendors. Furthermore, behavioral intention has a significant influence on actual use. The value/uniqueness of our research is found in the extension of the UTAUT model by incorporating website quality and familiarity with an online vendor. To our knowledge, there is no literature on this phenomenon.

**Keywords:** *e-commerce, adoption, actual use, UTAUT model, Ghana*

## Statement of Key Contributions

The constant and consistent technological evolution among businesses in today's market, i.e., from production to services, can not be overlooked. This study theoretically contributes to the growing literature on e-commerce. Notably, the research extends the literature on e-commerce adoption from a Sub Sahara Africa perspective. Previous studies that explored e-commerce adoption concentrated on macro and meso-level antecedents. Studies into micro antecedents have been neglected by previous research. As a result, this study contributes to the extant literature by providing a micro-level analysis of e-commerce adoption. The research draws inspiration from the UTAUT model and proposes an extension by incorporating additional variables (website quality and familiarity with online vendors). This study is a wake-up call to e-vendors, website business designers, and technology developers to build online shopping websites/platforms that are easy to navigate, requiring less mental and physical stress from consumers. Also, for economic growth, the study guides governments and regulators in developing countries to devise policies and programs that will facilitate the continual adoption of e-commerce activities while ensuring the trust and consumer rights protection of this growing use of technology.

## 1 INTRODUCTION

The covid-19 global pandemic has changed consumers' behavior towards online channels, as more consumers now resort to online purchases, and this new paradigm shift is likely to linger post-pandemic. By far, Europe is the most prepared region for e-commerce, according to UNCTAD's Business-to-Consumer (B2C) E-commerce Index. According to the UNCTAD Business-to-Customer (B2C) E-commerce Index (2019), European countries dominate the top 10 countries'

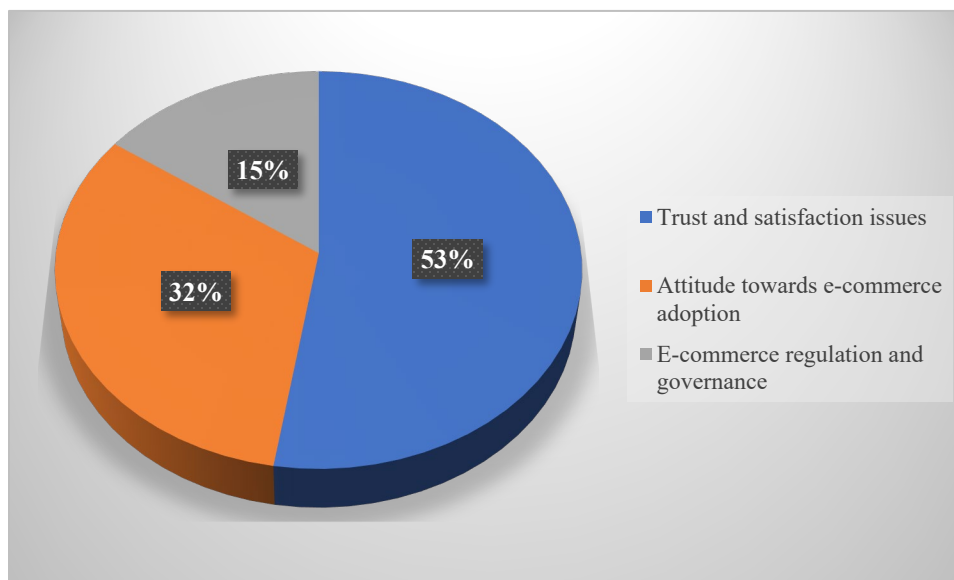
readiness to engage in e-commerce. Whereas developing countries, especially in Africa, are predominantly ranked low. Countries like the Netherlands, Switzerland, Finland, United Kingdom, Denmark, Norway, Ireland, and Germany have an e-commerce index of 96.4%, 95.5%, 94.4%, 94.4%, 94.2%, 93.4%, 93.3%, and 92.5%, respectively. Studies have shown that inadequate national policies for e-commerce development, inadequate investment in telecommunication infrastructure, high cost of internet data, and lack of legal and economic regulatory climate, as well as unreliable postal service, are responsible for the low e-commerce adoption in developing economies (Agwu and Emeti 2014; Eraslan et al. 2016; Heang and Khan 2015). Investigating the pathways to e-commerce adoption in developing countries, where its adoption is relatively low, is essential if we have to draw a framework and policy to increase e-commerce presence in developing countries. So far, the focus of the e-commerce literature has been on the intention to use (Al-Saedi et al., 2020; Giao et al., 2020; Zhang et al., 2020), whereas the antecedents to actual use are limited. For instance, Soni et al. (2019) confirmed performance expectancy as a significant predictor of consumer behavioral intention to adopt fashion mobile shopping applications.

Similarly, Dewi (2020) revealed that effort expectancy significantly determines online purchase intention. Equally, Adov et al. (2020) suggest that social influence significantly influences teachers' attitudes toward mobile device use in teaching. Since users' behavioral intention does not automatically reflect on their behavior (Jang et al., 2016), it is imperative to advance the literature by unpacking pathways to the actual use of e-commerce; this study seeks to address this research gap.

## 2 LITERATURE REVIEW

The review of selected articles reveals three dominant themes in the e-commerce adoption literature. These are trust and satisfaction issues in e-commerce, attitude towards e-commerce adoption, and e-commerce regulation and governance research.

Figure 1 Distribution of articles by research themes



Source: Authors' construction

## **Trust and satisfaction issues in e-commerce research**

Whether on initial or repurchase intention, the issue of trust and its impact on e-commerce adoption has gained attention in the e-commerce literature. Fang et al. (2014) studied trust, satisfaction, and online repurchase intention by moderating trust and satisfaction with the perceived effectiveness of e-commerce institutional mechanisms (PEEIM). According to Pavlou & Gefen (2014), institutional mechanisms are impersonal structures third parties create to safeguard online transactions. Prior research focused on the institutional mechanism in the context of initial online purchase rather than repurchase intention (Pavlou & Gefen, 2014; Pennington et al., 2013; McKnight et al., 2012b). Fang et al. (2014) introduced PEEIM in an online repurchase context. Their study confirmed that PEEIM negatively influences the relationship between trust in vendors and repurchase intention. This finding supports Chong et al. (2018) that PEEIM negatively moderates trust in online sellers and repurchase intention in the context of a Chinese e-marketplace- Taobao.

## **Attitude toward e-commerce adoption**

McLean et al. (2020) conducted a longitudinal study to assess consumers' attitudes toward e-commerce applications over one year. The study found that consumers develop a positive attitude towards e-commerce applications over time as the e-vendors continually satisfy them and enrich their e-shopping experience. In the case of consumers who prefer to use their smartphones to shop online, the study further revealed that smartphone size influences consumers' attitudes to shop online. Extant literature has revealed the technology acceptance model (TAM) as the dominant and popular model for explaining technology adoption. Perceived ease of use (PEOU) and perceived usefulness are the TAM factors predicting consumer attitudes toward technology adoption. While PEOU measures the degree to which an individual perceives using technology to be free from physical and mental stress, PU measures how consumers perceive technology to bring some gains in their performance (Davis et al., 1989). Kang et al. (2015) opined that for consumers to develop a positive attitude toward e-commerce adoption, e-commerce websites' contents should be helpful, and navigating the website's interface should be free from physical and mental stress. These findings corroborate Liu & Li (2011) and Munoz-Leiva et al. (2017). Conversely, research has shown that PEOU and PU's ability to influence technology adoption's attitude becomes weaker or stronger following the user's experience with the technology (Groß, 2016).

## **E-commerce regulation and governance structure**

Most studies have analyzed online transactions' national and regulatory frameworks focusing on consumer protection (Dehghan and Hagbigbi, 2014; Omoola & Oseni, 2016; Naude, 2020). Consumer protection has become a critical dimension of e-commerce. Ensuring consumers' security online is very important as security is one of the major inhibitors for using e-commerce systems. Sharing personal information such as credit/debit card numbers and home address with e-vendors via e-commerce systems calls for enhanced security/privacy so that this information does not get to unauthorized persons. E-vendors must ensure not to compromise the privacy of their consumers.

## **3 RESEARCH MODEL AND HYPOTHESES DEVELOPMENT**

We adapted the tenets of the UTAUT model. However, we introduced two additional variables to the classical UTAUT model. These variables are website quality and familiarity with an online vendor, enriching the existing model.

### **Performance expectancy (P.E.)**

According to Venkatesh et al. (2003, p.447), performance expectancy (P.E.) is "the degree to which an individual believes that using a system will help to attain some gains in job performance". Performance expectancy measures the perceived gain or profit of using a system or technology. Netshirando et al. (2020) found that P.E. significantly influences purchase intention and repeat purchase behavior. Likewise, Joen et al. (2018) findings suggest that P.E. is a significant determinant of consumers' intention to book flight tickets on smartphone applications. We hypothesize that:

*H1: Performance expectancy will significantly influence users' behavioral intention to adopt e-commerce*

### **Effort expectancy (E.E.)**

Effort expectancy (EFE) is defined as "the degree of ease of use associated with the use of a system" (Venkatesh et al., 2003, p. 450). Effort expectancy was adapted from the perceived ease of use (PEOU) construct in TAM. Effort expectancy measures the mental and physical freedom of using a system or technology. Effort expectancy has been proven to significantly predict behavior intention (Kim and Lee, 2020; Dewi et al., 2020; Tarhini et al., 2019). We hypothesize that:

*H2: Effort expectancy will significantly influence users' behavioral intention to adopt e-commerce*

### **Social Influence (S.I.)**

Venkatesh et al. (2003, p.453) defined social influence as "the degree to which an individual perceives that important others believe he should use a new system". Zhang et al. (2020) reported S.I. as a significant predictor of students' intention to adopt an e-learning system. Equally, Al-Saedi et al. (2020) confirmed a significant positive effect of social influence on behavioral intention to use mobile payment systems. We hypothesize that:

*H3: Social influence will significantly influence users' behavioral intention to adopt e-commerce*

### **Facilitating conditions (F.C.)**

The facilitating condition is "the degree to which an individual believes that an organization or technological infrastructure exists to support the use of a new system" (Venkatesh et al., 2003, p. 453). Yoo and Roh (2019) confirmed that facilitating conditions are significantly positively associated with students' adoption of e-books. Furthermore, Soni et al. (2019) found F.C. to significantly predict consumer behavioral intention to adopt fashion mobile shopping applications. We hypothesize that:

*H4: Facilitating conditions will significantly influence users' behavioral intention to adopt e-commerce*

### **Website quality (W.Q.)**

The fierce competition between e-commerce firms has forced them to gravitate towards a consumer-centric strategy. The high quality of e-commerce sites has been a necessary antecedent that positively influences consumers' purchases (Javornik, 2016). The contribution of website quality to consumer intention to purchase on e-commerce sites has gained some attention in the e-commerce literature, as some studies have reported a significant relationship. Liu et al. (2017) confirmed a positive relationship between website quality and consumers' purchase intention.

Similarly, Sharma and Aggarwal (2019) found that website quality positively and significantly affects e-commerce system success. We hypothesize that:

*H5: Website quality will significantly influence users' behavioral intention to adopt e-commerce*

**Familiarity with Vendor (FV)**

Scholars have fairly investigated the effect of consumer familiarity with online vendors on e-commerce adoption. Familiarity with online vendors reduces uncertainties that are usually associated with online transactions. In an e-commerce context, familiarity can be associated with understanding online processes based on previous interactions and experience with online vendors via their websites. Kaya et al. (2019) showed that familiarity significantly influences consumers' desire to purchase online. Likewise, Amir and Rizvi (2017) found that familiarity significantly influences consumers' willingness to transact online in developing countries. We hypothesize that:

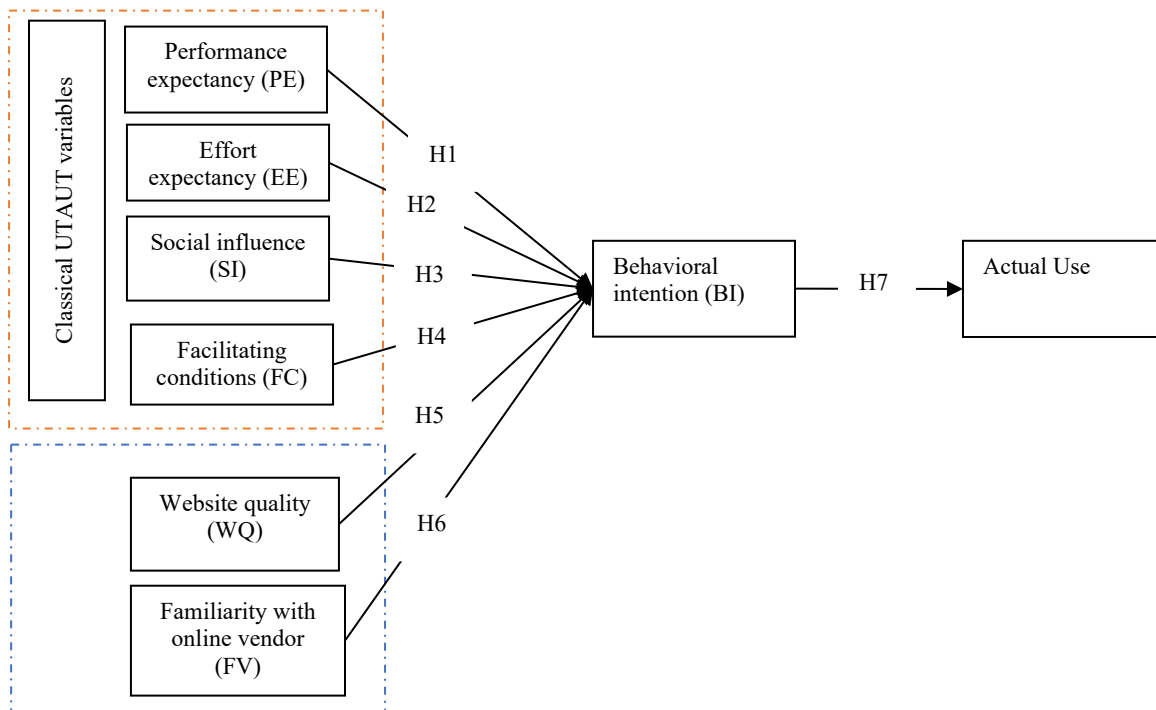
*H6: Familiarity with the online vendor will significantly influence users' behavioral intention to adopt e-commerce*

**Behavioral intention (B.I.)**

Behavioral intention is the subjective probability of using a system (Fishbein and Ajzen, 1975). According to Yueh et al. (2015), behavioral intention is the probability of an individual engaging in a particular behavior. In information systems, behavioral intention indicates a person's intention to use a system (Venkatesh et al., 2012; Celik, 2016). Studies like Hossain et al. (2019), Pobe and Opoku (2018b), and Sobti (2019) found a significant relationship between B.I. and actual user behavior. We hypothesize that:

*H7: Behavioral intention will significantly influence users' actual use*

Figure 1. Conceptual framework



Source: Authors' construction

## 4 METHODOLOGY

The survey research method was adopted. The target population was adult online shoppers in Ghana with a valid online payment method. Ghana was selected because it is a middle-income country in Sub-Saharan Africa. Moreover, as this study investigates pathways to e-commerce adoption in Sub-Saharan Africa, Ghana is a good fit. Second, ITU (2020) stated that eight out of ten Ghanaians are mobile and internet users. According to Mattern (2018), Ghana is one of the fast-growing technology adopters in Sub-Saharan Africa. Therefore, it is reasonable to investigate how the increase in internet usage and technology adoption in Ghana impacts e-commerce.

The researchers resorted to online data collection for pilot and primary data collection. The survey instruments/measurement scales were developed with google forms. The link to the questionnaire was sent to respondents via e-mails, Facebook, and WhatsApp social media platforms. The questionnaire was piloted with 15 respondents from March 14, 2022, to March 29, 2022. The primary data collection occurred from May 2, 2022, to September 13, 2022. In all, 639 respondents were contacted cross-sectionally, out of which 540 filled questionnaires were handed in for analysis. The survey was twofold, section A and section B. Section A collected demographic information from respondents such as gender, age, nationality, educational level, product purchased, number of purchases a year, and years of experience with an online purchase. In section B, respondents were asked to indicate their level of agreement or disagreement with items on a 5-point Likert Scale ranging from 1, "strongly disagree," to 5, "strongly agree". These scales were used to measure the variables in the conceptual model. The data was analyzed using the smart PLS structural equation modeling software.

## 5 RESULTS

Table 1 indicates that the sample comprised 59% male and 41% female. Most respondents, representing 33%, were in the age bracket of 25-29. Half of the respondents (50%) have attained some tertiary education level. Computer accessories, home appliances, and clothes/shoes are the dominant products purchased, with percentages of 26, 24, and 23, respectively.

Table 1. Demographics of respondents

Variables	Frequency (N=540)	Percentage (%)
Gender:		
Male	318	59
Female	222	41
Age:		
18-24	146	27
25-29	178	33
30-40	162	30
>40	54	10
Educational level:		
Senior high	189	35
Tertiary	270	50
Professional	81	15

Products purchased:		
Books/Magazines	92	17
Clothes/Shoes	124	23
Computer accessories	140	26
Home appliances	130	24
Travel itinerary (airline tickets/reservations)	54	10
The number of purchases in a year:		
1 - 5	200	37
6 – 10	157	29
11 – 15	108	20
>15	75	14
Years of experience with e-commerce:		
1 – 5	365	68
>5	173	32

## Measurement model assessment

### *Internal consistency of the constructs*

The constructs' internal consistency (reliability) test was performed using Cronbach's Alpha ( $\alpha$ ). According to Hair et al. (2020), a given variable's internal consistency should equal or exceed the threshold value of 0.7. The constructs' internal consistency values were seen above the recommended threshold in this study, which shows excellent internal consistency.

### *Convergent validity*

The composite reliability (C.R.), factor loadings ( $\lambda$ ), and Average Variance Extracted (AVE) were tested to measure the convergent validity of constructs. According to Hair et al. (2012), AVE value greater than 0.5, factor loadings greater than 0.6, and C.R. values greater than 0.7 are acceptable for convergent validity. For example, in Table 2, the AVE values ranged from 0.518 to 0.711, C.R. from 0.841 to 0.925,  $\lambda$  was above 0.6, the recommended threshold. Hence, the assumption of convergent validity was met.

Table 2 Summary of exploratory factor analysis (EFA) results and reliabilities

Construct	Measurement	Factor loading ( $\lambda$ )
<b>Actual Usage (ACTU)</b>	<b><i>AVE = 0.577, CR = 0.845, <math>\alpha</math> = 0.769</i></b>	
<b>ACTU1</b>	1: I use e-commerce sites frequently for my purchases	0.810
<b>ACTU2</b>	2: My purchases are mostly made through e-commerce sites	0.725
<b>ACTU3</b>	3: I purchase from e-commerce sites regularly	0.713
<b>ACTU4</b>	4: I currently make purchases from e-commerce sites	0.791



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<b>Behavioural (B.I.)</b>	<b>Intention</b>	<i>AVE = 0.682, CR = 0.914, <math>\alpha</math> = 0.883, VIF = 2.661</i>	
<b>BI1</b>		1: I intend to continue purchasing products from e-commerce sites in the future	0.755
<b>BI2</b>		2: I will encourage others to purchase from e-commerce sites	0.838
<b>BI3</b>		3: I intend to increase my use of e-commerce when the opportunity comes	0.836
<b>BI4</b>		4: I will always try to use e-commerce in my daily purchasing transactions	0.814
<b>BI5</b>		5: I intend to use e-commerce frequently	0.880
<b>Effort Expectancy (E.E.)</b>		<i>AVE = 0.608, CR = 0.860, <math>\alpha</math> = 0.782, VIF = 2.233</i>	
<b>EE1</b>		1: Learning to navigate an e-commerce platform is easy for me	0.658
<b>EE2</b>		2: My interaction with e-commerce platforms is clear	0.790
<b>EE3</b>		3: I find it easy to accomplish my purchases using e-commerce platforms	0.876
<b>EET4</b>		4: I find it easy to find what I want on e-commerce platforms	0.780
<b>Facilitating (F.C.)</b>	<b>Condition</b>	<i>AVE = 0.711, CR = 0.925, <math>\alpha</math> = 0.899, VIF = 1.642</i>	
<b>FC1</b>		1: I can get help from others when I have difficulties using e-commerce platforms	0.836
<b>FC2</b>		2: I have the resources necessary to use e-commerce	0.831
<b>FC3</b>		3: The E-commerce platform is compatible with other technologies I use	0.866
<b>FC5</b>		5: I have the necessary training to use e-commerce platforms	0.853
<b>FC6</b>		6: The support service for e-commerce is dependable	0.831
<b>Familiar with Vendor (FV)</b>		<i>AVE = 0.584, CR = 0.849, <math>\alpha</math> = 0.776, VIF = 2.154</i>	
<b>FV1</b>		1: I am familiar with buying products from the online vendor	0.753
<b>FV2</b>		2: I am familiar with the process of purchasing from online vendors	0.761
<b>FV3</b>		3: I am familiar with buying products from online vendors	0.724
<b>FV4</b>		4: Overall, I am familiar with online vendors	0.817
<b>Performance (P.E.)</b>	<b>Expectancy</b>	<i>AVE = 0.659, CR = 0.906, <math>\alpha</math> = 0.883, VIF = 2.126</i>	
<b>PE1</b>		1: I find purchasing online useful in my daily life	0.814
<b>PE2</b>		2: E-commerce sites enable me to accomplish my purchases more quickly	0.805

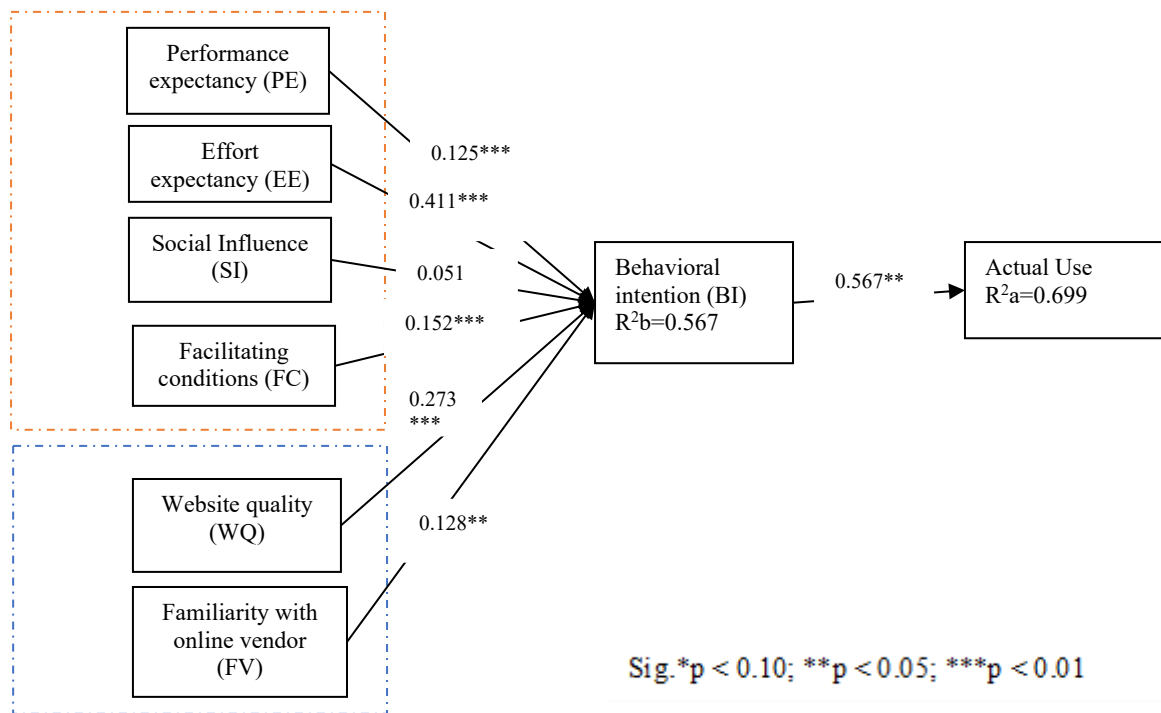
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<b>PE3</b>	3: I find e-commerce as a tool that adds value to my transaction process	0.806
<b>PE4</b>	4: Buying from an e-commerce site makes my purchase more convenient	0.818
<b>PE5</b>	5: Overall, I find adopting e-commerce to be advantageous in my online purchases	0.816
<b>Social Influence (S.I.)</b>	<i>AVE = 0.518, CR = 0.841, <math>\alpha = 0.767</math>, VIF = 2.356</i>	
<b>SI2</b>	2: People who influence my behavior influence my adoption of e-commerce	0.726
<b>SI3</b>	3: Friends' suggestions and recommendations influence my use of e-commerce	0.790
<b>SI4</b>	4: I will use e-commerce because many people around me have adopted it	0.789
<b>SI5</b>	5: The mass media makes me purchase from e-commerce platforms	0.752
<b>Website Quality (W.Q.)</b>	<i>AVE = 0.630, CR = 0.894, <math>\alpha = 0.851</math>, VIF = 1.746</i>	
<b>WQ1</b>	1: The website of this seller quickly loads all texts and graphics	0.694
<b>WQ2</b>	2: The website of the seller is easy to use	0.807
<b>WQ3</b>	3: The website of the seller is easy to navigate	0.849
<b>WQ4</b>	4: The website of this seller is visually attractive	0.773
<b>WQ5</b>	5: The website of this seller gives me up-to-date information	0.835

### The structural model assessment

The structural path analysis revealed a significant positive influence of performance expectancy on behavioral intention ( $\beta = 0.125$ ,  $p < 0.01$ ). Hence, H1 was accepted. Further, effort expectancy is significantly associated with behavioral intention ( $\beta = 0.411$ ,  $p < 0.01$ ). Thus, H2 was accepted. On the other hand, contrary to the researchers' expectation, social influence was insignificantly associated with behavioral intention ( $\beta = 0.051$ ,  $p > 0.10$ ); thus, H3 is rejected. On the other hand, facilitating conditions significantly influenced behavioral intention ( $\beta = 0.152$ ,  $p < 0.01$ ); therefore, H4 was accepted. Likewise, website quality significantly influences consumers' behavioral intention to adopt e-commerce ( $\beta = 0.273$ ,  $p < 0.01$ ), which supports H5. Furthermore, the analysis showed familiarity with an online vendor to predict consumers' behavioral intention ( $\beta = 0.128$ ,  $p < 0.05$ ); thus, H6 was accepted. Finally, the structural path analysis indicated that behavioral intention significantly influences the actual use of e-commerce ( $\beta = 0.567$ ,  $p < 0.01$ ). Hence, H7 was supported. (see Figure 2)

Figure 2. Conceptual model estimation



## 6 DISCUSSION

This research also showed a significant relationship between P.E. and consumers' B.I. to adopt e-commerce. This indicates that users will adopt e-commerce when they perceive it to bring some gains to their daily transactions. The significant effect of performance expectancy on behavioral intention suggested in this study is consistent with Marinkovic et al. (2020), Netshirando et al. (2020), and Joen et al. (2018). The findings also show a significant relationship between E.E. and B.I. In other words, the perceived physical and mental freedom associated with e-commerce significantly affects online consumers' behavioral intentions. This finding corroborates Kim and Lee (2020), Soni et al. (2019), and Netshirando et al. (2020).

Contrary to the hypothesized relationship, the structural path analysis reported an insignificant relationship between S.I. and B.I. This finding is in line with Soni et al. (2019), Sultana (2020), and Raza et al. (2019). Therefore, we can deduce that the opinions of others do not influence the use of e-commerce services. This research shows a significant relationship between F.C. and users' B.I. to adopt e-commerce. It could be interpreted that consumers with adequate support systems that assist them anytime during the online purchase process will feel confident about using the system, and as a result, it increases their intention to use e-commerce applications and systems. This finding supports Yoo and Roh (2019), Soni et al. (2019), and Lawson-Body et al. (2018). The results show a significant effect of website quality on users' B.I. to adopt e-commerce. This finding suggests that the greater the website quality, the greater the consumer intention to use the site for online purchases. This finding corroborates the findings of Liu et al. (2017), Sharma and Aggarwal (2019), and Akram et al. (2018). The results revealed that familiarity with an online vendor significantly affects users' behavioral intention to adopt e-commerce. This finding aligns with the findings of Kaya et al. (2019) and Azam and Aldehayyat (2018). The results also revealed that the

subjective probability that consumers would like to use e-commerce applications significantly influences the application's actual use. The significant effect of behavioral intention on user behavior is supported by previous studies (Hossain et al., 2019; Wrycza et al., 2017; Shiferaw and Mehari, 2019).

## **7 THEORETICAL IMPLICATION**

In an attempt to investigate and provide a better understanding of the factors influencing e-commerce adoption, many studies have adopted models such as the technology, organization, and environment model (TOE), the technology acceptance model (TAM), the theory of reasoned action (TRA), the theory of planned behaviour (TPB), and the unified theory of acceptance and use of technology (UTAUT) as the theoretical investigative lens. However, this study is one of the few works to propose a conceptual framework that provides unique insights and a better understanding of e-commerce adoption.

## **8 PRACTICAL IMPLICATION**

Managers of e-commerce platforms must identify the advantages of using their online shopping platforms, such as reduced cost, time-saving during transactions, and increased productivity. Then, managers must communicate these advantages to their stakeholders through promotional programs and incentives. This research presents valuable insights into how e-vendors can enhance consumers' perception of website appeal. Furthermore, the findings suggest that website quality significantly influences behavioural intention to adopt e-commerce. Therefore, web business designers should build e-commerce sites with advanced search functionality to enhance consumers' search experience.

## **9 CONCLUSION LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

First, data were collected in a single country, Ghana; therefore, the research findings can only be directly implied in Ghana. Furthermore, due to social idiosyncrasies, it is unknown how well the data and the model can be extrapolated to other countries, especially in other developing countries. Therefore, there is a need for support of findings by future researchers with data from other countries. Second, the data analyzed in this study were collected only from users of e-commerce applications; thus, users who have bought products from an online shopping website rather than non-users. Therefore, the sample might not have provided a holistic understanding of e-commerce adoption. Consequently, it would be necessary for future research to collect data from non-users of e-commerce to investigate their perception of e-commerce and the factors that may account for adopting e-commerce by non-adopters.

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**Dominant importance of electronic Word-of-Mouth (eWOM) valence over volume  
on signaling stock market performance: dynamics in movie industry**

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**Keywords:** electronic Word-of-Mouth (eWOM), firm value, volume, valence, signaling theory

**Description:** This research finds that eWOM volume regarding a movie only exerts a positive significant influence on the abnormal return rates of movie producer firms during the pre-release period, while eWOM valence plays a critical role in positively shaping abnormal return rates across the entire pre- to post-release timeline.

**ABSTRACT**

The disparate significance between electronic Word-of-Mouth (eWOM) volume and valence has been investigated in marketing research, although the scope of the investigation was limited to sales as the outcome. The present research examines a novel context in which the financial market performance of firms is impacted differently by the volume and valence of electronic Word-of-Mouth (eWOM) from consumers. By employing the movie industry and taking into account the time period from pre- to post-

movie release, this research reveals that eWOM volume regarding a movie only exerts a positive significant influence on the abnormal return rates of movie producer firms during the pre-release period. However, eWOM valence plays a critical role in positively shaping abnormal return rates across the entire pre- to post-release timeline. The findings make a valuable contribution to the eWOM literature by highlighting the significance of eWOM valence in an unexplored context. The findings also carry valuable managerial implications for investors and product managers.

## INTRODUCTION

In a world marked by uncertainty, stakeholders have become increasingly skeptical about information disseminated by marketers. As a result, Word-of-Mouth (WOM), which is characterized as any form of interpersonal communication about a product, service, or brand, is widely regarded as being more authentic and trustworthy. Of particular note is electronic WOM (eWOM), which pertains to communication that is published across various online platforms. The broad and swift diffusion of eWOM has augmented its impact in shaping consumers' purchase decisions, product sales, brand image, and the value and reputation of firms.

Marketing literature has documented more than two decades of research investigating the impact of consumer eWOM. A longstanding debate in this literature pertains to the relative importance of different eWOM metrics, namely volume and valence. Volume refers to the total quantity of eWOM, which serves as an indicator of a product's or brand's awareness and popularity. In contrast, valence denotes the overall tone (positive, negative, neutral, or mixed) of eWOM, which reflects consumer attitudes and indicates the quality of the product or brand (Liu, 2006). While some studies have

posited that eWOM volume is the primary driving force behind sales (Babić Rosario et al., 2016; Marchand et al., 2017), others have argued that valence plays a more crucial role (Chintagunta et al. 2010; You et al., 2015). However, it should be noted that the majority of existing studies that examine the effects of both eWOM volume and valence have focused solely on the impact on sales.

This research aims to address this critical gap by investigating the imbalanced impact of product eWOM metrics on producer firm value. Specifically, this study is the first to examine the dynamic effects of a product's eWOM volume and valence on the stock market performance of producer firms at the product launch. Additionally, this study investigates both pre- and post-launch periods, and different effect patterns are expected. The movie industry serves as the context for this study, and the research questions are as follows:

- i. How do movies' eWOM volume and valence at the time of release dynamically affect the stock market performance of producer firms?
- ii. How do the effects of eWOM differ between the pre- and post-movie release periods?

This research makes two significant contributions to the eWOM literature. Firstly, the findings expand the scope of exploring the imbalance between eWOM volume and valence and enrich the dimension for comparing these metrics. The results indicate that increasing (decreasing) eWOM volume and valence of a product are considered positive (negative) signals of producer firms' future cash flow before the product launch, while only eWOM valence remains as a signal after the product is in the market. Prior

research tends to emphasize that eWOM volume outweighs valence in predicting or driving sales. This study provides empirical evidence supporting the dominant importance of eWOM valence over volume in affecting firm value.

Secondly, extant theory posits that pre-product launch and post-product launch eWOM are distinct types of consumer-generated content, as they rely on different information, undergo different mental processes, and impact other consumers in unique ways (Houston et al., 2018). This research reinforces this theory by demonstrating that pre- and post-product launch eWOM are also perceived by investors as different signals for predicting firm value.

The present research on the marketing-finance interface also provides significant managerial implications for multiple stakeholders. The study recommends that investors monitor the dynamic eWOM of a newly launched product as an indicator of investing in the producer firm. Given the rapidly changing market and fleeting opportunities, timely information is required to make informed investment decisions. Compared to firm's quarterly financial reports that disclose product sales, eWOM can serve as a more accessible and up-to-date reference. In particular, before the product launch, investors should consider both eWOM volume and valence as signals, while giving greater weight to valence after the launch. As to marketers who are responsible for managing a product's eWOM, creating a large and positive buzz before the product's release conveys a promising signal to the financial market. After the release, the focus should shift to prioritize valence management to signal the authentic quality of the product.

The generalizability of these findings can extend to other sectors in which publicly traded firms or their subsidiaries launch highly anticipated products, and the products rely heavily on eWOM.

## **THEORETICAL BACKGROUND**

### ***Signaling and screening theory in financial market***

Information asymmetry is a common issue for firms and their investors, as firms have access to superior organizational information. Signaling and screening theory offers explanations for how firms and investors attempt to overcome this asymmetry. Signaling theory suggests that firms can take actions to signal their competence, values, or strategies to stakeholders (Connelly, Certo, Ireland, & Reutzel, 2011), while screening theory proposes that investors actively search for signals to infer desired attributes of firms that are unobservable (Sanders & Boivie, 2004). For example, a listed company announcing a higher dividend signals promising future earnings to investors (Kao & Wu, 1994). The interpretation and responses to signals can differ among investors (Perkins & Hendry, 2005).

In financial markets, significant events involving listed firms are regarded as signals for investors to revise their expectations of firms' future cash flow. If investors believe that such events add (or subtract) value to the firm, the stock price will increase (or decrease) accordingly. This instant change in stock price is consistent with the assumption of an efficient market (Sorescu, Warren, & Ertekin, 2017). For instance, Chen, Liu, & Zhang (2012) found that third-party professional movie critics' reviews were considered by investors to be a positive signal, resulting in an increase in the stock price of the parent corporation of the movie studio.

### ***Consumer eWOM as signals: different mechanisms in the pre and post launch period***

According to the eWOM literature, pre-product launch and post-product launch eWOM are considered distinct types of consumer-generated content. Houston et al. (2018) have highlighted the differences between the two, with pre-launch eWOM being anticipation-based and post-launch eWOM being experience-based. In the case of movies, pre-release eWOM tends to be optimistic and based on potential consumers' imaginary excellence of the film, as the marketing efforts of the producers provide limited, polished, and controlled information. However, once the movie is available in the theatre, the producers lose control over eWOM. The post-release eWOM is characterized by numerous experience-based communications that are more practical than those before release. Compared to pre-release eWOM, post-release eWOM is considered to be a more accurate reflection of the quality of the product.

### ***Early signaling effect of eWOM volume***

Movie eWOM volume has been recognized as a significant indicator for predicting box office success (Liu, 2006; Duan et al., 2008). This is because movie eWOM reflects the level of consumer awareness of the upcoming movie. As a low-priced and easily accessible product, many moviegoers may purchase a ticket based solely on the knowledge of a new release from a well-known studio, without knowing the movie's quality. This phenomenon is commonly referred to as the informative effect in literature. In the absence of accurate signals regarding the movie's actual quality during the pre-release period, it is reasonable to assume that investors adjust their expectations of the producer firm's future cash flow based on eWOM volume. Therefore, this research proposes the following hypothesis:

Hypothesis 1: In the pre-release period, movies' eWOM volume has a positive effect on producer firms' daily abnormal return rates.

However, as the movie is released and viewers begin sharing their personal experiences, reviews based on their actual viewing experience become more authentic signals of the movie's quality and overall box office potential. Additionally, the utility of the informative effect of eWOM volume declines as the target audience becomes aware of the movie's release. Consequently, eWOM volume is not expected to be used as a signal in the post-release period.

### ***Lasting signaling effect of eWOM valence***

For experiential products like movies, perceived quality is heavily influenced by word-of-mouth (WOM) which reflects consumer attitude. Even during the pre-release period, when it is difficult to judge the quality of the movie, consumers seek reliable cues such as the cast and trailers to make inferences about quality. Although some movies with large eWOM volume and mixed or negative valence can still perform well at the box office, rational investors consider positive valence to be a signal of the substantive guarantee of long-run profitability because it indicates consumers' recognition and satisfaction. The extraordinary eWOM valence of a movie can reinforce investors' confidence in the producer's production capability and profitability. Especially, with the increasing importance of online streaming of movies, a movie's life cycle is greatly extended, making eWOM valence even more crucial as an indicator of success. Therefore, this research proposes that investors consider movie eWOM valence as a signal of the producer's future cash flow from the pre- to post-release period.

Hypothesis 2: In the pre-release period, movies' eWOM valence has a positive effect on producer firms' daily abnormal return rates.

Hypothesis 3: In the post-release period, movies' eWOM valence has a positive effect on producer firms' daily abnormal return rates.

## **METHODOLOGY**

### ***Sample, data collection and variable operationalization***

The present study employs a short-term event study methodology to obtain the abnormal returns of movie producer firms' stock prices during individual movie releases. This is followed by an examination of the relationship between the abnormal return rates and the dynamic eWOM associated with the movies. By excluding the influence of market movements, the abnormal return rates are considered to be indicative of the specific event and can be attributed accordingly. The market model is employed to calculate abnormal returns, as it has been shown to be both appropriate and powerful in a variety of conditions (Brown & Warner, 1985). Firms' expected return rates are estimated using the market index. The discrepancy between the expected and actual return rates is the abnormal return rate. The model is expressed as follows:

$$AR_{it} = R_{it} - (\alpha_i + \beta_i \times R_{mt}) + \varepsilon_{it} \quad (1)$$

Where  $AR_{it}$  is the abnormal return rate of firm  $i$  on day  $t$ ,  $R_{it}$  is the actual return rate of firm  $i$  on day  $t$ ,  $\alpha_i$  and  $\beta_i$  are the parameter estimates of the market model,  $R_{mt}$  is the market index to estimate the parameter, and  $\varepsilon_{it}$  represents the error term.



The data utilized in this study was obtained from various sources. Historical stock prices for the listed firms were obtained from Yahoo Finance, and in cases where the firm has both common and preferred stocks, the prices of the common stock were utilized in accordance with established practices (Kothari & Warner, 2007). The movie eWOM data was acquired from Rotten Tomatoes, a prominent and frequently cited movie review website (Holbrook & Addis, 2008; Kim et al., 2023; Pang et al., 2022). Prior to May 2019, Rotten Tomatoes permitted pre-release ratings and reviews without requiring verification of reviewers' ticket (Rotten Tomatoes, 2019). This liberal review policy has contributed to the existence of eWOM covering both pre-release and post-release periods. It should be noted that eWOM, by definition, need not be based on actual product consumption, as all product-related communication is considered. In this regard, the ratings and reviews available on Rotten Tomatoes are ideally suited to the purposes of this research. The inclusion of dates with the posted ratings and reviews also allows for the capture of the evolving patterns of movie eWOM.

The selection of sample movies for this research adhered to the following criteria:

- i. The movie is a wide release and its producer has been a public traded firm or a subsidiary of a public traded firm at the time of its release.
- ii. The movie is released prior to May 2019 and has pre-release ratings and reviews available on Rotten Tomatoes.

The sample in this study consists of 67 movies that were released during the period spanning from June 30th, 2004 to June 15th, 2018 (the US release dates). These films were produced by 6 publicly traded companies - Comcast, Walt Disney, Warner

Bros, Paramount, Sony, and Lionsgate - all of which are listed in the US markets, namely the Nasdaq or New York Stock Exchange. The S&P 500 index serves as the market index for calculating abnormal return rates. Each movie release is treated as an independent event, with the event window covering 8 trading days prior to the release date and 28 trading days after it, thus enabling us to observe the complete effects and how they unfold over time. The estimation period for inferring the expected normal returns rate starts from the month preceding each movie release and extends backwards by one year, covering 252 trading days. The final dataset comprises 12312 daily abnormal return rates with corresponding eWOM volume and valence of the previous day.

Following Duan et al. (2008), this study operationalizes eWOM volume as the daily counts of ratings, while eWOM valence is operationalized as the cumulative mean of rating scores indicating the positivity or negativity of the eWOM. To further validate the robustness of the findings, the daily mean of rating scores is also calculated in the alternative models.

### ***Model specification***

To investigate the dynamic impact of eWOM, a model is devised that examines the abnormal return rates on the day subsequent to the eWOM occurrence. An ordinary least square (OLS) regression with clustered standard error is used to account for the within-cluster dependence of the observations due to repeated measures (Abadie et al., 2022). Additionally, the regression incorporates firm-level fixed-effects to capture the unobservable time-invariant characteristics of each firm (Brüderl and Ludwig, 2015). The main model is specified as follows:

$$ABR_{ijt} = \beta_0 + \beta_1 \times eWOMVOL_{ijt-1} + \beta_2 \times eWOMVAL_{ijt-1} + u_j + \varepsilon_{ijt} \quad (2)$$

*Where:*

ABR is the abnormal return rate of movie *i* of the movie's producer public firm *j* on day *t* around the release date,

eWOMVOL is the eWOM volume of movie *i* owned by firm *j* on day *t-1*,

eWOMVAL is the eWOM valence of movie *i* owned by firm *j* on day *t-1*,

$u_j$  is the fixed time-invariant effect of each public firm,

and  $\varepsilon_{ijt}$  is the error term.

Furthermore, to test the robustness of the findings, two alternative models are specified using the same methodology. Alternative Model 1 employs the daily mean rating score instead of the cumulative mean rating scores. Alternatively, in Alternative Model 2, the operationalization of variables is maintained, but the eWOMVOL and eWOMVAL on day *t-1* is replaced with those on day *t-2*.

The generalized variance inflation factors are all smaller than 5, indicating that multicollinearity is not an issue.

## RESULTS

The results are presented in *Table 1*, which confirms both the early signaling effect of eWOM volume and the lasting signaling effect of eWOM valence. In *Main Model*, specifically, in the pre-movie release period, the eWOM volume on the previous day has a significant positive effect on the producer firms' abnormal return rates of the following day ( $\beta=.101$ ,  $SE=0.058$ ,  $p \text{ value} < .1$ ), supporting Hypothesis 1. Moreover, it is

worth noting that this effect disappears in the post-release period ( $\beta=-.003$ ,  $SE=020$ , n.s.), indicating that the daily abnormal return rates of producer firms are no longer affected by eWOM volume after the movie release. By contrast, the positive effects of eWOM valence remain significant for both pre- ( $\beta=.152$ ,  $SE=060$ ,  $p$  value  $<.05$ ) and post- movie release periods ( $\beta=.117$ ,  $SE=029$ ,  $p$  value  $<.01$ ). Hypothesis 2 and 3 are supported.

*Alternative Model 1* generates the consistent results with Main Model. The marginally significant effect of eWOM volume for the pre-release period ( $\beta=.098$ ,  $SE=061$ ,  $p$  value  $=.01$ ) is a supplemental support of Hypothesis 1. As in the main model, eWOM volume still shows no effect in the post-release period ( $\beta=-.002$ ,  $SE=021$ , n.s.). Regarding eWOM valence, measured as the daily means of rating scores, significant positive effects were observed for both pre-release ( $\beta=.160$ ,  $SE=081$ ,  $p$  value  $<.05$ ) and post-release periods ( $\beta=.087$ ,  $SE=019$ ,  $p$  value  $<.01$ ), thus substantially supporting Hypotheses 2 and 3.

In *Alternative Model 2*, the predictor variables are changed to eWOM from 2 days prior to the abnormal return rates. The results show that the lasting effects of eWOM valence remained strong for both the pre- ( $\beta=.139$ ,  $SE=045$ ,  $p$  value  $<.01$ ) and post-release periods ( $\beta=.120$ ,  $SE=032$ ,  $p$  value  $<.01$ ). However, eWOM volume does not have a significant effect in either period. This suggests that the effect of eWOM volume is updated more rapidly compared to that of eWOM valence.

Table 1: Results summary for main and alternative models

<b>Models predicting daily abnormal return rates of movie producer firms</b>					
Main model		Alternative model 1		Alternative model 2	
		Pre- movie release period			
<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>

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eWOMVOL	0.101	(0.058)*	0.098	(0.061).	0.091	(0.069)
eWOMVAL	0.152	(0.060)**	0.160	(0.081)**	0.139	(0.045)***
Post- movie release period						
	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>	<i>Estimate</i>	<i>SE</i>
eWOMVOL	-0.003	(0.020)	-0.002	(0.021)	-0.010	(0.026)
eWOMVAL	0.117	(0.029)***	0.087	(0.019)***	0.120	(0.032)***

Note. . $p$ =.10. \* $p$ <.10. \*\* $p$  < .05. \*\*\* $p$  < .01. Robust standard errors cluster at the firm level. Abnormal return rates are reported in the percentage unit.

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## **Employee advocacy on social media and the way it affects attitudes toward the brand: the role of parasocial relationships**

### **Statement of key contributions**

This study contributes to the existing literature on employee advocacy given that few other studies have analyzed the impact of employee advocacy on communication outcomes, such as brand attitudes (Hesse *et al.*, 2021; Kim and Rhee, 2011; Thelen and Formanchuk, 2022).

The findings of this research also contribute to the literature on PSI/PSR since almost no studies on this topic have considered the LinkedIn context, and studies in the EU region are rare. Moreover, the academic literature lacks studies on PSI/PSR concepts related to organizational and leadership communication (Tsai and Men, 2017). In this study, it was discovered that the informative values of the content shared by employee advocates on LinkedIn have a significant positive effect on PSR.

It was also discovered that the credibility of the employee advocate has a significant positive relationship with PSR. In other words, followers tend to create a PSR with an employee advocate they perceive as credible. This finding is in line with the existing literature that supports a positive impact of source credibility attributes on PSI/PSR (Amos *et al.*, 2015; E. Aw and Chuah, 2021; Bond, 2016; Chung and Cho, 2017; Ledbetter and Meisner, 2021; Lee and Watkins, 2016). Finally, the findings of this study show that PSR between employee advocate and followers has a significant positive impact on  $A_b$  (hereinafter – attitude towards the brand).

The results of this research point to the importance of employee advocacy on LinkedIn as an activity that can shape positive attitudes toward the employer's brand. We would suggest that organizations consider employee content and credibility as strategic tools in developing their marketing communications. Employee advocacy initiatives and programs could receive justifiable attention in planning an organization's communication activities.

### **Extended abstract**

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**Introduction.** Over the last years marketers have started to emphasize the organization’s internal communication sources – it’s employees. Employee communication that supports, recommends, or protects the organization in verbal or non-verbal ways is labelled as employee advocacy (Thelen, 2020) and has become an important topic in today's marketing perspective. Emerging social technologies have given employees more power that “skyrocketed organizational engagement and attention toward this topic” (Thelen, 2020, p 1). According to the Edelman Trust Barometer (2020), regular employees are trusted more than CEOs (by 54% to 47%), and 76% of respondents trust content posted by other users more than by brand accounts (Brazilian, 2017). Furthermore, a report by Hootsuite and Altimeter (2021) shows that employee advocacy programs increase the reach of the messages and improve brand health. PostBeyond (2019) claimed that the reach increases by 561% when employees share branded content). These findings suggest employee advocacy is a tool that can positively contribute to organization’s image and visibility.

Even though employee advocacy as a marketing tool is increasingly prevalent, only a few studies have examined the influence of employee advocacy on marketing-related outcomes. In this study, we examine the impact that employee advocacy, defined in terms of employee’s content and source credibility, has on parasocial relationships between followers and the employee advocate, and how it affects  $A_b$ . Further, we also seek to understand how the content provided by employee advocates affects their credibility. Based on the literature analysis, the conceptual model was developed (see Figure 1).

**Methodology.** To advance research on the chosen topic, the context of employee advocacy on LinkedIn was chosen. Different from other SNSs, LinkedIn focuses on professional and work-related content. A quantitative cross-sectional research design, involving an online survey, was used to achieve the research objectives. Respondents were asked to specify a person they have been following on LinkedIn and whose communications include employee advocacy. Then respondents were asked to specify the brand the chosen person works for and represents as well as answer the remaining questions having them and that brand in mind. A cross-sectional research design was chosen because the PSR variable is based on a long-term relationship.



Non-probability voluntary response sampling was used to target Lithuanian consumers who were at least 18 years old, using the LinkedIn social network, following at least one employee advocate. and able to identify the brand of services/products the chosen person represents. The online survey was accessed 787 times, 781 respondents started by confirming their acceptance of the privacy policy, and 732 confirmed using the LinkedIn social network. Eventually, 309 respondents completed the questionnaire, correctly answering the attention check question.

**Results.** Structural equation modelling (SEM) with LISREL 11 analysis software was used in analyzing the data. The results for the proposed hypotheses (the estimation values and t-test results) are shown in Table 1. All the hypotheses except H1a were supported.

**Credibility Antecedents.** The entertainment value of the employee advocate's content does not have a significant direct relationship ( $\gamma = -.114$ ,  $t = (.156)$ ,  $p=0.118$ ) with the Credibility of the employee advocate, and therefore H1b is rejected. However, in support of H1a, the Informativeness of the employee advocate's content has a significant positive relationship ( $\gamma = .479$ ,  $t = (6.50)$ ,  $p<.001$ ) with that employee's perceived Credibility.

**Antecedents and Consequences of PSR.** In support of H2a ( $\gamma = .343$ ,  $t = (4.58)$ ,  $p<.001$ ) and H2b ( $\gamma = .387$ ,  $t = (5.52)$ ,  $p<.001$ ) the results show significant positive effects of an employee advocate's Entertainment and Informative content on PSR. Furthermore, the Credibility of the employee advocate has a significant positive effect on PSR ( $\beta = .299$ ,  $t = (5.15)$ ,  $p<.001$ ), supporting H3. Therefore, in this model, the PSR has a significant positive effect ( $\beta = 0.439$ ,  $t = (5.746)$ ,  $p<.001$ ) on Attitude toward the brand, thus supporting H4. T

The findings of this study show that PSR between employee advocate and followers has a significant positive impact on  $A_b$ . This is in line with the existing literature where several previous studies that analyzed PSI/PSR between SMIs and their fans revealed that PSI/PSR significantly and positively influences followers' brand attitudes and evaluations (Colliander and Dahlén, 2011; Haobin Ye *et al.*, 2021; Lee and Watkins, 2016) and their purchase intentions (Colliander and Dahlén, 2011; Hwang and Zhang, 2018; Jansom and Pongsakornrunsilp, 2021; Sokolova and Kefi, 2020).

**Conclusions.** This research has several limitations that could be addressed in future studies. First, the research was based on data that comes from one country. In Lithuania, LinkedIn as an SNS has been recently trending and usage has grown by more than 200% over the last years. As such, the findings may not necessarily apply to other countries where LinkedIn has not enjoyed such a rapid growth. Future research could compare the linkages between employee advocacy, PSR, and Ab in other EU countries and other regions of the world where social media is used to varying degrees.

Second, this study focused only on LinkedIn. Future studies should address the linkages between employee advocacy, PSR, and Ab in the context of other SNSs. Third, this study investigated the impact of employee advocacy only on Ab, and future studies could usefully explore other effects of employee advocacy and examine how these impact on purchase intention and other consumer responses. Finally, this study only sought the positive outcomes of employee advocacy on Ab and ignored any downsides. Future studies could explore whether employee advocacy can negatively affect Ab and other consumer responses. This topic could be investigated by comparing different industries or product categories.

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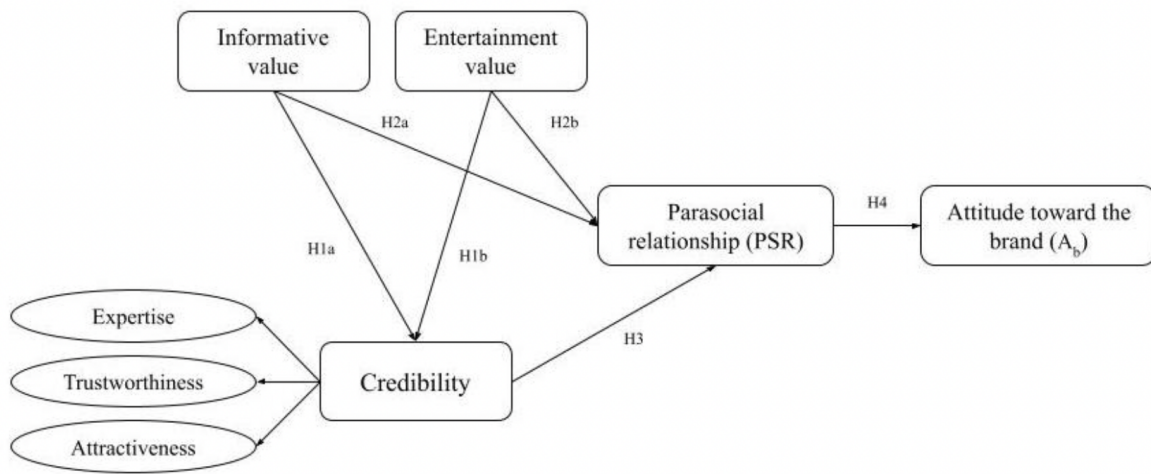
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**Figure 1. Conceptual model**

**Table I.**

Hypothesis	Linkage	Estimate (t-value)	p-value	Result
H1a	Informative value → Credibility	$\gamma = .479$ $t = (6.50)$	$p < .001$	Supported
H1b	Entertainment value → Credibility	$\gamma = -.114$ $t = (.156)$	$p = 0.118$	Rejected
H2a	Informative value → PSR	$\gamma = .343$ $t = (4.58)$	$p < .001$	Supported
H2b	Entertainment value → PSR	$\gamma = .387$ $t = (5.52)$	$p < .001$	Supported
H3	Credibility → PSR	$\beta = .299$ $t = (5.15)$	$p < .001$	Supported
H4	PSR → $A_b$	$\beta = 0.439$ $t = (5.746)$	$p < .001$	Supported

## **THE EFFECTS OF FAIR INFORMATION PRACTICES ON DIGITAL AD EFFECTIVENESS: A TRUST TRANSFER PERSPECTIVE**

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**Keywords:** fair information practices, platform, digital ad, trust transfer, regulatory focus

**Description:** Fair information practices improve consumers' attitude towards targeted advertising, which is achieved through the two-channel trust transfer mechanism.

### **EXTENDED ABSTRACT**

#### **Research Question**

Digital advertising industry has been booming worldwide because targeted advertising enables advertisers to reach potential customers more effectively. However, unfair information practices during ad generation and dissemination lead to consumers' privacy concern. Fair information practices are proved to be an essential role in addressing privacy concern by offering consumers procedural fairness. The meaning of privacy has been changed dramatically due to technology advancement during the recent years, which calls for the improvement of FIP principles in this new era. Though consumers concern about potential leakage after self-disclosure, they still trust the exchange benefits of targeted advertising, while limited research has focused on trust and privacy concern simultaneously. This study seeks to answer the following questions: How do consumers react to the practice of FIP principles? What are the underlying mechanisms leading to their reactions? How do consumer reactions relate to digital ad effectiveness?

#### **Method and Data**

Online questionnaires were distributed to collect data. A total of 307 valid responses were recorded from participants recruited through invitations on Sina Weibo, one of the largest social media platforms in China.

Participants reported their demographic information at the beginning of the questionnaire. The concept of FIPs and the related regulations were introduced, after which participants indicated the extent to which they agreed that the Weibo platform had followed FIP principles, and their trust toward it. A simulated digital ad featuring a hotel brand including a booking button to click through was presented, followed by scales measuring their trust toward advertising, privacy concern, and ad effectiveness including click-through willingness, purchase intention and brand attitudes.

All scales were adapted from prior works, demonstrating satisfying reliability. Results of confirmatory factor analysis indicate the model shows an acceptable fit with the data.

### **Summary of Findings**

Structural equation modelling approach using AMOS was adopted to evaluate all the hypothesized paths simultaneously. Path coefficient demonstrates that fair information practices positively influence consumers' platform trust. Platform trust is found to affect consumers' trust toward advertising positively as hypothesized, while negative relationship between platform trust and privacy concern is also observed. Positive effects of ad trust on ad effectiveness indicators were proved as the coefficients for click-through willingness, purchase intention, and brand attitude were all significant, whereas no significant impacts of privacy concern on ad effectiveness indicators were found.

Mediation analysis was conducted by user-defined function in AMOS to check serial mediation mechanisms underlying trust transfer process toward digital ad effectiveness. Significant serial mediating effects were detected between FIPs and all the ad effectiveness through platform trust and then ad trust. In contrast, privacy concern neither contributed to the serial mediation mechanisms between FIPs and click-through willingness, nor purchase intention, but only a marginal and weak indirect effect through platform trust and privacy concern on brand attitude.

Our findings lend empirical support to the presence of trust transfer process between online platforms and advertising which promotes consumers' click-through willingness, purchase intention and brand attitude.

### **Key Contributions**

Theoretically, we offer new evidence to research on procedural fairness theory and FIPs by showing FIPs elicit consumer trust through procedural fairness perception. Secondly, this research contributes to integrating the trust transfer and digital advertising literature by conceptualizing consumer trust into distinct but independent constructs and specified their positive causal linkage. Lastly, we give evidence that different regulatory focus stimulates different consumer behaviors and trust plays a more active role in perception of ads.

Practically, results of this study disclose that a clearly presented privacy policy abides by FIP principles is helpful to counteract consumers' privacy concern. Digital advertising platforms are encouraged to adopt proper strategies to design their privacy policies with clear statements and display policy statements in a conspicuous place for users to learn. This work also proves the existence of trust transfer among the recipient of targeted advertising messages. Thus, business managers and marketers are advised to cooperate with and propagandize their brands on trustable platforms with strong track records of fair practices in managing consumer information.



## **GAMING, ONE OF METAVERSE KEYS TO MAKING LUXURY INCLUSIVE**

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**Keywords :** Metaverse, Gaming, Luxury, Inclusivity

**Description:** Our paper focuses on investigating the inclusivity of luxury and the meaning given by consumers to the new consumption practices (i.e., metaverse, gaming, luxury).

### **ABSTRACT**

Metaverse is a new digital environment that has already attracted many companies. Fashion and luxury brands enter the gaming world and spend billions of dollars to immerse consumers who use avatars which represent their digital self. Thanks to metaverse luxury becomes inclusive which means that it is accessible to everyone especially in the metaverse games. Therefore, our research uses a qualitative approach based on interviews and focuses on investigating the inclusivity of luxury and the meaning given by consumers to these new consumption practices (i.e., metaverse, gaming, luxury).

### **INTRODUCTION**

The concept of metaverse appeared for the first time in 1992 in Neal Stephenson’s science fiction novel Snow Crash (Dwivedi et al., 2023; Xu et al., 2022). Nowadays, metaverse starts to become a part of people’s life. According to Mckinsey (2022b), 60% of consumers are excited about the transition of everyday activities like shopping, dating, and working out to this

new digital universe. Metaverse could thus generate approximately 800 billion dollars in 2024 (Bloomberg, 2021; Fagot, 2022).

Therefore, to adapt to consumer behaviors' changes, test, and grasp opportunities, some brands moved to metaverse. Luxury brands are now present in this new virtual space, particularly in gaming, through different manners. For instance, Ralph Lauren created a virtual fashion collection for users' avatars on Zepeto which is a South Korean social network app, Louis Vuitton launched its own game "Louis: The Game" which reached more than 2 million downloads, Gucci launched the "Gucci Garden" in the Roblox gaming metaverse that caught the attention of 19 million visitors (Mckinsey, 2022a), and Balenciaga launched its own clothing collection for skins on Fortnite to give gamers the opportunity to look unique and original. Furthermore, fashion shows are being held in metaverse such as "Decentraland's Metaverse Fashion Week" which involved brands like Dolce & Gabbana, Estée Lauder, and Etro (Mckinsey, 2022b).

Consumers are now able to buy or use luxury products (e.g., cars, houses, yachts, clothes, etc.) in some video games like Fortnite, Horizon Worlds, Roblox, Sandbox. To live a great immersive experience, consumers are buying virtual luxury clothes or accessories in a price which is different from the price of these items in the physical world. Thereby, metaverse is a new practice that opens up a variety of opportunities for both brands and consumers, which could lead to strengthening their relationships. It is a new market that is not well known and developed in terms of research. In fact, different researchers investigated metaverse, its fundamentals, advantages, and challenges. However, the metaverse and luxury research stream is still unknown yet. Therefore, our current research aims to fill this gap by conducting a qualitative exploratory study.

## **BACKGROUND**

### *Metaverse*

Creating new digital environments is an important objective for companies that spend billions of dollars to adapt to environmental changes and people's mindset as well as to build immersive and experiential worlds. Among these environments that combine virtual reality and augmented reality is metaverse. Metaverse is a simulation of the reality or the physical world. It is a virtual space which looks exactly like the physical environment where users could find and do everything by building their own environments using a variety of tools. They could meet others, hangout, do shopping, make collaborations, learn, and attend events like fashion shows and concerts such as the concert of Travis Scott held on Fortnite in 2020 which attracted over 12 million people (Wersm, 2020).

Gaming industry is the main locus of metaverse. Several metaverse games have been created. For instance, Facebook which was rebranded to Meta (Lee and Malik, 2021), has spent billions of dollars to build its metaverse video game called Horizon worlds. To get access to this kind of online environment, users need to have the oculus headsets and then to create a virtual personality or a digital self, known as avatar, which represents them and to which they can be identified. This means that they could create a quite different or the same person as them in a digital world (i.e., self-representation).

Metaverse offers a variety of important potentials like having the opportunity to move without being bounded with physical world's constraints, fostering customer empowerment, and having a seemingly second life improved and personalized according to the person. However, it has different challenges that may face whether brands or users such as addiction, social isolation, antisocial behavior, and safety and cybersecurity issues. In fact, when a person goes to the digital environment of another person, all their entire being is recorded. Thus, the latter keeps

all data about the former which could be dangerous if they use these data against the other person, which could violate another person's privacy (Bloomberg Quicktake : Originals ; CBS News, 2022 ; CNA Insider, 2021 ; Dwivedi et al., 2022 ; Golf-Papez ; Mckinsey, 2022 ; Mystakidis, 2022).

Fashion and luxury are one of the main industries that emerged in metaverse by organizing and launching fashion shows (e.g., Decentraland's Metaverse Fashion Week) or selling luxury items. The reasons which led to dematerializing fashion are environmental changes (i.e., emergence of pandemics), evolution of consumer behavior and consumer value, as well as the need for brands to be associated with communications and technological innovation. During pandemic, people became gamers who needed to dress up their avatars and express their identity through them. Luxury brands were the first to move faster in metaverse because they offer rarity and scarcity to consumers who desire to wear, experience, and show off their unique clothes and outfits. Furthermore, metaverse gives fashion designers the opportunity to express, free their creativity, and hence wow their consumers. Thereby, designers could create unseen items which do not exist in the real world like a dress made of fire or water (Bloomberg Quicktake : Originals, 2021). Although gaming is an opportunity for self-representation and self-expression and metaverse is a place for creativity, the presence of luxury may seem paradoxal.

### ***Metaverse and Luxury***

The presence of luxury brands in the metaverse renders luxury inclusive and accessible to almost everyone with digital literacy and an interest in gaming. Youths are the most targeted because they are present on social media and the first to be interested in the variety of opportunities offered by metaverse. In late years, French youths became interested in luxury fashion brands and in their influencers' idols who often wear and show off luxury brands on Instagram, TikTok, Facebook, Youtube, which influences this category of consumers.

However, seeking recognition, visibility, self-representation, and self-expression may drive materialism (Saenger et al., 2010).

Everything becomes possible with metaverse, a big step has been taken. People are giving more importance to self-representation through avatars that they could freely create and manipulate according to their own preferences. They can thus buy luxury brands to dress up their avatars. This new kind of consumption has hedonic and experiential aspects which differ from the traditional fashion and luxury consumption (i.e., buying and wearing real clothes or items).

Nowadays, brands are defining new marketing strategies and try to attract young consumers by accessing to the gaming world that integrated a variety of metaverse aspects and thereby enhance their relationship with them. For example, Gucci launched the “Gucci Garden” in the Roblox gaming metaverse that caught the attention of 19 million visitors (Mckinsey, 2022a). Louis Vuitton created its own metaverse game “Louis: the Game” with more than 2 million downloads. However, the presence of brands in the gaming universe may lead them to loose their status and yield devalorization. Therefore, our main research question is: **could luxury become inclusive by the presence of brands in the metaverse ?**. More importantly, we are interested in studying the physical luxury items (i.e., clothes or accessories) for avatars created by young consumers in metaverse and the meanings given by this category of consumers to these new kinds of consumption.

Therefore, we aim to address four main research questions:

- 1. When do consumers buy and use luxury goods for their avatars in the metaverse?**
- 2. Is it essentially a conspicuous consumption practice (related to social status, self-representation, visibility, impression, or recognition), a hedonic consumption (associated with sensory, immersive and relational experiences), or other unknown or lesser-known consumption practices?**

- 3. To what extent does gaming contribute to increasing impulse buying of luxury items?**
- 4. What is the effect of these new consumption practices on fashion luxury consumers, buyers, and non-buyers of luxury products in the metaverse in terms of their relationship with the brands?**

## **METHODOLOGY**

To address our exploratory research questions which are focused on the meaning given by consumers to their consumption practices, we chose to conduct a qualitative approach. The first stage of this study consisted of conducting interviews with 15 students from a French University. Apart from demographic questions, we asked questions that are linked to four themes :

- Shopping, fashion, and luxury
- Social media
- Gaming
- Metaverse and Luxury

After analyzing data resulted from this first step of the study, we aim to broaden the sample by conducting interviews with different experts (e.g., artists, marketers, sociologists), luxury consumers who use luxury items in the real world, and young people who are not interested in gaming, social media, or luxury.

## **CONCLUSION**

Our research highlights the importance of metaverse and its impact on the luxury industry as well as on consumers. The findings will add value to luxury research stream by providing an

in-depth understanding of the new consumption practices and the shift of luxury from exclusivity to inclusivity in metaverse.

### **STATEMENT OF KEY CONTRIBUTIONS**

This research will contribute to the existing literature by highlighting the importance of metaverse in the luxury industry and demonstrating how this new universe renders luxury inclusive and impact consumer behavior as well as brand-consumer relationships.

Furthermore, the findings will provide practitioners with insights on how these new consumption practices (i.e., buying luxury items in metaverse through gaming) are perceived and adopted by youth who use avatars in metaverse, which will help them to build and adapt their strategies to this category of consumers.

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## **HOW SOCIAL MEDIA INCREASES ACHIEVEMENT AND CONFORMITY VALUES: A PARADIGM SHIFT IN OUR SOCIETIES**

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**Keywords:** Social media, Individual values, Value change, Paradigm shift, Societal change.

**Description:** This paper investigates the effect of social media on basic individual values with three studies; an analysis of secondary data (N=80000), a large online survey (N=1000) and an experiment (N=200).

### **EXTENDED ABSTRACT**

**Research Question** - This study aims to investigate the impact of social media on basic individual values within society. While previous research has examined the relationship between social media and various outcomes such as individual well-being and mental health, there is a gap in understanding how social media shapes fundamental values that guide individuals' attitudes, behaviors, and decision-making processes. The research question at the core of this study is: Does social media have an impact on values achievement and conformity? What are the underlying mechanisms that social media might impact the values achievement and conformity?

**Method and Data** - To address our research questions, we employ a mixed-methods approach. First, longitudinal data from the European Social Survey (ESS) will be analyzed to examine the relationship between social media exposure and achievement/conformity values across 15 European nations (N=80000). Second, a consumer survey was conducted to gain insights into the underlying mechanisms by examining the mediating role of anxiety and the need for approval (N=1000). Finally, we provide evidence for a causal link between social media use and a change in achievement and conformity values, with an experiment.

**Summary of Findings** - Overall, the findings show that social media use can have a significant impact on individual values and that this impact on achievement and conformity is mediated by anxiety and the need for approval. Our study provides additional insights into the finding that social media use leads to increased anxiety, indicating that individuals who engage in higher levels of self-rumination may be particularly susceptible to social media-induced anxiety. Self-rumination could influence the extent to which individuals internalize social media comparisons on social media and the subsequent impact on their anxiety levels. In three studies, we show that the effects of social media can go beyond transitory effects and be an important catalyst for a shift in individual values.

**Key Contributions** - Our findings indicate that social media use is associated with increased values of achievement and conformity, driven by heightened anxiety and the need for approval. The constant exposure to others' accomplishments and the pressure to curate a perfect online persona contribute to feelings of anxiety and the desire for validation, leading individuals to conform to societal expectations and strive for achievement. These findings align with existing research on the psychological effects of social media. Furthermore, we propose self-rumination as a novel moderator for the relationship between social media and anxiety. These findings have

important implications for practitioners and educators. By promoting critical thinking and healthy technology habits, educational programs can empower individuals to resist conformity and develop their own unique aspirations. Policymakers should also take action to mitigate the negative effects of social media, particularly among young people, by addressing features that foster repeated social comparisons. It is crucial to prevent social media from exacerbating anxiety and perpetuating the need for approval. By prioritizing these interventions, society can avoid a precarious shift in values that arises solely from a specific technology, and instead encourage thoughtful evolution of values through informed debates and education.

**How we get there, matters: an analysis of different pathways that lead celebrities and digital influencers to fame.**

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**Keywords:** social media, digital influencers, celebrities, trajectories to fame, netnography.

**Description:** This study compares the trajectories of digital influencers and celebrities in the realm of social media, revealing the distinct paths to fame they follow and their differing relationships with institutions and audience demands.

**EXTENDED ABSTRACT****Research Question**

This study addresses the research question: How do the trajectories of digital influencers and celebrities differ in the context of fame and brand image transfer in the digital marketing arena? In Brazil, where social media usage is high, digital influencers and celebrities play crucial roles in marketing strategies and consumer research. Through an extensive literature review and in-depth analysis of a celebrity and a digital influencer's paths to fame, this research uncovers significant differences in their trajectories. While celebrities rely on institutionalized media, digital influencers depend on their audience to gain fame. These distinct trajectories have implications for the transfer of brand image and value. The study examines stakeholder interests and the dynamic nature of audience-driven pathways in comparison to predefined institutionalized routes. A metaphor is proposed: celebrities take a predefined path like a train, while digital influencers rise with audience-provided air balloons, representing an unpredictable and audience-driven journey. By exploring these differences, this research sheds light on the impact of trajectory variations on brand image transfer in the digital marketing landscape.

**Method and Data**

This study employs an in-depth analysis of a celebrity and a digital influencer to examine their trajectories to fame and digital influence. Focusing on the Brazilian fashion market, which is prominent for digital influencers, we selected Thássia Naves (a digital influencer with 3.6 million Instagram followers) and Bruna Marquezine (a celebrity with 41 million Instagram followers) as case studies. Data collection spanned from 2009 to 2022, encompassing over ten thousand digital publications, including audience comments and discussions. Through hermeneutic analysis and open coding, emerging themes and visual language were explored, considering symbols, images, and videos in the communicative context. The study's methodology facilitated a comprehensive understanding of the actors' digital journeys, incorporating institutionalized media articles and evolving findings. By examining their digital trajectories and analyzing various platforms, this research delves

into the distinct paths and narratives of these figures, shedding light on their digital influence in the context of fame and branding.

### **Summary of Findings**

In our analysis, we observed that the digital influencer cultivated a sense of pride and admiration from her audience by showcasing personal achievements in a mediatic and performative manner. Sharing intimate moments, such as her wedding, on platforms like YouTube created an authentic and relatable image, positively resonating with her audience who saw her as a normative reference. In contrast, the celebrity maintained a more distant relationship with her audience. Any glimpses into her personal life generated intense interest from both her audience and the media, as she upheld her role as a celebrity endorsed by strong institutions. Authenticity was a challenge for celebrities when sharing their private lives online. While the influencer's lack of mystery may hinder her path to celebrity status, her commitment to her content and her ability to foster a sense of community among her audience sets her apart. We represent these differences in a metaphorical visualization, where celebrities board a train to fame guided by institutionalized media, adhering to economic interests, while digital influencers rise independently, carried by the balloons of their audience's interest. The balloons, representing social drivers, are dynamic and subject to change, allowing influencers to float closer to fame.

### **Key Contributions**

This work provides two significant contributions to academia and practitioners. Firstly, it offers an extensive literature review that compares and contrasts the roles of celebrities and influencers in the digital context, particularly in the realm of digital marketing. Through a comprehensive analysis of a celebrity and an influencer's trajectory in the digital landscape, we identified key differences that can help predict and understand the outcomes they offer to brands and products in the digital arena. Our findings reveal distinct behaviors and relationships with their audience on social media: celebrities are bound by the demands of institutional support (such as television, the press, and other celebrities) that propelled them to fame. Their private lives remain a mystery to their audience, and sharing glimpses of it on social media may create dissonance and negative associations with brands. In contrast, influencers must consistently share their private lives, which eliminates the mystique surrounding celebrities. They are also constrained by the persona they have created, making it challenging to change or disassociate from certain labels associated with brands and products, thereby potentially limiting their growth and potential in the digital market.

**References are available upon request.**

## **IDENTIFYING KEY TOUCHPOINTS TO IMPROVE CUSTOMER EXPERIENCE IN AN OMNICHANNEL WORLD**

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**Keywords:** omnichannel, touchpoints, customer experience, purchase intention

**Description:** The present study aims to explore how customers respond to different types of omnichannel touchpoints and how these touchpoints improve their shopping experience and thus drive their purchase intention.

### **EXTENDED ABSTRACT**

**Research Question** – As technology advances and consumers adopt new purchasing habits, more and more companies are adopting an omnichannel strategy that combines traditional physical stores and digital channels. The transition to omnichannel operations presents both opportunities and challenges for retailers. However, the link between touchpoints to omnichannel, the structures of touchpoints, and customer responses to different types of touchpoints are unclear. Moreover, omnichannel allows customers to perceive different shopping experiences from various touchpoints. This experience is very individual due to different levels of consumer engagement. However, little research has examined the relationship between omnichannel touchpoints and different dimensions of customer experience. Based on reviews of the previous

literature and current business trends, this research proposes three issues that need to be addressed: 1) explore the key characteristics of touchpoints in an omnichannel context; 2) examine the relationships between the characteristics of omnichannel touchpoints and different dimensions of customer experience; 3) discuss how to use omnichannel touchpoints to improve customer experience and thus improve customer willingness.

**Method and Data** – We examined four types of customer touchpoints (i.e., sensory, functional, informational, and interactive touchpoints) and explored the effects of these touchpoints on different dimensions of customer experience (i.e., cognitive, emotional, and social experience) and purchase intention, according to prior related literature. Based on previous related research, we developed 19 items to measure the characteristics of omnichannel touchpoints, 13 items to measure the dimensions of customer experience and 3 items to measure purchase intention. The online questionnaires were posted on social media platforms, including Facebook, Instagram, and Line. Excluding invalid questionnaires (missing answers or duplicate responses), we collected a total of 443 questionnaires and obtained 435 valid samples.

**Results** – The present study produced robust results, as evidenced by the high level of reliability obtained. Specifically, each construct demonstrated internal consistency, as indicated by alpha values surpassing 0.8. To determine the validity of the constructs, a factor analysis was conducted using the principal component method with Varimax rotation. The convergence validity test was performed to ensure that the factor loadings exceeded 0.50 after rotation, and the cross-loadings of each item were above 0.10, indicating a high level of construct validity. To evaluate hypotheses H1 to H7, we employed structural equation modeling (SEM) analysis using the software AMOS 23.0. The resulting structural model exhibited a satisfactory fit with the data, as



evidenced by the recommended fit criteria. CMIN  $\chi^2 = 930.21$ ,  $df = 189$ ,  $p < .01$ .

Consistent with our expectations, the path coefficients revealed significant positive effects of three dimensions of customer experience on purchase intention. Therefore, H1-H3 were statistically supported. The results also indicated that the four types of omnichannel touchpoints positively influence the specific customer experience, in support of H4-H7.

**Summary of Findings** – This research provides a generalizable view for managers who want to improve customer experience and offers strategic directions for omnichannel operations. Drawing on the SOR paradigm, we explored how omnichannel touchpoints impact customer experience and purchase intention. In this study, we proposed and validated the mediating role of customer experience in the relationship between touchpoint characteristics and customer purchase intention. The present study contributes to the existing literature on omnichannel retailing and customer experience by investigating the theoretical model that underpins evaluations of subjective customer experience in an omnichannel context.

**Statement of Key Contributions** – The present study offers current guidelines for the good design of omnichannel touchpoints, taking into account sensory, functional informational, and interactive characteristics, and investigates their effects on customer perception and behavioral intention. For managers, this suggests that to improve the use of omnichannel touchpoints during the customer journey, they need to 1) emphasize the sensory, functional, informational, and interactive design of the touchpoints so that consumers can navigate efficiently, 2) align appropriate touchpoints that tailor customers' specific shopping experiences, and 3) recognize efforts to improve customer experience is critical to increasing customers' willingness to purchase. By providing appropriate touchpoints, businesses can improve customers' specific shopping

experience, allowing them to buy in a way that meets their preferences and shopping journey.

References are available upon request

## INFLUENCER MARKETING AS A FORM OF PERSUASIVE ADVERTISING

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**Keywords:** influencer marketing, persuasive advertising, social media influencer, influencer-product congruence.

**Description:** In a product space exhibiting horizontal differentiation, influencer marketing pushes consumers highly congruent with the product away, and pulls consumers highly incongruent with the product closer, both towards the social media influencer's (SMI's) own ideal point, and it benefits a firm if and the product is sufficiently strong and/or the SMI is sufficiently congruent with the product, but in general it benefits the firm most when the SMI has only a moderate influence on his followers.

### EXTENDED ABSTRACT

**Research Question:** The marketing literature has identified a number of factors affecting the effectiveness of an influencer marketing campaign: the influencer's *trustworthiness* and *entertainment value* (Saima and Khan 2020), his *linguistic style* and *emotional contagion* (Lee and Theokary 2021), and his influencer-consumer congruence and influencer-product congruence

(Behanche et al. 2021). As it stands, however, the literature lacks an equilibrium analysis about the strategic role of influencer marketing. This paper intends to fill the gap. We ask under what conditions influencer marketing can serve as an effective form of persuasive advertising, and how those conditions may depend on whether the firm can price discriminate between its regular customers and a social media influencer's followers.

**Summary of Findings:** Whether influencer marketing can benefit a firm depends on its costs, the SMI's congruency with the product, his influence, and the size of his followers. When the firm can distinguish its regular customers from the SMI's followers and perform price discrimination, influencer marketing benefits the firm if and only if the product is sufficiently strong and/or the SMI is sufficiently congruent with the product, but since promoting the product ex-ante may backfire on the SMI when it ex-post results in aggrieving followers, influencer marketing benefits the firm most when the SMI has only a moderate influence on his followers. When the firm must perform uniform pricing, the size of the SMI's followers becomes critical when the SMI is only moderately congruent with the product: a nano or micro influencer would hurt, but a macro or a mega influencer would help. This explains why many firms prefer to collaborate with superstar influencers.

**Statement of Key Contributions:** This paper adds to our understanding of influencer marketing in several ways. At first, it shows that with careful design influencer marketing can indeed serve as an effective form of persuasive

advertising. Second, it explains why influencer marketing can never benefit a firm with weak products. Third, it verifies that influencer marketing indeed encourages a firm to reach out and serve more consumers. Finally, it generates a formula of monetary compensation for an influencer, which varies with several factors. Commentators have argued that a one-size-fits-all payment structure cannot compensate the millions' SMIs for their work. Our result supports this view.

## **INFLUENCERS' STRATEGIC TIMING DECISIONS IN LIVESTREAM SHOPPING**

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**Keywords:** influencer marketing; timing decisions; livestream shopping; spillover effects

**Description:** The authors empirically examine the main factors in influencers' timing decisions and their subsequent impacts on show performances in the livestream shopping market.

### **EXTENDED ABSTRACT**

#### **Research Question**

Livestream shopping is a burgeoning business model that integrates online shopping with live-streaming shows, where influencers interact with their audiences and sell products. In livestream shopping, influencers face challenges in scheduling their shows due to the limited duration of shows and unique audience composition. Since the live-streaming shows are usually three to four hours, livestream shopping is considered a "condensed" retailing process that requires influencers to match the show schedules with their audiences. In addition, the audience in the show consists of both followers and spontaneous drop-by shoppers. This unique mix of audiences makes it challenging for influencers to predict future demand and schedule the shows to enhance the show performances. Despite the importance of influencers' timing decisions in livestream shopping, there is a lack of systematic understanding of the main drivers in influencers' timing decisions. Drawing upon the literature on influencer marketing and timing decisions in marketing and economics, we explore two research questions: 1) What is the impact of the main drivers (i.e., scheduling consistency, spillover effects from mega influencers, and time patterns) on influencers'

timing decisions in livestream shopping? 2) How do these main drivers affect influencers' show performances?

### **Method and Data**

We programmatically collected data about livestream shopping from a third-party analytic company that displays livestream shopping data in China. The data covers shows streamed by 398 influencers with over 1 million followers between September 6, 2021, to November 7, 2021. For each show, the dataset includes the show attributes (including the show's title, start time, end time, duration, product variety, total sales amount, and the total number of audiences). The dataset also includes the characteristics of the influencers (names, account IDs, and the number of followers each influencer has on the day of each show). The panel data is unbalanced over time because not all the influencers may stream the shows daily.

We specify two econometric models to examine our research questions. First, we use the probit model to examine the impact of main drivers on influencers' timing decisions. Then we use the fixed effects model to study the impact of main drivers on show performances. Meanwhile, we use the Heckman model to address the potential endogeneity issues.

### **Summary of Findings**

We uncover some novel findings. First, influencers care about scheduling consistency when making timing decisions. However, scheduling consistency may not improve the show performances of some influencers; For macro influencers (with 1 million to 10 million followers), scheduling consistency may even hurt their show performances. Second, influencers tend to avoid mega influencers when making timing decisions. Nevertheless, macro influencers may enhance the show performance by leveraging the spillover effects from mega influencers, who bring in audiences that may switch among different shows. Consequently, macro influencers

may gain drop-by shoppers when concurrently streaming with mega influencers. In addition, macro influencers may not necessarily stream at a time when the number of audiences is the highest.

### **Key Contributions**

This research makes several theoretical and managerial contributions. First, the current research contributes to the literature on livestream shopping by developing a theoretical framework to enhance the academic understanding of influencers' timing decisions in livestream shopping. Second, this research extends the influencer marketing literature by considering the impact of influencers' followers and drop-by shoppers, given the unique features of livestream shopping. Third, the current work contributes to the literature on timing strategies in marketing by documenting the impact of scheduling consistency, spillover effects from mega influencers, and time patterns on influencers' timing decisions.

Managerially, our study offers guidance to influencers on the impact of the main drivers on their timing decisions and show performances. Our findings indicate that there is a discrepancy between the influencers' timing decisions and their impacts on show performances, and these impacts vary based on the influencers' popularity. Hence, influencers may need to re-evaluate their current timing decisions in livestream shopping accordingly.

*\*References are available upon request.*



## **INTERACTIVE EFFECTS OF EMOJIS AND HAPTIC IMAGERY ON PROCESSING FLUENCY AND PROMOTION EVALUATION**

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**Keywords:** emojis, haptic imagery, processing fluency, promotions

**Description:** The current research investigates consumer perceptions of gesture (e.g., 👉) and object (e.g., 🍕) emojis when used as partial substitutes for text and the role of haptic imagery in social media promotional messages.

### **EXTENDED ABSTRACT**

#### **Research Question**

Drawing on the ubiquity of emojis in contemporary B2C and C2C communication, and the need for additional research on gesture and object emojis, the current research investigates how consumers perceive these overlooked emojis as partial substitutes for text in promotions on social media. Additionally, this research addresses the impact that the use of emojis as partial substitutes has on processing fluency, a substitutive capability that has largely been ignored in

extant research. Our research finds that the use of emojis as substitutes for text has an adverse effect on promotion evaluation due to the negative effect their use has on processing fluency. Further, drawing on sensory imagery literature, the current research examines the use of haptic imagery in combination with emojis to enable a sensory experience not easily communicable in a virtual space. Particularly, we find that when haptic imagery is present, processing fluency is markedly similar for communication that is composed of text or includes emojis as partial substitutes for text. These results provide important implications to social media marketers in their design of communication ensuring that they can leverage the benefits of using emojis while enabling consumers to fluently process the communication.

### **Method and Data**

Study 1 is a one-factor (Emoji usage: control vs. object vs. gesture) between-subjects design with a sample of 168 undergraduate students ( $M_{age} = 22.23$ ; 52 males, 114 females, 2 non-binary). The conditions were as follows “Buy one get one 50% off today only!”, “Buy 🍕 get 🍕 50% off today only!”, and “Buy 👉 get 👉 50% off today only!”. Participants then indicated promotion evaluation and processing fluency.

Study 2 examines the interactive effect of emoji usage and haptic imagery on processing fluency using a 3 (emoji usage: control vs. object vs. gesture) x 2 (non-haptic imagery vs. haptic imagery) between-subjects design with a sample of 288 respondents from Amazon Mechanical Turk ( $M_{age} = 33.92$ ; 191 males, 97 females). The descriptions for the non-haptic and haptic imagery conditions were “A true staple, perfect for any wardrobe” and “A comfortable fit, supersoft, and lightweight,” respectively. Following this description, the tweet contained a promotion that was either composed fully of text (control) or had emojis as partial substitutes for

text (similar to study 1) and participants indicated promotion evaluation, processing fluency, and haptic imagery (manipulation check).

### **Summary of Findings**

Study 1 shows that processing fluency is higher in the control ( $M_{\text{Control}} = 6.275$ ,  $SD_{\text{Control}} = 0.905$ ) compared to the gesture ( $M_{\text{Gesture}} = 5.789$ ,  $SD_{\text{Gesture}} = 1.215$ ;  $F(1, 106) = 5.414$ ,  $p < .05$ ) and object condition ( $M_{\text{Object}} = 5.268$ ,  $SD_{\text{Object}} = 1.429$ ;  $F(1, 111) = 18.934$ ,  $p < .001$ ), and in the gesture relative to object condition ( $F(1, 116) = 4.472$ ,  $p < .05$ ). Further, fluency mediates the relationship between emoji usage and promotion evaluation (gesture vs. object:  $b = -0.451$ ,  $SE = 0.202$ ,  $95\% \text{ CI} = [-0.868, -0.072]$ ; object vs. control:  $b = -0.933$ ,  $SE = 0.229$ ,  $95\% \text{ CI} = [-1.405, -0.511]$ ; object vs. gesture:  $b = 0.503$ ,  $SE = 0.243$ ,  $95\% \text{ CI} = [0.037, 1.001]$ ).

Study 2 shows that haptic imagery mitigates this negative effect. While the negative effect on processing fluency was present in the non-haptic condition (similar to Study 1 findings), processing fluency was similar across all three conditions in the haptic condition. This translated to support for mediation in the haptic condition when comparing the object and control conditions ( $b = -0.327$ ,  $SE = 0.124$ ,  $95\% \text{ CI} = [-0.581, -0.097]$ ) and a lack of support for mediation in the non-haptic condition.

### **Key Contributions**

The current research contributes to our understanding of gesture and object emojis, the use of emojis as substitutes for text, and the role of haptic imagery in social media communication. First, prior marketing research on emojis has focused on facial expression emojis (e.g., 😂, 😊, 😄) and as such, focuses primarily on the emotional capabilities of emojis.

Addressing this gap, the current research provides much needed insight into the way that consumers process and understand emojis used in a non-emotional context by examining gesture and object emojis. Second, while much of the existing marketing research on emojis focuses on the reinforcement capabilities of emojis (e.g., Buy one get one 50% off 😊), emojis can serve much broader communication goals that have not been properly explored such as substitution for text (e.g., Buy 🍷 get 🍷 50% off). We find that messages that include emojis as partial substitutes for text result in processing disfluency and lower promotion evaluation. Third, we find that the use of haptic imagery helps consumers imagine the feelings and textures of a focal product, thus making it easier to understand communication that includes emojis as partial substitutes for text.

**INTERACTIVE IMPACT OF EWOM MESSAGE CHARACTERISTICS ON  
ONLINE BRAND OUTCOMES: TOWARDS AN INTEGRATIVE FRAMEWORK**

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**Abstract (275 words)**

Despite growing interest in the rising popularity of electronic word of mouth (EWOM), many unanswered questions about its effects on online brand outcomes still need to be answered. This paper explores the interactive impact of message characteristics (valence, credibility and format) on online brand evaluation and engagement. We tested our hypotheses using a web-experiment with a fictitious airline brand explicitly developed as the research context to collect data from a sample of Facebook users (N=480) drawn from an online Australian consumer panel. All the participants were randomly assigned to one of 16 conditions in a 2 (EWOM message valence: positive vs. negative) x 2 (EWOM message credibility: high vs low) x 4 (message format: text, picture, audio-visual and audio) between-subjects factorial design. The data were analysed using a Confirmatory Factor Analysis (CFA) conducted with AMOS 26.0 to test the measurement model, ANOVA and Hayes' PROCESS Macro with SPSS software to test the moderated mediation model proposed in this study. We found that a positive valence has a stronger effect on brand evaluation than negative EWOM valence. Moreover, we found that the effect of message valence on online brand evaluation is significantly moderated (enhanced) by credibility. We also found significant differences in the impact of valence (but not credibility) on brand evaluation across different message formats. Finally, brand evaluation mediates the impact of message valence (but not credibility) on online brand engagement. This paper has contributed to the growing EWOM literature by introducing an integrative conceptual model. Moreover, this paper has contributed to the field of ELM theory of persuasion by forming its assumptions in a new context (Airline) in Australia using popular social media platforms.

**Key Contributions (270 words)**

This paper explores the interactive impact of EWOM message characteristics (valence and credibility) and message formats (text, picture, audio-visual and audio) on online brand evaluation and engagement. Specifically, we examine the differences in the effects of message valence (positive vs. negative) and message credibility (high vs. low) on online brand evaluation across different message formats (text, picture, audio-visual and audio). We also test if brand evaluation mediates the impact of message valence and credibility on online brand engagement. We found a positive effect of message valence on online brand evaluation that is further strengthened by credibility. We also find significant differences in the impact of valence (but not credibility) across different message formats. Finally, we also confirm the mediating role of brand evaluation in the impact of message valence (but not credibility) on online brand engagement. This paper contributes to the growing EWOM literature by introducing an integrative conceptual model (figure 1) that combines three different message characteristics (valence, credibility and format) and studies their interactive impact on two important online brand outcomes (evaluation and engagement). Our findings will provide useful theoretical insights to academic marketing researchers into the process by which social media users share EWOM with each other. In addition, our results would also provide practical knowledge about the role of message characteristics (valence, credibility and format) to social media managers as well as brand managers who aim to use EWOM by users of social media (e.g., Facebook) to promote their brands. Finally, the use of a web-experiment in this study may encourage other researchers to use this method to test cause-and-effect relationships in the EWOM field (Voorveld et al., 2018).

## **Introduction**

Social media has become a significant part of the daily communication lexicon and is described as an electronic communication channel where a broad audience can share or convey information among themselves quite easily (Borges-Tiago et al., 2019). Despite rapid growth in EWOM research in the past two decades (Lamberton & Stephen, 2016), there are still some areas on the EWOM evaluation stage that needs more research (Rosario et al., 2020), particularly with the fast-growing visual platforms (King et al., 2014). Research indicates that the message characteristics (e.g., valence and credibility) can affect the customers' perceptions, affecting their evaluations (Dillard et al., 2007; Tang et al., 2014) regarding brand image. Lim and Chung (2011) found that valence message affects individuals' assessments of products. Wathen and Burkell (2002) show that message credibility is a significant characteristic in convincing individuals. Thus, further research is required to explore the differences in the impact of the EWOM message characteristics (valence and credibility) on brand evaluation. Furthermore, with the currently available technological affordance of the developed visual platforms such as Facebook, EWOM messages can be presented in various formats other than numerical rating and textual (Rosario et al., 2020). Thus, further research is needed to explore the effects of the message formats (e.g., text, picture, audio-visual and audio) on the impact of EWOM message characteristics (e.g., valence and credibility; Gruen et al., 2006) on brand evaluation (Rosario et al., 2020). Thus, the objectives of this paper are as follows:

1. To explore the differences in the impact of EWOM message characteristics (valence and credibility) on brand evaluation.
2. To explore the moderating effect of the EWOM message formats (text, picture, audio-visual and audio) on the impact of EWOM message characteristics on brand evaluation.
3. To investigate the mediating role of brand evaluation in the interactive impact of EWOM message characteristics and format on online brand engagement

## **Background and Conceptual Model**

### ***EWOM Message Characteristics***

Word of mouth (WOM) moved into a new era in the virtual world due to the internet revolution and has received world-wide attention due to the continuous developments of new and emerging communication modes (Dellarocas, 2003). As a result, customers are now able to directly share and exchange their consumption experiences and evaluations with others through distributing EWOM without the firms' intervention, which is now a new phase in the progression of customer WOM (Hennig-Thurau et al., 2004). Typically, customers express their experiences online in different formats, such as textual or pictorial shapes, for various purposes such as sharing, revaluation or seeking online recommendations from others (Lin et al., 2012). Thus, other customers might be influenced by these published EWOM messages (Chevalier & Mayzlin, 2006). Some marketing studies consider EWOM message characteristics from the information aspect, such as the valence (e.g., negative or positive) of the EWOM messages (Luo et al., 2013; Park & Lee, 2008). For this reason, researchers have given immense attention to understanding the different facets of EWOM message characteristics (Lin, 2012), because the variations of EWOM message characteristics can have a crucial impact on customers' persuasion (Voorveld, 2019). Valence and credibility message characteristics are now discussed in more detail.

### ***EWOM Message Valence***

The information contained by EWOM can help customers create a mental image and build a trustworthy relationship with the targeted brands. Maxham and Netemeyer (2002) state that most WOM messages comprise positive or negative information. Typically, customers can now see their online friends (customers) expressing their consumption stories through positive or negative EWOM messages based on their experiences on social media platforms (Lee & Youn, 2009). In many previous studies, scholars have demonstrated that message valence (positive or negative) is a significant and discernible factor of EWOM characteristics (e.g., Lee et al., 2009; Lee & Youn, 2009; Lee et al., 2021), which plays an essential role in effecting consumers' evaluation (De Keyzer et al., 2019). However, a recent study by Simonetti and Bigne (2022) reports that EWOM message valence continues to be a complex research topic, especially on social media platforms. According to Alalwan et al. (2017), social media users (SMUs) post EWOM messages on social media platforms that comprise either positive or negative information, which appears in an electronic message form, sharing their experiences with a broad audience (Hudson et al., 2015). Those EWOM valence messages refer to an individual's positive or negative evaluation of a product or service (e.g., Filieri, 2015; RV & Varshney, 2022).

Although several past research has suggested the existence of negativity bias (Hornik et al., 2015; Lee & Koo, 2012; Tata et al., 2020) regarding the impacts of messages, indicating that negative EWOM messages have a more substantial effect on message adoption, message re-sharing, and purchase decisions because consumers consider negative information as more important than positive information. According to Lee et al. (2009), extremely negative EWOM messages can significantly affect readers' (message receivers) attitudes toward brands. Another study indicates that negative EWOM messages are valuable (Park & Nicolau, 2015). Even though the negative EWOM valence message can significantly affect consumers' purchase decisions, the positive EWOM valence message will likely generally raise the purchase percentage (Luan et al., 2022). Various scholars pointed out that another group of studies emphasised positive EWOM messages have more significant effects in different contexts (Lee et al., 2021). For instance, positive EWOM messages on the Yelp website are considered more credible and beneficial than negative EWOM messages (Pentina et al., 2018). In marketing studies, EWOM's positive messages notably affect customers' willingness to praise and recommend the brand (Lee & Youn, 2009). In the domain of hospitality and tourism research, positive messages elevate consumers' confidence levels and attitudes towards hotels (Ladhari & Michaud, 2015). In the airline context, passengers, for instance, tend to share their flight experience with airline companies by posting either positive or negative EWOM messages on Facebook (Loo, 2020). In this vein, some scholars have revealed that positive valence help mitigates customers' fears attendant in uncommon situations, which also can impact their evaluations by transmitting engaging and delightful experiences (Abubakar & Mavondo, 2014; Abbasi et al., 2022); therefore, customers might be more likely to make a high effort to evaluate the positive messages to make further steps (Melian-Gonzalez et al., 2013), such as willingness to engage with brands (Phan Tan, 2023). Accordingly, corporate marketing teams encourage customers to distribute positive EWOM messages about their brands on social media platforms, such as Facebook, because they recognise the importance of its impact on customers who utilise the Internet (Moran & Gossieaux, 2010). Thus, based on the previous studies, the impact of EWOM valence message characteristics on brand evaluation is hypothesised as follows:

*H1a: Positive EWOM message valence has a stronger effect on brand evaluation than negative EWOM message valence.*



### ***EWOM Message Credibility***

Credibility often acts synonymously with believability in the digital interaction field between customers (Lin et al., 2012). Early researchers examined credibility and found that it contains two components: trustworthiness and expertise (Hovland & Weiss, 1951). Trustworthiness refers to honesty, fairness, good intention (Fogg & Taseng, 1999), and expertise as the message sender's experience and knowledge about the products or brands. Credibility researchers described the credibility concept as a realised quality (Fogg & Taseng, 1999). Cheung et al. (2009) define message credibility as the extent to which customers consider the message to be honest, realistic, and rational. Bataineh (2015) also states that message credibility refers to the reliability of content that customers might rely on to evaluate. Others define message credibility as a customer's evaluation of the reliability of the message's content (Appelman & Sundar, 2016). Moreover, it has been pointed out that message credibility positively affects customers' attitudes toward objects (Emery et al., 2014). In addition, researchers indicate that message credibility also has an indirect influence on the message valence, positive or negative message (Kusumasondjaja et al., 2012).

### ***Brand Evaluation***

Evaluation is an essential stage among the three communication stages (creation, exposure and evaluation) that online customers (EWOM receivers) might adopt on social media platforms to express their decisions regarding brands (Kannan & Li, 2017). Brand evaluation refers to the process of evaluating what customers do in their minds by relying on the general tangible and intangible features of brands as a product and the brand as a person (Gilbert & Hewlett, 2003; Swoboda et al., 2012; Puzakova et al., 2013a, 2013b). Although the evaluation of brand would be based on various numbers of attributes tuned to especially valued brands, not surprising for most research projects, a subset of these attributes is used as the basis for evaluating the brand, such as brand image, reputation, and others' experiences (Gilbert & Hewlett, 2003). Rosario et al. (2020) show that interests, readiness, needs and willingness are the motivational items used to evaluate the EWOM message, which can be affected by the receivers' personalities (e.g., gender, age, and level of involvement; Naylor et al., 2012), and message characteristics (e.g., valence, credibility; Dillard et al., 2007; Tang et al., 2014). Moreover, EWOM opportunities are shaped by message context, such as message format, for instance, the message formats (e.g., audio-visual or textual; Park & Jeon, 2018; Risselada et al., 2018). However, many studies have investigated the persuasiveness of positive and negative EWOMs and the persuasiveness of single-sided and double-sided messages. Therefore, the current study looks at the interactive impact of message characteristics (positive, negative, neutral, etc.) on brand evaluation. Therefore, we hypothesize as follows:

*H1b: EWOM message credibility has a positive effect on brand evaluation.*

*H1c: EWOM message credibility moderates the effect of message valence on brand evaluation.*

### ***EWOM Message formats***

With the rapid development of the internet, besides the massive persistent usage of social media platforms, customers have obtained the chance to post their consumable experiences with brands by sharing them via EWOM messages. In contrast, other customers have the same opportunity to evaluate other customers' EWOM messages (Babić Rosario et al., 2020; Verma & Yadav, 2021). Buttle and Groeger (2017) have stated that the EWOM message differs from other information shapes by its interactive nature. For instance, customers can share their EWOM messages through various social media platforms (e.g., Facebook and Twitter) in

different formats, including text, picture and audio-visual (Le et al., 2023; Xu et al., 2015), and audio format (Jiang & Benbasat, 2007a). Thus, the development of social media platforms has helped customers by broadening their chances to send their EWOM messages and evaluate others' EWOM messages via various message formats (Roy et al., 2022; Webb & Roberts, 2016; Yin & Zhang, 2020). Therefore, understanding the various message formats on the positive and negative images that customers can potentially portray about the brand using EWOM is a central aspect of this study.

### ***Moderating Effect of Message Format***

A significant study has displayed that each EWOM message format can impact customers' convictions varyingly (Schweidel & Moe, 2014). In the same context, customers are vastly exposed to a high number of EWOM messages shared by other customers in different formats on social media platforms during conducting their evaluations process (Babić Rosario et al., 2020; Zhu & Zhang, 2010), which then could affect their decisions towards brands, such as their brand engagement (Filieri et al., 2021; Filieri et al., 2023). Likewise, a recent study by Xiao and his team members (2022) reported that EWOM message formats substantially influence online customers. Therefore, EWOM message formats, such as text, picture, and audio-visual, influence customers' perception of message characteristics (e.g., valence and credibility) and their convictions, eventually controlling customers' evaluation and engagement with brands (Xu et al., 2015).

As pointed out by various marketing studies related to the social media realm, message formats play a substantial role in impacting customers' evaluations of EWOM messages (Babić Rosario et al., 2020; Filieri et al., 2023; Kim & Lee, 2017b; Kim et al., 2021). In this regard, a study has stated that posting visual information (e.g., pictures or audio-visual format) has become a global phenomenon as customers and marketers display high interest in these formats (Farace et al., 2017). Furthermore, several scholars have shown that audio-visual, specifically as an EWOM message format, could have a more emotional impact on the EWOM receivers than textual (Sydnor, 2018). According to Blanco et al. (2010), the audio-visual EWOM format is more effective than the text format as it sufficiently supports and facilitates online customers' processing of messages. Likewise, researchers demonstrate that the same format (audio-visual) is more credible and effective than other formats for customers (Xu et al., 2015). Even though previous studies have demonstrated that visual formats, such as audio-visual, have a more substantial impact on customers than the textual format, however, it remains to rely on the brand nature and information requirements that customers seek during their evaluation process; consequently, researchers suggest that the message format needs to be frequently tested and assessed (Brand & Reith, 2022; Jiang & Benbasat, 2007a; Lightner & Eastman, 2002; Speier & Morris, 2003; Vessey et al., 2006).

Although, with the constant advancements in features of the visual formats in social media platforms, where customers generate, share and evaluate EWOM messages; for instance, Facebook and Twitter (Chatzipanagiotou et al., 2023; King et al., 2014), some researchers still continue to recognise the importance of the text messages that customers share daily on social media platforms via posts, comments, and tweets (Pezzuti et al., 2021). The same study has stated that the textual format is a central element of marketing communications on social media platforms, which can increase customers' brand engagement due to positive evaluation. According to Fox et al. (2018), the textual format of EWOM messages, which displays the customers' evaluations of brands on social media, is deemed the best customised, elaborated, and expressive EWOM message format for the consumption experience. Likewise, a recent study demonstrated that text message format is the most effective, straightforward (e.g., one-on-one), and non-confused format (Cadet et al., 2023). Therefore, the text message format is

the dominant standard for EWOM online (Jiang & Benbasat, 2007b), which helps online customers describe their experiences with brands (Jain et al., 2021).

Accordingly, the textual format of valence EWOM messages has a substantial impact on message receivers, especially the ones who are highly involved; the same study has fulfilled the set expectations that when customers are highly motivated towards the brand, they are willing to provide high effort during the evaluation process through implementing the central route of ELM theory (Alhumaid, 2023; Purnawirawan et al., 2015). However, customers with a low level of involvement with the brand are less motivated and affected by the text format in comparison with those with high participation; evidently, the textual format of EWOM valence messages is a significant component in triggering the customers during the evaluation process of others' responses that appear in EWOM messages (De Pelsmacker et al., 2018). Along the same lines, some studies have revealed that message credibility would significantly impact the evaluation (Baek et al., 2012; Forman et al., 2008), whereas various significant research has stated that customers consider the audio-visual format of EWOM messages more credible than other formats (Ismagilova et al., 2017; Lin et al., 2012; Xu et al., 2015).

As stated earlier, this study has utilised the ELM of persuasion theory as a theoretical foundation to explain the relationship between the proposed constructs. In further depth, the ELM assumes that customers head to implement the central route for obtaining a high elaboration or the peripheral route for getting a low elaboration (De Pelsmacker et al., 2018; Le et al., 2023; Petty & Cacioppo, 1986). In this aspect, Lazard and Atkinson (2015) have indicated that visual messages require less effort of evaluation, which is relegated to the peripheral route; on the contrary, text messages require a higher effort to be evaluated frequently by customers, using the central way of ELM (Petty & Cacioppo, 1986). Thus, this paper addresses the following hypotheses:

*H2a: The effect of EWOM message valence on brand evaluation is stronger for the text format compared to picture, Audio-visual and audio formats, respectively.*

*H2b: The impact of EWOM message credibility on brand evaluation is stronger for the Audio-visual format compared to picture, text and audio formats, respectively.*

### **Online Brand Engagement**

In recent years, marketing researchers and practitioners have focused their attention on customer engagement (Leckie et al., 2009). Since the current study mainly focuses on online brand engagement, which aligns with the research context such as social media platforms (Brodie et al., 2011; Hollebeek et al., 2014), Lin et al. (2014) describe this term as customers engagement with online brands such as cognitive, emotional, and behavioural obligations with certain brands through active relationships. For more illustration, Riley et al. (2016) describe cognitive engagement as customers' interests and awareness toward a central brand on social media platforms which may also refer to other activities such as watching the brand's videos or images. However, emotional engagement refers to how the uploaded contents by the brand on social media platforms make online customers recognise and feel about the brand and then consequently interact either positively or negatively towards that brand. Lastly, behavioural engagement manifests on online customers' activities which refers to the initial interactions by online customers such as evaluating brand's content, following or adding the brand's page or an account, posting likes, and sharing or re-sharing content on social media platforms such as Facebook and Snapchat (Khan, 2017; Riley et al., 2016).

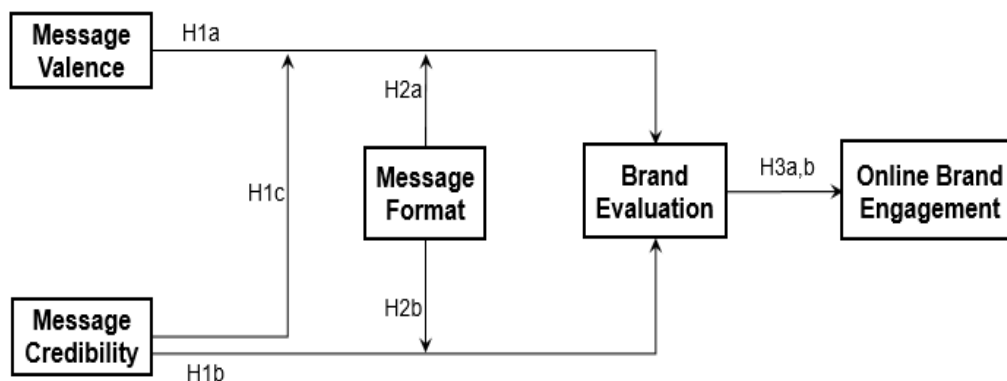
With recent technological growth and the hype surrounding the usage of social media platforms by customers, firms started working differently towards engaging customers with their online

brands (Felix et al., 2017). Ashley and Tuten (2015) also point out that it is not surprising to see some firms have relied on social media platforms' metrics as a marketing tool for their communication activities in order to realise the nature of how to reach and engage with online customers. Moreover, various studies report that more than one billion social media platform users worldwide have saliently been involved in various transformations in the last decade, such as the avenues of how customers acquire, share and evaluate information, customers' experiences, and online brand engagement (Anderson et al., 2016; Karikari et al., 2017). Therefore, it has become an imperative basis for firms to expand their understanding of how customers' participation leads to online brand engagement (Baldus et al., 2015). This could help enhance online brands' performance through the posted EWOM message evaluations (Hollebeek et al., 2014). Xun also indicates (2014) that through the massive amount of uploaded information on social media platforms, online customers are exposed to different EWOM evaluation messages which might influence their engagements with brands (Xun, 2014), and suffice to say, 40 million customers rely on EWOM evaluation messages (Chakraborty & Bhat, 2018). As a result, EWOM messages, particularly the evaluation ones, affect the development of the online customers' relationship toward brand engagement (Huang & Benyoucef, 2015). Thus, we hypothesize as follows:

*H3:* Brand evaluation mediates the effects of EWOM message a) valence and b) credibility on online brand engagement.

Figure 1 presents our conceptual model with all these hypothesized relationships.

*Figure 1: Conceptual Model*



## Methodology

We use a quantitative method by implementing a web-experiment strategy on Facebook better to understand the interactive impact of the EWOM message characteristics. We started creating a fictitious brand to employ 16 experimental conditions, 2 (EWOM message valence: positive vs. negative) x 2 (EWOM message credibility: high and low) x 4 (message formats: text, picture, audio-visual and audio), using between-subject factorial design. We then developed three manipulation checks to ensure the participants could understand and be able to recognise the designed EWOM message correctly. After that, we moved to develop a structured questionnaire adopting well-established scales to measure all the constructs shown in our conceptual model. After complete building the questionnaire, we collected the data utilising an Australian online consumer panel from Facebook users (N=480) between the age of 18 and 64. Next, we moved to test our hypotheses by utilising the SPSSA and AMOS (Venkatesh & Bala, 2013). Our findings are discussed in the next section.

## Data Analysis and Results

After confirming the success of the three manipulation checks, we conducted the two-stage approach of structural equational modelling (SEM) to analyse our data. We started to test our measurement model using confirmatory factor analysis to assess all constructs' reliability and validity. As a result, we obtained good fitness indices for our measurement model ( $\chi^2 = 1140.054$ ,  $df = 619$ ,  $\chi^2/df = 1.842$ ,  $CFI = 0.97$ ,  $RMSEA = 0.042$ ,  $SRMR = 0.039$ ). Moreover, we found that the factor loading of all scales are high ( $> 0.70$ ), and also the composite reliability (CR) are high ( $> 0.90$ ), which confirms the achievement of reliability. Furthermore, the average variance extracted (AVE) values are high ( $> 0.60$ ), which also indicates the achievement of convergent validity. Lastly, the discriminant validity was achieved too, which is based on the square roots of the AVE being greater than any inter factor correlation.

Due to the heavy dependence in this study on the experimental manipulation of the key features of EWOM messages (categorical variables: valence, credibility, and formats) and the metrics of outcomes (brand evaluation and online brand engagement), we implemented ANOVA and PROCESS Macro (Hayes et al., 2017) with SPSS software to test all the hypotheses, particularly the moderated mediation model presented in this study analyses in order to attain the objectives of this study and obtain accurate results, as shown in Table 1-3. We found a positive effect of message valence on online brand evaluation that is positively moderated (enhanced) by credibility. We also found significant differences in the impact of valence (but not credibility) on brand evaluation across different message formats. Finally, brand evaluation mediates the impact of message valence (but not credibility) on online brand engagement.

**Table 1.** The Direct Effect of EWOM Message Valence and Credibility on Brand Evaluation

Hypothesis		$\beta$	$R^2$	F	t	p	Result
H1a	PVAL $\rightarrow$ BE	.584	.343	124.699	15.745	.001	Supported
H1b	CRD $\rightarrow$ BE	.045	.343	124.699	1.220	.223	Not Supported

Note: VAL= positive valence; CRD=credibility; BE=brand evaluation;  $R^2$ : Adjusted R Squared; F: F-value;  $\beta$  = standardized beta coefficients; t: T-value; \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

**Table 2.** The Moderating Effect of Message Formats

Hypothesis	$\beta$	T value	p-value	Percentile bootstrap 95% confidence interval		Result	
				LLCI	ULCI		
H1c	.6871	2.7686	0.006	.1994	1.1748	Supported	
H2a	T	2.5181	10.220	.001	2.0340	3.0023	Supported
	P	-1.3818	-3.9508	.001	-2.0691	-.6945	
	A/V	-.3742	-1.0695	.2854	-1.0618	.3134	
	AU	-.5547	-1.5859	.1134	-1.2419	.1326	
H2a	T	.1454	.4715	.6375	-.4607	.7515	Not Supported
	P	-.1568	-.3600	.7190	-1.0128	.6992	
	A/V	.0137	.0313	.9750	-.08468	.8742	
	AU	.1955	.4489	.6537	-.6602	1.0512	

Note. T= text; P= picture; A/V= audio-visual; AU=audio; \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ ;  $\beta$  = coefficients beta

**Table 3.** *The Mediation Effects of Brand Evaluation*

H#	Hypotheses	Model 1 Direct Effect				Result
		$\beta$	T value	Percentile bootstrap 95% confidence interval		
				LLCI	ULCI	
	VAL $\rightarrow$ OBE	-.1435	-.9618	-.4366	.1496	
	CRD $\rightarrow$ OBE	.1281	1.0531	-.1109	.3672	
Model 2 Mediation Effect						
<b>H3a</b>	VAL $\rightarrow$ BE $\rightarrow$ OBE	.2601	2.624	.0211	.1191	Supported
<b>H3b</b>	CRD $\rightarrow$ BE $\rightarrow$ OBE	.0168	.8795	-.0156	.0612	Not Supported

Note.  $\beta$  = coefficients beta; VAL= valence; CRD= credibility; BE=brand evaluation; OBE=online brand engagement

### Discussion and Implications

Using a web-experiment with a fictitious airline brand on Facebook as our study context, we found that a positive valence has a stronger effect on brand evaluation than negative EWOM valence. Moreover, we found that message valence significantly moderated (enhanced) the impacts on brand evaluation by message credibility. We also found significant differences in the impact of valence (but not credibility) on brand evaluation across different message formats. Moreover, we found significant differences in the effect of valence (not credibility) on brand evaluation across message formats; the text format has the most substantial effect compared to other formats. This paper contributes to the growing EWOM literature by introducing an integrative conceptual model (figure 1) that combines three different message characteristics (valence, credibility and format) and studies their interactive impact on two crucial online brand outcomes (evaluation and engagement).

Moreover, this paper contributes to the ELM theory of persuasion field by forming its assumptions in a new context (Airline) in Australia using popular social media platforms. Our findings will provide valuable theoretical insights to academic marketing researchers into the process by which social media users share EWOM and practical knowledge about the role of message characteristics (valence, credibility and format) to social media managers and brand managers who use EWOM by users of social media (e.g., Facebook) to promote their brands. Finally, using a web-experiment in this study may encourage other researchers to use this method to test cause-and-effect relationships in the EWOM field (Voorveld et al., 2018). Future research may aim to validate our results using different message characteristics and social media platforms (e.g., YouTube, Twitter, and Instagram). Furthermore, as this study was conducted on airline brands, researchers might select to implement the same conceptual model on other brands. Moreover, EWOM research still needs more qualitative and longitudinal studies to examine this research area from different viewpoints, which can be considered (Filiari et al., 2021).

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**Investigating how consumers perceive content produced by digital influencers when the message evokes a sense of meritocracy and gender is congruent with the influencer.**

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**Keywords:** social media, digital influencers, self-esteem, gender congruence, consumer perception

**Description:** This study examines consumer perception of digital influencer posts based on message merit and gender congruence, revealing that consumers with low self-esteem show higher Instagram addiction, spending three hours daily on social media, with 35% of content consumed from influencers, and women perceiving female influencers as more deserving of happiness.

## **EXTENDED ABSTRACT**

### **Research Question**

This article aims to study the effects of social networks on a group of young people. Specifically, we want to discuss the effect of influencer marketing in social media on consumers' perception, considering their self-esteem. We first present a brief discussion on the literature regarding self-esteem and social media usage. Then we present two studies we developed to collect empirical data for our discussion. We conducted an exploratory survey and an experiment to test the impact of the message type and gender congruence (between the subject and the influencer) on the perception of messages posted on social media. Our results show that consumers spend almost three h per day accessing social media, and 35% of the content they see comes from digital influencers. More than half of consumers buy products these influencers recommend. Our results also showed that consumers with low self-esteem present a higher addiction to Instagram and a lower Narcissistic behavior than consumers with normal or high self-esteem. The message type influences whether consumers appreciate the post and the perception of merit to the influencer's achievements. Gender congruence is relevant to women that perceive female influencers as more deserving of happiness than male influencers.

### **Method and Data**

To study social media usage and the influence of digital influencers on consumers, we conducted two complementary studies: a survey and an experimental study. The survey gathered information on social media usage patterns, while the experiment employed a 2x2 between-subjects design. The design consisted of gender congruence versus incongruence and the type of message (merit versus non-merit).

For the experiment, we used different names and images of a digital influencer to represent gender congruence or incongruence. The influencer's post featured a photo in front of a Maldives beach, with a caption indicating either personal merit (self-paid trip) or non-merit (parents-funded trip). After exposure to the mockup posts, participants rated their opinions on variables such as enjoyment, interest in the content, perception of the influencer's deservingness, happiness for the influencer, and personal well-being. They also responded to trait questions related to self-esteem, narcissism, and Instagram addiction.

### **Summary of Findings**

Our study reveals that Instagram is the primary social media channel used by young consumers, with nearly three hours spent on social media daily. Interestingly, Instagram is preferred by 78% of respondents, surpassing platforms like Facebook. This contradicts previous studies that ranked Facebook higher in preference. Digital influencers on social media have a significant influence on consumer behavior, with 40.8% of respondents reporting product purchases based on their recommendations. The experimental study highlights the importance of perceived merit in influencer posts, as consumers react more positively when there is a demonstration of achievement. Female respondents also exhibit a sorority effect, feeling happier about the accomplishments of female influencers. Furthermore, consumers with low self-esteem tend to display higher social media addiction, while those with higher Instagram addiction scores are more likely to buy influencer-recommended products and exhibit narcissistic traits. These findings raise concerns about the addictive nature of social media and the intertwining relationship between Instagram addiction and narcissism.

### **Key Contributions**

This study makes two significant contributions: first, it reveals a gender congruence effect for female respondents, indicating that women perceive content differently when published by female influencers, suggesting gender as a relevant factor for brands partnering with influencers. Second, it demonstrates that messages with a sense of merit are perceived more positively, enabling brands to focus on this aspect when creating social media content. The survey findings highlight that consumers with low self-esteem show higher social media addiction and lower narcissistic behavior, with over one-third of their feed comprising content from influencers. This suggests that social media is increasingly resembling a media channel rather than a personal network, impacting marketing and branding strategies. Although based on a small, convenient sample, these results shed light on the evolving nature of social media and its implications for researchers, brands, and practitioners.

**References are available upon request.**

**Title:** Linking sponsored video customization to video shares: the moderating roles of mega influencer and brand familiarity

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**Keywords:** sponsored video, video customization, video sharing, mega influencer, video share

**Description:** This study explores two conditions that links video customization to video shares in sponsored influencer videos.

## EXTENDED ABSTRACT

**Research question:**

Sponsored influencer videos convey commercial messages through personal, organic content, often including unrelated information about the sponsoring brand (Rajaram and Manchanda, 2020). This allows influencers to customize branded content on varying degrees. Shot-out videos represent minimal customization, while dedicated videos fully immerse the influencer in the product, making the brand the video’s central focus. However, whether customized sponsored videos guarantee better outcomes remains unclear. While highly customized videos can showcase an influencer’s passion and positive relationships with the brand (Van Driel and Dumitrica, 2021), they may also raise suspicion about commercial motives, resulting in a mixed viewer responses (Cocker et al., 2021). This creates a dilemma for both brands and influencers in sponsored video marketing campaigns.

This research gap led to the first research question (RQ1): How does video customization affect sponsored video sharing—a critical performance metric in influencer marketing? In addition, sponsored video represents a new type of sponsorship-linked marketing that requires a

systematic examination of both sponsors and sponsees to optimize the sponsorship process (Cornwell and Kwon, 2020). This motivates the second research question (RQ2): How do relevant characteristics of the sponsor (i.e., brand) and the sponsee (i.e., influencer) condition the link between video customization and sharing?

### **Method and Data:**

The research setting for this study was Bilibili, a large video-sharing platform in China. The research employed purposive sampling to select sample elements based on their judgement and expertise. Data were collected from Bilibili's news feed section between January 2020 and June 2021. Three indicators were used to identify sponsored videos: influencer self-disclosure of sponsorship, platform disclosure, and the presence of a promotion code or link.

To gather variables, the researchers combined content analysis with Bilibili's API. Coders rated video customization on a six-point scale, assessed influencer type based on followers (1 million + for mega influencers), and distinguished established brands from new ones using a dummy variable. Control variables were obtained through Bilibili's API (e.g., age, gender, publication days).

Three paid coders independently coded the video content. They were trained and provided rating scale explanations. High agreement was observed among the coders, indicated by the average intra-class correlation coefficient (0.85). Intercoder reliability for categorical variables (established vs. new brand) was assessed using average kappa (0.75), indicating sufficient agreement. Negative binomial regression was used to test the proposed model.

### **Summary of Findings:**

Customizing influencer videos specifically for sponsoring brands could be a double-edged sword. On the one hand, high customization could signal an influencer's passion for

sponsoring brands and producing quality videos. On the other hand, a highly customized video may alienate audiences who follow influencers for organic rather than commercial content and might even cause brand resentment (Cocker et al., 2021). Consequently, influencers and brands face a challenging situation in which they need to leverage the customization effect of a sponsored video in different contexts to achieve efficacious results.

Drawing on the multiple inference model and the persuasion knowledge theory (Reeder et al., 2004; Campbell and Kirmani, 2000), we identify different conditions under which video customization is more or less likely to foster audience engagement, about which both influencers and brands care. Our analysis demonstrates that matching the content design strategy with the apt type of influencers (sponsees) and the appropriate type of products (sponsors) is requisite. More specifically, highly customized videos are more effective if they are made for well-established brands and high-involvement products; they are less effectual, though, if they are produced by mega and expert influencers. These findings provide concrete implications for both influencers and brands.

### **Statement of Key Contributions:**

This study makes three contributions. First, it expands the influencer marketing literature by focusing on sponsored videos, an increasingly desirable sponsored content format. Previous studies have mainly focused on image/text-based influencer marketing. This study expands our understanding of how to leverage sponsored videos as a powerful tool.

Second, it examines the impact of video customization using real-world data. While prior research suggests that blending branded and organic content in sponsored videos is effective, the specific effects of video customization as a content design strategy have been rarely explored. Analyzing 365 sponsored videos, the study finds that the impact of video customization depends

on influencer and brand-related factors. Mega influencers are less likely to generate sharing with highly customized videos, whereas well-established brands are more likely to achieve sharing with highly customized videos.

Lastly, the study provides practical guidance to influencer, brands, and video-sharing platforms. Mega influencers should consider potential backlash from highly customized videos. Brands aiming to engage customers through customization should take their establishment status into account. For video-sharing platforms, the findings offer insights on facilitating successful matches between brands and influencers.

## MOBILE CHANNEL EXPANSION: THE IMPACT OF INTRODUCING A COMPETING PLATFORM ON AN EXISTING PLATFORM

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**Keywords:** Mobile channel expansion; Platform apps; Competing platform; Adoption; Panel data model

**Description:** This paper studies the impact of adding a competing platform on the retailer’s existing platform performance.

### EXTENDED ABSTRACT

**Research Question** – To enhance visibility and boost sales revenues, restaurants strive to expand their digital presence by offering products and services through various food delivery apps. This expansion, known as mobile channel expansion (Rong, Wang, and Wu 2021). For instance, McDonald's initially partnered with Uber Eats in 2017 and later joined DoorDash in 2019 (Maze 2021). Utilizing multiple platforms grants the restaurants increased exposure and convenience for its customers. However, alongside reduced profit margins, these platforms present a challenge as they place the restaurant's offerings in close proximity to those of competitors (Ou, Zhang, and Neslin 2023). Researchers emphasize the importance of studying whether retailers should add one or more platform apps (Bang et al. 2013). Platforms presume that restaurants' mobile channel expansion as a threat and seek exclusive contracts. This was exemplified on October 8, 2021, when the Chinese government imposed a fine of over ¥3.4 billion on Meituan, China's largest food delivery app, for engaging in monopolistic practices. Consequently, a crucial question arises for both restaurants and platform apps: How does the addition of a competing platform app impact the performance of the existing platform app performance, especially in terms of new customer acquisition and sales?

**Method And Data** – We obtained a unique dataset from a fast-food restaurant chain in China, comprising 18 of its stores located in Beijing. These stores had integrated



multiple food delivery platform apps—Ele.me, Baidu, and Meituan. The chain provided us with comprehensive sales data, including offline sales and platform app sales, covering the period from each store's opening until June 30, 2016. Additionally, we were granted access to transaction records from Baidu and Meituan platform apps, which encompassed 173,537 customers' 557,127 purchase records from January 1, 2015, to June 30, 2016. Given that our analysis focuses on the store level, we aggregated the data into weekly observations for each store and platform app. We employed panel regression models to examine the impact of competing platform addition on new customer acquisition and sales of the original platform. We adopted a control function approach to address potential endogeneity issues associated with platform addition.

**Summary of Findings** – Our findings reveal that the addition of a competing platform actually has a positive impact on the original platform. The synergistic effects that result in increased new customer acquisition and sales for the existing platform. Moreover, we observe that the positive effects of introducing a competing platform on adoption and sales are stronger when the time interval between the introduction of the competing platform and the existing platform is greater. Additionally, younger stores tend to benefit more from the inclusion of a competing platform compared to older stores. Lastly, we find that expanding the mobile channel has a positive overall impact on total sales, without negatively affecting offline channel sales.

**Statement of Key Contributions** – Our research contributes to channel expansion and channel addition literature in several ways. First, we challenge channel capability theory by demonstrating that the introduction of a competing platform can actually enhance the adoption and sales of the existing platform, contrary to the substitution effect suggested by channel capability theory (Avery et al., 2012). The results suggest that retailers should consider adding multiple platform apps in order to generate synergy effects on the original platform and enhance total sales without cannibalizing offline sales. Second, while prior research on product line extension has emphasized the importance of timing (Jiang, Qu, and Jain, 2019), we investigate whether the same timing strategy applies to the introduction of a competing marketing channel. Specifically, when introducing a competing platform, we recommend an avoidance strategy, whereby the time interval between two platform app introductions is increased. Finally, managers should expand mobile channels if their stores are young, and need not be concerned that introducing the competing platform will systematically favor large stores over small ones. Our results also suggest that platform apps need not require retailers to exclusively use their platform, contrary to current practice.

## **MOBILE CONTENT: UNDERSTANDING DRIVERS OF ENGAGEMENT BY SCREEN**

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**Keywords:** mobile marketing, consumer engagement, construal level, advertising, social media

**Description:** This research explores a screen effect between mobile and PC on content effectiveness and suggests that marketers need to consider not only the differences in format (e.g. screen size) of messages but also configure content design for mobile consumption messages across screens to enhance consumer engagement.

### **EXTENDED ABSTRACT**

#### **Research Question**

Given that today’s social media platforms allow marketers to target not only consumer groups but also devices, marketers need to understand how social media consumption on mobile phones differs from PCs and thereby, how to effectively design brand messages for each device. If device customization is required, what type of message would be more effective on mobile phones? In other words, are message characteristics more effective when shown on mobile phones? These decisions impact the cost, speed, and effectiveness of marketing communications and therefore are critical for brand marketers.

While researchers have been actively exploring the impact of the use of mobile phones on communications, the extant literature offers limited insight regarding how brand

messages are consumed differently across screens as few studies adopt the message readers' perspective. By adopting a message reader's perspective rather than a message creator on message design, this research advances our understanding of how content is consumed differently across screens and explores content characteristics that are more effective on mobile phones (vs. PCs).

### **Method and Data**

A series of studies test our hypotheses on the effects of user devices on construal level and engagement with messages containing different temporal distance cues. The first three studies use lab experiments to test whether the use of mobile phones influences construal level using the scenario of product choice, to provide further support of the effects by employing/exercising different measures of construal level, and to provide evidence for the effect of device and temporal distance on engagement in the social media context proposed. Study 3a tests whether more immediate messages are more engaging when the messages are consumed via mobile phones by measuring attitudes toward the social media message. Study 3b further supports H2 using different dependent variables (i.e., share and purchase intention). In Study 4, we examine the effects in the actual social media platform using Facebook data. Finally, in Study 5, we test a moderated mediation effect using a lab experiment and examine the effect of construal levels by illustrating that construal level serves a mediating role between the user device and temporal distance.

### **Summary of Findings**

This research demonstrates that reading a message on a mobile phone leads to lower-level construals compared to reading the same message on a PC. In a series of lab experiments, we find that consumers are more likely to prefer options with more positive peripheral (vs.

central) aspects when the options were presented on mobile phones. Consistently, we also found that consumers are more likely to associate activities or messages with lower-level construals when they read messages on mobile phones. These effects are driven by differences in psychological distance inherent to different devices. Importantly, we also demonstrated that messages designed with high screen-fit, specifically mobile messages with more immediate timing, are more effective in engaging consumers on mobile phones. In the two lab experiments that manipulated temporal distance in social media posts, consumers' attitudes toward the post were higher for immediate messages when they were read on mobile phones. Furthermore, willingness to share and intention to purchase the product described in the message were higher for immediate messages on mobile phones. Analysis of actual Facebook branded posts yielded similar findings.

### **Statement of Key Contributions**

Our research contributes to the academic literature in the following ways. First, we adopt the consumer's perspective in the mobile marketing literature to study what message characteristics are consumed more effectively on mobile phones. While managers and scholars believe that communications may differ across user devices, most attention has been paid to how messages are created differently on mobile phones (vs. others). We extend the research by examining how the content not just the device design fit is critical for consumer engagement.

Second, we extend Construal Level Theory into the domain of smartphone research as the underlying mechanisms of communications across devices. Our findings regarding brand messages being construed as more concrete when consumed on a mobile phone and more proximal provide greater richness to the theory. Our empirical findings regarding consumers engaging more with proximal branded messages on mobile phones compared to PCs provide

validity to CLT in digital domains. Identifying conditionality in terms of demonstrating that immediate social media posts are more engaging under lower-level construal adds nuance to the theory in digital contexts. This finding grounded in CLT is of special relevance as prior studies in mobile geofencing studies are largely empirical exercises.

**ONLINE GENERATED-CONTENTS REINFORCE TRAVEL BEHAVIORAL INTENTION AT PRE-TRIP STAGE: TOURISTS IN VIETNAM DURING COVID-19 PANDEMIC**

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**Keywords:** Consumer-generated media (CGM), travel planning, perceived usefulness, perceived ease of use, perceived similarity, perceived enjoyment; customer intention

**Description:** This study explores the impact of influential factors on customer intention towards consumer-generated content (CGM) on social media in the tourism and hospitality industry during the COVID-19 pandemic. The key factors examined are Perceived Usefulness, Perceived Ease of Use, Perceived Similarity, and Perceived Enjoyment. Data was collected from 230 travelers in Vietnam through an online survey and analyzed using regression analysis. The findings reveal that perceived usefulness is the most influential factor, followed by perceived ease of use and perceived similarity, while perceived enjoyment has a lesser impact on travel intention through CGM. These insights have important implications for tourism reviewers, destinations, and the broader tourism sector in terms of recovery and reestablishment post-COVID-19.

**EXTENDED ABSTRACT**

In recent years, the Internet has given rise to electronic word-of-mouth (eWOM), facilitating convenient information exchange between service providers and customers. Fang, Ye, Kucukusta, and Law (2016) found that 65% of leisure travelers search for online information before deciding on travel destinations, and 69% rely on trip feedback and reviews for their choices. Park and Nicolau (2015) also emphasize the high value placed on ratings and feedback by travel-oriented users during trip planning, including online booking and accommodations (Toral, Martínez-Torres, & Gonzalez-Rodriguez, 2018). The use of user-generated content (UGC) on high-tech platforms has significantly impacted various stages of tourism activities, encompassing pre-travel, during travel, and post-travel experiences (Nezakati et al., 2015). Online sources of travel-related information are recognized as valuable resources that assist tourists in designing their travel plans and making destination decisions (Narangajavana Kaosiri et al., 2017; Varkaris & Neuhofer, 2017; Yoo & Gretzel, 2011). The tourism industry has demonstrated its pivotal role in driving economic growth and development, with over 1.5 billion international tourist arrivals worldwide in 2019, representing a 4% increase from 2018 (UNWTO, 2020). Despite the growth rate being slower than previous years, all regions experienced an increase in arrivals, with the Middle East leading at 8%, followed by Asia and the Pacific at 5%. Europe and Africa witnessed a 4% increase, surpassing the global average, while the growth in the Americas was only 2%. However, the world is currently grappling with the global COVID-19 pandemic, which has spread to 206 countries and territories. The WHO reports over 27 million COVID-19 cases and 900,000 deaths, with ongoing increases in new cases (WHO, 2020). This has led to widespread implementation of restrictions and closures in the tourism sector, including border closures, travel limitations, and disruptions in various services. Major companies in the hospitality and tourism industry have already requested substantial state aid due to reduced staff and operations (Gössling, Scott, & Hall, 2020;

VNExpress, 2020), resulting in profound impacts on the sector. While online content brings benefits, it also presents challenges. Information overload and conflicting opinions from multiple sources can create confusion for consumers (Fang et al., 2016). Furthermore, the study of the long-term effects of global pandemics on tourism survival remains limited, despite prior research on crises and their impact on the industry (Aliperti et al., 2019; Cró & Martins, 2017; Sio-Chong & So, 2020; Song et al., 2019). Additionally, while some studies have focused on COVID-19's effects on the tourism sector, very few have explored the intention and decision-making processes in travel planning through user-generated media during the outbreak. This research addresses these gaps by examining the determinants of consumer-generated media (CGM) and their impact on travel intentions during the planning process. It aims to provide insights and implications for consumers, service providers, and marketers during the COVID-19 pandemic. The study specifically focuses on identifying the key determinants of CGM towards travel intention during COVID-19 and understanding how these determinants affect travel intention in the context of Vietnam. By analyzing the changes in perception of travel-related information generated by user-generated media during the pandemic, the research sheds light on the association between CGM and behavioral travel intentions, particularly among Gen Y. It offers a novel perspective on CGM and its role in travel intentions

## **2. Literature review and hypotheses development**

### **2.1 Consumer-Generated Media (CGM) in travel**

Social media platforms provide consumers and travelers with an unprecedented opportunity to share their experiences and opinions within virtual communities. This sharing occurs through various forms of communication, including direct conversations, videos, texts, symbols, gestures, and images (Julian K Ayeh, Au, & Law, 2013). These interactions take place on media-based



platforms such as consumer review sites, social networking sites, blogs, and media sharing sites. The content generated by consumers on these platforms, known as user-generated content (UGC) or customer-generated media (CGM), has gained significant importance in the travel domain. Travelers increasingly rely on CGM social networks to gather information and support their decision-making processes (Yoo & Gretzel, 2011). Consequently, CGM websites have emerged as prominent platforms that enhance accessibility to travel information and assist in travel decision-making (Litvin, Goldsmith, & Pan, 2008). The influence of CGM, as a key component of electronic word-of-mouth (eWOM), on travel decision-making has been extensively studied, highlighting its growing impact (include relevant studies here). Overall, CGM plays a crucial role in facilitating the dissemination of travel-related information and shaping travel decisions.

## 2.2 Theoretical background and hypothesis development

### 2.2.1 Perceived usefulness

By adapting the outcomes of the Theory of Reasoned Action (Ajzen, Fishbein, & Heilbroner, 1980), the Technology Acceptance Model (TAM) proposes that individuals' perception of the usefulness and ease of use of a particular platform or system influences their attitude and behavioral intention towards its utilization. In the context of travel planning, it is crucial to understand potential travelers' attitudes and intentions to use a specific platform, such as CGM. In his work, Davis (1989b) defined perceived usefulness as "the degree to which a person believes that the use of a particular system enhances his or her work." Applied to the context of CGM, perceived usefulness represents travelers' expectations that CGM will enhance the efficiency of their travel planning process. For instance, the usefulness of CGM can be demonstrated by its ability to provide detailed information on travel plans and destination routes, as discussed by Julian

K Ayeh et al. (2013). It is hypothesized that perceived usefulness positively influences travelers' intention to use CGM for travel planning.

**H1:** Perceived usefulness towards using CGM for travel planning positively influences the behavioral intention to use it for travel planning.

### 2.2.2 Perceived ease of use

'Perceived ease of use' is another important element in predicting attitude and behavioral intention, as proposed by Davis' model. In relation to technology adoption, consumers or users are more likely to adopt a technology and engage with its performance if they perceive it to be easy to use and require minimal effort to accomplish their intended tasks. Previous scholars have validated the impact of ease of use on consumer behavioral intention within the context of TAM (J. K. Ayeh, 2015; Julian K Ayeh et al., 2013; Casalo, Flavián, & Guinalú, 2010). In the tourism context, perceived ease of use is evaluated based on individuals' belief that using content sources on the CGM platform will be effortless (Bilgihan, Barreda, Okumus, & Nusair, 2016; Chung, Han, & Joun, 2015; Ozturk, Bilgihan, Nusair, & Okumus, 2016). For example, when choosing a destination for an upcoming trip, travelers rely on the convenience of having numerous information sources accessible with just a few clicks. As a result, consumers are more likely to select among alternatives and make the best choice during their trip planning process due to the increasing convenience provided by CGM platforms. Finally, it is theoretically hypothesized that perceived ease of use positively influences travelers' intention to use CGM for travel planning.

**H2:** Perceived ease of use towards using CGM for travel planning positively influences the behavioral intention to use it for travel planning.

### 2.2.3 Homophily (Perceived similarity)

The concept of homophily refers to the degree to which certain attributes of individuals, such as age, sex, education, or lifestyle, are determined to be similar within particular groups or communities in a country (Casaló, Flavián, & Guinalfú, 2013). Moreover, the similarity of personal characteristics suggests shared norms and common interests, which most appropriately lead to the formation of expressive connections based on interpersonal attraction (Ibarra, 1992). Homophily asserts that the similarity between the source and receiver (homophily) promotes the effectiveness of communication, making it one of the fundamental principles of communication (Chan, Lam, Chow, Fong, & Law, 2017; S. Kim, Kandampully, & Bilgihan, 2018). In the context of tourism research, the findings argue that the similarity of demographic attributes also serves as a heuristic cue for evaluating the attractiveness of reviewers in advance (Simons, Berkowitz, & Moyer, 1970) and subsequently enhances perceived trustworthiness, helpfulness, and credibility (Pentina, Bailey, & Zhang, 2018). Readers may consider similarity as a threshold before deciding whether to read the review and assess the information provided. Finally, it is theoretically hypothesized that homophily positively influences travelers' intention to use CGM for travel planning.

**H3:** Homophily towards using CGM for travel planning positively influences the behavioral intention to use it for travel planning.

#### 2.2.4 Perceived enjoyment

According to the Motivation Theory proposed by Davis, Bagozzi, and Warshaw (1992), the behavior patterns of Internet users vary depending on whether their motivation is perceived as extrinsic or intrinsic. Extrinsic motivation refers to the key components that drive individuals to engage in a particular behavior when they realize relevant goals or rewards that they are seeking (Deci & Ryan, 1987). On the other hand, intrinsic motivation involves consumers' perceived

pleasure and gratification derived from engaging in the behavior itself (Julian K Ayeh et al., 2013). Intrinsic value is characterized by the perceived enjoyment associated with the use of a specific technology for its own sake, rather than the potential performance or final outcomes it may bring. The construct of "perceived enjoyment" is used to understand this intrinsic motivation and receives significant attention in various information systems, including general technology usage, Internet usage, instant messaging platforms and communities, e-learning channels, online shopping, leisure activities and environments, destination choices, and ubiquitous tour services (Y.-C. Chen, Shang, & Li, 2014; J. Kim, Ahn, & Chung, 2013; Li & Chen, 2019). Finally, it is theoretically hypothesized that perceived enjoyment positively influences travelers' intention to use CGM for travel planning.

**H4:** Perceived enjoyment towards using CGM for travel planning positively influences the behavioral intention to use it for travel planning.

### **3. Methodology**

#### 3.1 Data collection and sampling

The study includes both domestic and foreign travelers residing in Vietnam for at least a year. The foreign category is relevant due to the increasing number of international trips and tourists in Asia, particularly in Vietnam. The study also incorporates domestic travel planners to capture the comprehensive impact of the COVID-19 outbreak and travel restrictions. Participants are internet users who are familiar with technology, online platforms, devices, and social media. They possess knowledge of travel products, have a higher education level, stable living standards, and engage with social networking sites like Facebook and YouTube. Participants demonstrate a strong interest in travel, a desire to explore local experiences, and have formulated or intend to create travel plans based on online reviews and feedback. The questionnaires included an initial screening

test with closed-ended and open-ended questions. Online surveys using a Google form were distributed through popular social networking sites like Facebook. Convenience sampling was used to gather respondents based on availability and accessibility. A total of 256 questionnaires were completed, with 230 valid questionnaires available for hypothesis testing after excluding 26 unsuitable responses.

### 3.2 Measures

The questionnaire in this study was adapted from a previous paper that investigated the intention towards consumer-generated media (CGM) for travel planning. It included constructs such as perceived usefulness, perceived ease of use, perceived enjoyment, and homophily (Julian K Ayeh et al., 2013). Established constructs from information systems, comprehensive communication, and marketing were incorporated into the questionnaire (Davis, 1989a; Kleijnen, Lievens, de Ruyter, & Wetzels, 2009; Ohanian, 1991). The questionnaire mainly consisted of closed-ended questions, utilizing a 5-point Likert scale to measure responses. The target participants were tourists residing in Vietnam who were online users and interactive travelers, including both domestic and foreign individuals. To ensure accuracy, the questionnaire was initially prepared in English and then translated into Vietnamese. A pilot test involving 20 CGM users was conducted to address any potential issues after translation. Based on the pilot test results, adjustments were made to the screening questions and certain statements within the constructs. A revision step was taken to enhance measurement quality and remove any ambiguous or redundant items. The final version of the questionnaire was clear and ready for implementation.

### 3.2 Data analysis

Scale reliability refers to the consistency of measurement results. In this study, the Cronbach's alpha values for all constructs exceeded the threshold of 0.6, indicating well-designed

measurement scales. The reliability levels ranged from 0.869 to 0.913, demonstrating high reliability. The Cronbach's alpha value for Travel intention was 0.926, indicating strong reliability. The Corrected Item-Total Correlation values supported the acceptance of customer intention for travel planning. The factor analysis accounted for a cumulative Total Variance Explained of 72.190% and 73.712% after eliminating an unsuitable variable. All variables related to Travel intention had factor loadings greater than 0.5, confirming their retention and grouping. Positive and moderate correlations were found between Travel Intention and Perceived usefulness, Perceived ease of use, Homophily, and Perceived enjoyment. Perceived usefulness had the highest Beta value, indicating the strongest impact on the dependent variable. All four independent variables had significant impacts, but Perceived Enjoyment was excluded due to multicollinearity. After removing the variable and conducting the regression test again, three components remained without multicollinearity. The Beta values for these components were 0.452, 0.258, and 0.184, respectively. The regression equation is as follows:

$$\textit{Travel intention through CGM} = 0.079 + 0.497*\textit{Perceived usefulness} + 0.289*\textit{Perceived ease of use} + 0.197*\textit{Homophily}$$

#### 4. Findings

Among the valid respondents, 42.2% were female (f = 97) and 57.8% were male (M = 133). The majority of respondents were aged 18-25 (83.9%), followed by 26-33 (11.3%) and over 33 (4.8%). Regarding education level, 78.7% held a bachelor's degree, 8.3% had a graduate degree, and 13% had other degrees. Respondents had diverse income levels and varied frequency of travel. Most travel partners were friends (72.2%). A significant percentage of respondents reported frequent use of social media. The internal consistency among the items within each construct was high. Perceived Enjoyment 1 (PE1) was eliminated from the model, and all other indicators showed a

strong association with the latent variable. Perceived usefulness was the most important predictor, followed by perceived ease of use and perceived similarity or homophily. The hypothesized relationships between perceived usefulness, perceived ease of use, perceived similarity or homophily, and behavioral intention were supported. However, the relationship between perceived enjoyment and behavioral intention was not supported.

## 6. Discussion

The coronavirus outbreak has greatly affected the hospitality and tourism sectors worldwide, leading to a reliance on consumer-generated media (CGM) for travel planning. This study investigates the factors influencing the intention to use CGM during the crisis and explores the impact of CGM sources on prospective tourists' perceptions and travel intentions. The study collected data from 250 participants familiar with social media content, revealing that perceived usefulness, perceived ease of use, homophily, and perceived enjoyment have a positive effect on the intention to use CGM for travel planning, with perceived usefulness being the most significant factor. The ease of use of CGM significantly facilitates travelers' intention to use it during the COVID-19 outbreak. Homophily also plays a crucial role in influencing travelers' intention to obtain and use information from social media for travel planning. The study found no significant gender differences in the use of CGM for travel planning, but age, income, and occupation were identified as significant factors. These findings align with previous research on technology acceptance and highlight the importance of usefulness and ease of use in shaping consumer behavior. The study identifies several consumer patterns during the travel planning process amid the ongoing pandemic. Perceived usefulness is crucial for information seekers who prioritize relevant and up-to-date content about destinations, attractions, and travel-related factors. Ease of use emphasizes the importance of user-friendly navigation and convenience in accessing and

evaluating CGM content. Homophily plays a significant role in engaging users with CGM by providing a sense of satisfaction through shared interests, attitudes, and concerns. In conclusion, the COVID-19 outbreak has increased reliance on CGM for travel planning. Perceived usefulness, ease of use, and homophily are key factors influencing the intention to use CGM. Understanding these consumer patterns can assist industry stakeholders in adapting their strategies to effectively leverage CGM platforms, provide valuable information, and meet travelers' needs during the pandemic and beyond.

## 6. Implications

This study contributes to our understanding of ICT adoption in tourism through Consumer-Generated Media (CGM). It confirms the significance of perceived usefulness, perceived ease of use, and homophily in predicting travelers' intention to use CGM during crisis situations. It highlights the importance of considering consumers' perception of usefulness derived from previous travelers' information. The study also emphasizes the relationship between ease of use and travel intention, especially in the context of the COVID-19 pandemic. Homophily is found to be essential for effective communication and decision-making. The findings provide valuable insights for consumer decision-making during the pandemic and lay the foundation for future research on crisis events. From a practical standpoint, the study has implications for CGM business providers and managers to enhance the credibility and quality of generated content. It emphasizes the importance of readily available COVID-19 travel information and recommendations. Marketers, travel agents, and practitioners can benefit from understanding consumer behavior and adapt their strategies accordingly. The study emphasizes the need for strategic advertising and communication during the pandemic and emphasizes the importance of providing up-to-date



information for trip preparation. Lastly, CGM platform managers should leverage online activities to improve hospitality and tourism experiences.

#### 7. Limitations and Future research

While the study has yielded positive results, it is important to address its limitations and explore potential research opportunities. The findings are based on a sample from Vietnam, limiting the generalizability of the conclusions. Future studies should include participants from diverse backgrounds and regions to enhance the applicability within the hospitality and tourism sector. Additionally, the study focuses on the specific context of the global pandemic, with varying situations and prevention methods across regions. To capture a comprehensive perspective, future research should modify content and questionnaires to account for the widespread impact of the pandemic. Furthermore, the study primarily considers general travelers seeking online information, neglecting content-driven predictors that influence attitudes, behavioral changes, and consumer decision-making. Researchers should develop frameworks to better understand customer desires in the virtual world, as travelers are attracted to sources that offer diverse aspects of destinations, objects, and real-time events.

References are available upon request.

**RAPPORT DEVELOPMENT IN ONLINE CHANNELS: A DYADIC  
CUSTOMER/SERVICE EMPLOYEE PERSPECTIVE**

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**Keywords:** Dyadic, Online, Netnography, Rapport, Service encounter

**Description:** The paper proposes an Online Rapport Framework (ORF), which is the first comprehensive assessment of rapport development as a holistic process in the online channel that accounts for the reciprocal, dyadic nature of the concept.

**EXTENDED ABSTRACT**

**Research Question**

This paper addresses two main gaps in extant literature. First, prior research addresses rapport in offline channels; that is retail stores and call centers. No prior work has considered rapport in online channels, which is surprising given the growing importance of online channels for service encounters. Moreover, there is evidence that online service encounters are becoming the preference of many customers, with this trend magnified by the recent Covid-19 pandemic that limited most face-to-face service encounters. Second, prior research mainly

investigates rapport-building behaviors and outcomes from the customer's perspective, even though rapport is a dyadic concept that captures the perspectives of both interacting parties. Thus, it is a customer's perception of what rapport is, how it develops, and how it affects service encounters that have been dominant in the conceptualization and understanding of the concept. Addressing the perspective of service employees as well as customers is likely to provide a more complete picture of rapport and recognize the pivotal role service employees have in developing customer relationships. This paper's main research question is *How are online rapport-building behaviors initiated by service employees and by customers?*

### **Method and Data**

We undertook a netnographic exploration of online service encounters to further understand rapport development from both customer and service employee perspectives. We followed a passive, covert netnographic approach and adopted the role of 'lurker' by remaining silent and reading public exchanges as a member of the social media platform's wider audience. Data collection was through the analysis of direct exchanges between customers and service employees on Twitter. Twelve service companies that are leading exponents of online interactivity on Twitter were identified from six service sectors (hotels, transportation, restaurants, retail, telecom services, and banking). The total number of conversations used was 600, with about 2,750 tweets being analyzed. We collected not only textual conversations, but also pictures, videos, animations, and paralinguistic cues (e.g., emojis) embedded within the tweets to get a more accurate picture of how rapport can be established in online service encounters. Data analysis was thematic and involved the identification of themes that are judged as important for the proper understanding of the phenomenon under study. Data was coded and re-coded (using both deductive and inductive coding methods),

and categories emerged after the codes were connected and revisited several times before the final themes were uncovered.

### **Summary of findings**

Thematic analysis of customer-employee dyadic interactions on Twitter has resulted in the emergence of ten themes of rapport-building behaviors (six service employee-initiated and four customer-initiated). Service employee-initiated behaviors encompass three that are new to the online channel, ‘emojional contagion’, ‘interjections’, ‘tools of wider engagement’, as well as three that have been adapted from offline channels, ‘netspeak lingo’, ‘use of humor’, and ‘expressive speech acts’. Customer-initiated behaviors encompass three new ones to the online channel, ‘capturing the moment’, ‘graphics interchange formats’ (GIFs), ‘anthropomorphism’, as well as one that builds on rapport in offline channels, ‘proactive self-disclosure’.

### **Key Contributions**

This research contributes to the growing body of literature on rapport development during service encounters. It is the first study to consider rapport in the online channel despite the growing prevalence of this channel as a means of communication between customers and firms. The study introduces the Online Rapport Framework (ORF), which portrays two sets of online rapport-building behaviors, one initiated by service employees and the other by customers. The ORF is the first comprehensive assessment of rapport development as a holistic process that accounts for the reciprocal, dyadic nature of the concept in the online channel. The framework demonstrates how rapport can develop quickly between customers

and service employees despite the absence of key social cues (e.g., facial expressions, vocal tones). This research applies to firms seeking to develop rapport with their customers during service encounters to create a competitive advantage. It focuses on online channels, which have become important over recent years with the growth of customer/firm communication over social media platforms. The rapport-building behaviors identified in this study can be used to help service employees to improve service encounters and ultimately customer relationships.

## **THE REGIONAL DIFFERENCES IN INFLUENTIAL TWEETS DURING THE COVID-19 PANDEMIC**

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Keywords: retweets; influencers; Covid-19; sentiment analysis; topic modelling.

Description: Our study aims to investigate regional differences in most influential tweets during the early stage of the COVID-19 pandemic, by examining who authored the most influential tweets, and what content features were associated with a higher number of retweets.

## EXTENDED ABSTRACT

### Research Question

Since the Covid-19 pandemic started, a growing number of researchers across the world have endeavored to find how and what information was disseminated via Twitter during the pandemic, especially the early stage of the pandemic. With 500 million tweets sent each day, Twitter has become an important platform for information dissemination.

Variability across regional Twitter influencers could evolve into significant regional differences in online information. These nuances at regional levels must be appreciated in devising effective public health campaigns. However, there is scarce research on regional differences in influential tweets during the Covid 19 pandemic. To fill this gap, our study aims to investigate regional differences in most influential tweets during the early stage of the COVID-19 pandemic, by examining who authored the most influential tweets, and what content features were associated with a higher number of retweets. Specifically, we aim at answering the following research questions:

R1: Were there any regional differences in the content metrics (measured in emotion, sentiment and topics) of the most influential tweets during the early COVID-19 pandemic?

R2: Were there any regional differences in the relationships between the content metrics of tweets and retweeting during the early COVID-19 pandemic?

### Method and Data

Our study focused on the two largest cities in California: Los Angeles and San Diego. The data collection period spanned from March 17th to April 11th, 2020. During this time, we collected a

total of 7,396,122 tweets from users in Los Angeles and 842,806 tweets from users in San Diego. We chose the top 5000 most retweeted tweets of both cities.

We used LDA topic modeling to create topic metrics in Python 3.0. We used two categories in the LIWC dictionary-Negative Emotion and Positive Emotion – to generate the frequency of emotional words in tweets. Using VADER sentiment analysis, we generated a sentiment score for each tweet. We calculated the count of new tweets posted each day for each topic. We used Pearson's correlation coefficient to evaluate the correlation between the number of retweets of each tweet, the VADER sentiment score of each tweet, and probability distribution of topics in each tweet. We then constructed a multiple regression model for each city with the number of retweets as the dependent variable and its correlated variables as independent variables.

## **Summary of Findings**

### ***Regional differences in the content of influential tweets(R1)***

Users in LA used more words relevant to their own positive feelings, whereas users in SD used more words relevant to their positive actions for others. LA users had more polarized tweets, while SD users had more neutral tweets. Topic trends shifted over time. Overall, SD's topic volumes had less fluctuation than LA over time. For SD, topics in the news report category were popular throughout the entire sampling period. In contrast, LA's topics exhibited a different pattern. LA's tweets expressed opinions on the Trump administration and the White House in the early days and then on the presidential briefing during the middle and late days.

### ***Regional differences in the relationship between retweeting and content metrics (R2)***

Our findings show that the relationships between retweeting and content metrics of tweets varied across two regions. First, the impact of topic metrics on the number of retweets in LA



was stronger than that in SD. Second, our study finds that sentiment was negatively associated with the number of retweets in SD and it had no association with the number of retweets in LA.

### **Contribution**

Our study examines regional differences in the most influential tweets about Covid-19 during the early stage of the Covid-19 pandemic. The content attributes of each tweet were measured by its emotion, sentiment and topics. Accordingly, regional differences in the content of influential tweets (R1) were revealed, and the relationships between the influence and content of tweets (R2) were identified. This study has important implications for public health practitioners and policymakers on citizen engagement and information dissemination via social media. Social media especially Twitter has become a major news source for American Internet users. Our study shows that during a public health outbreak, users in different regions could be influenced by different types of local influencers, and retweet tweets with different topics and different levels of sentiment. Our findings urge public health practitioners and policymakers to investigate local influencers, topics, and sentiment as reflected in geo-tagged tweets and establish strategies on how to collaborate with those local influencers to disseminate credible information on health issues, and engage users in a more effective way.

## **RESTARTING TRAVEL AFTER COVID-19: VIDEO MARKETING AND THE FLOW EXPERIENCE**

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**Keywords:** Video marketing, Flow experience, Elaboration likelihood model,  
Information adoption

**Description:** This study investigates the influence mechanism of central and peripheral  
routes in the information adoption process of short-form travel videos (STVs), as well  
as the impact of information adoption on tourists' travel intention.

### **EXTENDED ABSTRACT**

#### **Research Question**

Many studies have found that the ongoing impact of the pandemic has changed the way  
people search for and access travel information. Especially, all the major social  
networking platforms have added short video functions (e.g., YouTube Shorts,

Instagram Reels, Facebook Watch). Short-form travel videos (STVs) on social media now play an increasingly important role.

So, to understand how STV information is adopted on social media, our study used the elaboration likelihood model (Petty & Cacioppo, 1986) to refine existing research models, and establish a dual-process model for informational influence and flow experience. We also introduced the key factors of the characteristics of STV content and information needs.

Our study attempted to answer the following research questions:

RQ1: How do tourists process the information provided by STVs?

RQ2: Can the ELM be used to examine the travel intention process of STVs users?

What is the role of flow experience in this process?

RQ3: What do marketers need to be aware of when using STVs for destination marketing post-COVID?

### **Method and Data**

We conducted our study in China with Chinese respondents who viewed STVs on TikTok (known as Douyin in China) in 2022-2023. In January and February 2023, two questionnaires were distributed with the help of professional research firm Credamo. After 15 days of data collection, 398 valid responses were obtained from 489 Chinese people.

Measurement items were developed from existing literature using a seven-point Likert scale (1 = strongly disagree; 7 = strongly agree). Because the original questionnaire

items were in English, all items in the Chinese version were checked for accuracy by professionals proficient in English and Chinese (including native speakers). Moreover, the measurement and structural models were evaluated via SmartPLS (version 4.0.8.7), using the PLS algorithm and bootstrapping (5,000 subsamples).

### **Summary of Findings**

Our findings showed that flow experience was positively influenced by the factors of escapism, inspiration, and visual attractiveness. Flow experience was found to have a direct impact on information usefulness and adoption, as well as an indirect impact on travel intention. In contrast to the ELM based on traditional information processing, we found that the central and peripheral routes were not independent of each other in the context of STVs adoption. These findings highlight the importance of flow experience in the information adoption process of STVs.

We also found that information needs had opposing moderating effects on the central and peripheral routes. The level of elaborate likelihood determined the user's information adoption process. In other words, users were more likely to adopt information according to the central route under the higher information needs condition.

In contrast, users were more likely to adopt information and be motivated to travel according to the peripheral route under the lower information needs condition.

In addition, we found that information adoption had a significant positive effect on travel intention, and played a mediating role between the influence processes (information usefulness and flow experience) and travel intention.

## **Key Contributions**

This study extended the elaboration likelihood model (ELM) to the field of short-form travel video in destination marketing, and bridged an important gap in existing research around how STV information is processed.

Given the ongoing COVID-19 pandemic and the uncertainty of tourism recovery, these findings lead to valuable recommendations for tourism marketers. The usefulness of information was shown to be the most important aspect of STV content creation for destination marketing. We also discovered that a multi-method strategy is required to create a flow experience for STVs. For example, the influence factors related to flow experience (such as visual attractiveness, escapism, and inspiration) can be enhanced through film techniques, storytelling, and technological means. To make STV content more impactful, marketers need to implement precision marketing on social media and deliver different STVs with specific features to potential tourists who may have different information needs.

Furthermore, destination marketers also need to develop different STV marketing strategies depending on the type of travel (e.g., domestic or international, high-cost or low-cost). This is because the information adoption routes differ depending on the level of uncertainty involved.

***References are available upon request.***

**RIDE TO ESCAPE THE SMOG: THE IMPACT OF AIR POLLUTION ON BIKE-SHARING BEHAVIOR**

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**Keywords:** air pollution; bike-sharing behavior; air quality; sharing economy

**Description:** This paper investigates the relationship between air pollution and user’s choice on transport consume behavior.

**EXTENDED ABSTRACT**

**Research Question**

Air pollution has become a vital environmental issue that concerns every individual around the world. Apart from discussing impact on individuals’ health, numerous studies have investigated the effect of air pollution on consumers’ decision-making behaviors. Recent research has explored the effect of air pollution on consumers’ transportation consumption decisions (Liu et al., 2022), such as transportation destinations (Zivin and Neidell, 2009), mode to environmental-friendly choices (Mir et al. 2016) and vehicle consumptions (Liu, Ouyang and Cheng, 2019). However, these findings were unable to indicate the consumers’ actual transportation decisions when

totally exposure to air pollution because these studies have primarily adopted psychological experiment or survey method. In this paper, we primarily focus on the effect of air pollution on consumers' bike-sharing usage behavior. Further, in this paper, we also discuss time, geographic and demographic factors as moderators of the relationship.

### **Method and Data**

The data of this paper comes from multiple datasets. First, the bike-sharing data adopted in this study are collected from Mobike, a Chinese giant bike-sharing company since 2016, which allowed the registered users to ride the Mobikes and park at any destinations instead of designated parking spots. The riding data used in this paper is origin-destination (OD) data, which means we can capture the specific latitude and longitude data of each ride. The time period of the bike-sharing data rang from October 31st, 2016 to January 31st, 2017 in Beijing, China. Moreover, in order to get the specific location in real community, we collected the data from Baidu Map API. Second, referring to the air quality, this paper use PM 2.5 index to measure the air pollution (Colmer et al. 2020). In this paper, the independent variable, ride, is attributes data, which presents the total ride record amount of each day for an individual. Therefore, referring to the framework of Cameron et al. (2013), we choose the negative binomial regression model to test the data, which can solve the overdispersion problem.

### **Summary of Findings**

The main conclusions of this study are summarized as follows. First, the air pollution has a significant impact on consumer's riding behavior. More detail, on average, if the PM 2.5 increase 100, the riding amount would increase 10% accordingly. We suggest that one possible underlying mechanism is that consumer want to escape from the outdoor air pollution context and thus choose the fast transportation to get away according to PADM theory (Goodman and Cheshire, 2014). The robustness test also supports the main effect. Second, we test the time heterogeneity, geographic heterogeneity and demographic heterogeneity, respectively. The findings figured out that the effect of air pollution on consumer's bike-sharing behavior is stronger when (1) it is on weekdays; (2) the ride's origin or destination is subway and (3) the rider is a male. Third, beyond that, we also find the control variables (i.e., temperature, holiday, weather) can affect the relationship between air pollution and consumer's bike-sharing behavior to some extent.

### **Statement of Key Contributions**

The main contributions of this paper are two-fold. First, academically, the findings in this paper extends the understanding of consumer behavior in air pollution context. Although prior research has emphasized the impact of air pollution on consumers' health, psychology and even transportation decisions (Agarwal et al., 2021), few has discussed the feature of bike-sharing as an emerging transportation mode. This study derived knowledge regarding how air pollution influence consumers' bike-sharing



behaviors. Besides, our research enriches the transportation literature. Although prior research has discussed the factors that influence bike-sharing behavior (Shaheen et al., 2013; Xing et al., 2020), few of them has discussed air pollution as an antecedents of consumers' bike-sharing behavior. In addition, the data from past research has been primarily collected from experiment or survey method, while this paper benefited from the OD and POI data and reveals consumers' actual decision-making behavior when exposure to air pollution. Second, practical, we provide meaningfully managerial suggestion for bike-sharing and related environmental-friendly firms to optimize the market supply and promotion strategies according to the air condition.

### **Acknowledgements**

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## **Social media presence, psychological well-being, and influencer marketing: motivations, processes, and outcomes**

### **Statement of key contributions**

Today, influencer marketing is perceived as one of the most powerful marketing channels (Tanwar et al., 2022) and has been quite extensively studied in the context of consumer behavior. However, previous studies mainly explored how influencer marketing affects purchase intention and actual purchase behavior (Alalwan, 2018; Hutter, et al., 2013; Balakrishnan, et al., 2014). At the same time, research that examines SMIs' presence on social media and their psychological well-being has been very limited.

This study aims to address this research gap by interviewing SMIs with at least 40,000 followers on Instagram to understand how their social media presence influences their well-being, and how this subsequently affects their performance as influencers. This research makes two contributions: (a) it adds to the existing literature on influencer marketing and (b) sheds light on some important managerial implications for marketing managers and agencies that manage brand-influencer relationships.

From a theoretical point of view, the findings suggest that the enablers of SMIs' social media presence are social capital, a sense of autonomy, and competence. Also, it shows that social media presence affects SMIs' psychological well-being both positively and negatively. Also, the findings show that there is a link between SMIs' psychological well-being and their performance regarding SMI-brand fit, relatedness to the audience, and self-presentation.

From the managerial point of view, this study provides useful information for agencies that want to provide support to the influencers they manage. The findings reveal the dark side of social media and how it affects SMIs' psychological well-being, which is important for brands and agencies when establishing relationships with SMIs. Finally, this study indicates the consequences of psychological well-being on SMIs' performance. These findings can be applied when matching influencers with brands for their campaigns.

## Extended abstract

**Introduction.** Today, influencer marketing is one of the most important marketing channels with the global influencer marketing industry valued at a record 16.4 billion U.S. dollars (Statista, 2022). Over the last few years, influencer marketing has been analyzed quite extensively in relation to purchasing behavior (e.g., Martínez-López et al., 2020; Trivedi, Sama, 2020; Lou, Yuan, 2019). Previous research has also investigated the relationship between the use of social media marketing and consumer well-being (e.g., Mundel et al., 2022, Kemp et al., 2022). However, influencers as endorsers themselves and their psychological well-being have received little attention in research. A 2019 study where 2,000 parents in the UK with at least one child aged 11-16, revealed that SMI was indicated as the top second profession their children would like to pursue as a career, only topped by doctors (Skeldon, 2019). While influencing as a career is considered an attractive profession by youth, a recent study shows that 47% of Instagram influencers admit that their career choice to become influencers negatively affects their mental health and 67% feel that the word “influencer” is perceived negatively (inzpire.me, 2019). To date, this is one of the very few non-academic studies that have analyzed how influencers’ presence on social media affects their psychological well-being. The current study aims to provide further insight into influencer marketing from SMIs’ psychological well-being perspective and how it is linked with their performance.

The extended use of technology can affect everyone and can result in higher stress levels and distraction (Brooks, 2015). Given that technology is the foundation of social media, it means that extended use of social media can lead to higher levels of stress and well-being in general (Brooks, 2015; Baym, Boyd, 2021). Influencers are particularly exposed to this risk given that social media are often the main source of their income and the medium they spend a lot of time on. Influencers use social media to build a connection with their followers which later helps them to promote products and influence the purchase decision of their followers. If their psychological well-being is affected, it can affect the way they promote products and the connection they build with various stakeholders.

In this study, we examine the motivations, processes, and outcomes of SMIs' presence on social media. There are three research questions that this study aims to address:

**RQ1:** What are the motivational factors that drive SMIs' social media presence on social media?

**RQ2:** How does social media presence affect SMIs' psychological well-being?

**RQ3:** What is the link between SMIs' psychological well-being and influencers' marketing performance?

**Methodology.** To answer the questions of this research study, we made use of interviews as our main research method. This qualitative approach allowed us to discover variables instead of testing them and leads to a better understanding of the phenomenon of SMIs as it brought the details and the depth of the topic (Corbin & Strauss, 2008).

Fourteen Instagram influencers in Lithuania were interviewed. At the time of data collection, the number of followers they had ranged from 40,000 to 280,000. Most of the interviewees were female (71%). The key characteristics of the interviewees are provided in Table 1. To recruit interviewees, we used purposive sampling as the primary strategy followed by snowball sampling. The interviews were conducted either face-to-face or using video conferencing platforms such as Teams or Google Meet. The duration of the interviews ranged from 32 to 104 minutes and took place between November 10 and December 7, 2022. The interview process stopped after reaching a saturation point (Corbin & Strauss, 2008). To interpret and analyze the data we employed the grounded theory approach (Glaser & Strauss, 1967).

**Results.** Four categories came out of the interviews: (a) SMIs' motivation to be present on social media, (b) factors enabling the SMIs' to present themselves on social media, (c) the effects of SMIs' social media presence on well-being, and (d) effects of well-being on SMIs' performance. The key findings of this study are summarized in Figure 1.

First, this qualitative research found that the motivation for SMIs to be present on social media was driven by the influencer's intrinsic and extrinsic motivation. Intrinsic motivation included

such factors as self-actualization, socialization, and perceived connectedness, whereas extrinsic motivation – monetary incentives and the need for achievement. Interestingly, the majority of SMIs started being active on social media while being driven by intrinsic factors and extrinsic motivation became important only later.

Second, the results furthermore showed that the influencers' presence on social media was enabled by three key factors: social capital (i.e., the value derived from positive connections between people), sense of autonomy (i.e., being free to act and behave in self-determined ways), and competence (i.e., being able to do what one is good at). For example, with regard to the factor autonomy, interviewee 3 shared that “the more freedom influencers have when implementing different projects, the better are the results”.

Third, the respondents indicated that being present on social media affects their well-being in positive as well as negative ways. For example, interviewee 1 indicated one of the dark sides of social media, “if I could turn back time, I wouldn't show my kids on social media. Now they are recognized on streets. At the same time, they are part of my social media presence”.

Finally, the findings give insight into the consequences of SMIs' well-being on their performance as influencers. SMI's well-being turned out to affect three areas of performance: clients-, the audience- and self-related performance. For instance, interviewee 11 shared that her psychological well-being affected the choice of product she advertised, “at that point of time, I was going through a breakup. It was a tough time for me, but at the same time, I wanted to show confidence, so I agreed to promote a lingerie brand”.

**Conclusions.** What is the effect of social media presence on SMIs well-being, and how does that affect their performance? Using qualitative methods, we aimed to address this question. We found that SMIs' social media presence affected their well-being and performance in both positive and negative ways, the latter being more evident regarding well-being.

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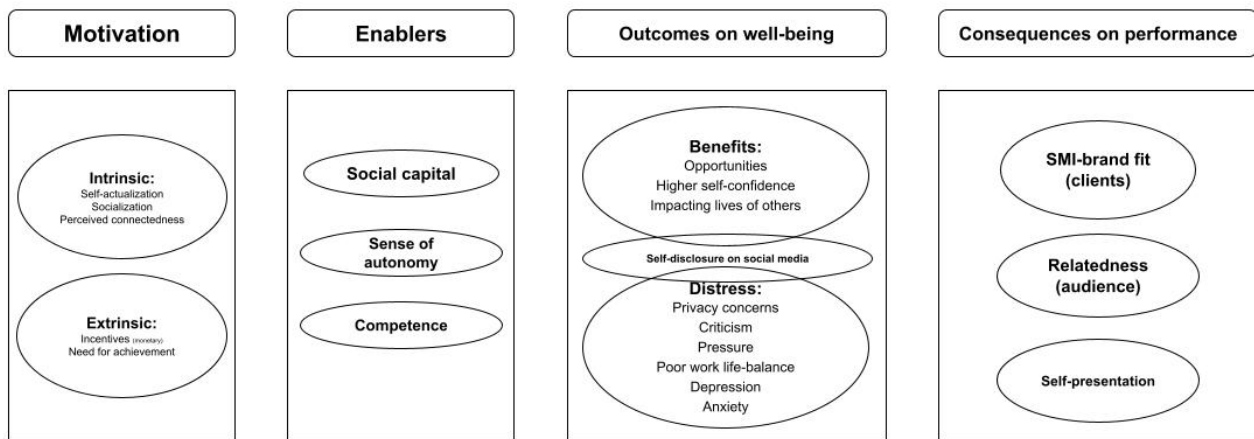
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**Figure 1.** The key findings of the study.



Note: created by the authors.



**Table 1.** Interviewee characteristics.

No.	Sex	No. of followers*	Primary areas of expertise	Do they sell their own product or service?	Age
I1	F	207K	Lifestyle, motherhood	N	30-35
I2	F	83.5K	Lifestyle, fashion	N	40-45
I3	F	43.1K	Fashion, lifestyle	Y	30-34
I4	M	178K	Travel, lifestyle	N	35-40
I5	F	60.6K	Lifestyle	N	20-25
I6	F	54.9K	Lifestyle	N	20-25
I7	F	47.3K	Food, lifestyle	Y	25-30
I8	M	36.9K	Social projects, music	Y	40-45
I9	F	55.3K	Lifestyle	Y	35-40
I10	F	34.4K	Fashion, lifestyle	Y	40-45
I11	F	36.8K	Fashion	N	20-25
I12	F	117K	Lifestyle, psychology	Y	30-35
I13	M	277K	Music	Y	35-40
I14	M	47.2K	Comedy	Y	30-35

\*At the time of collecting data

Note: created by the authors.

## THE DARK SIDE OF SOCIAL MEDIA: FEAR OF MISSION OUT

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**Keywords:** Fear of missing out, FOMO, social media, dark side

**Description:** Conceptual Paper

### ABSTRACT

This conceptual paper explores the dark side of social media by examining the phenomenon of "Fear of Missing Out" (FOMO) through a thematic literature review. It maps the antecedents and consequences of FOMO and highlights the lack of solution-oriented approaches. Thus, a solution-oriented framework catered towards mitigating the dark side of FOMO is proposed.

### I. INTRODUCTION

Scholars have extensively examined social media use from various facets of research (Hattingh et al., 2022). In the past 12 months, over 4.7 billion (10% more than the previous year) users have used social media (SM) with an average daily time of 2 hours and 29 minutes (Chaffey, 2022). Accordingly, a recent surge of interest is evident in examining the negative aspects of SM use. These negative aspects, collectively referred to as the "Dark Side of SM", have garnered increasing scholarly attention (Dhir et al., 2018; Tandon et al., 2021c). The "dark side" further pertains to aspects of problematic usage patterns and poor psychological well-being (Fioravanti et al., 2021). Likewise, scholars have acknowledged the notion of "Fear of Missing out" or FOMO as a critical aspect of dark side of SM use. Conceptualized by Przybylski et al. (2013), FOMO is characterized as the desire to be continually updated on what

others are doing. In other words, it defined as the high degree of anxiety endured when individuals are unable to enjoy the same experiences as their peers or contemporaries (Przybylski et al., 2013). Scholars such as Tandon et al. (2021c) further refer to the impact of FOMO on SM use as an amplification mechanism whereby SM users experiencing FOMO are prone to the dark side of SM use.

Despite the increasing scholarly attention on FOMO in the context of SM use, the existing knowledge often falls short on account of fragmented conclusions and lack of comprehensive understanding (Elhai et al., 2020; Li et al., 2022). Moving beyond this preliminary research gap, scholars have further called for academics and practitioners to examine relevant interventions that could help combat the negative connotations to the topic (Chan et al., 2022; Rogers & Barber, 2019). Nevertheless, literature reveals a feeble approach to solution centric alternatives. Considering the above research gaps, the current study seeks to 1) critically examine the current state of FOMO and SM use through a thematic literature review 2) map the antecedents and consequences of FOMO and SM use, and 3) provide a solution driven conceptual framework to mitigate the dark side of FOMO and SM use.

The remainder of this paper is structured as follows: Section 2 provides a brief thematic overview of the literature while Section 3 maps out the antecedents and consequences of FOMO. This is followed by the solution-oriented conceptual research framework in section 4. Lastly, Section 5 of the paper provides a discussion of the findings, their implications, limitations, and suggestions for future research.

## **II. THEMATIC LITERATURE REVIEW**

Given the research aims, a literature search was carried out to gather relevant articles on FOMO in the context of SM use. To commence the review, consistent with prior literature, key words such as ("fear of missing out" OR "FOMO") (Tandon et al., 2021a) AND ("social media") were

searched across databases such as Scopus, EBSCO, and ScienceDirect to list a few. The search results were further refined based on the inclusion criteria i.e., 1) article published in a peer-reviewed journal, 2) search terms in the title, abstract, and/or keywords of the article, 3) published in the English language, 4) article published in the time frame of 2013-2022 to capture relevancy, and lastly, 5) articles published in journals with a rating of 2 or above as per AJG (2021) and journals with a rank of A or above in the Australian Business Deans Council (ABDC, 2019) to ensure the inclusion of high-quality research. Moreover, the time frame under consideration takes into account the conceptualization of FOMO in 2013 by Przybylski et al. (2013) and its interaction with social media in recent years. Further, the review process was concluded with forward and backward citation search to ensure the inclusion of relevant articles. The resultant sample of articles consisted of 28 studies, however, due to lack of access six studies were removed from the final analysis. Thus, this review considered a total of 22 articles examining FOMO in the context of social media.

Upon analyzing the literature, this review categorizes the various articles under themes and subthemes. The purpose of this thematic classification is to provide conceptual clarity on the topic and facilitate the understanding of the patterns and trends in the literature in alignment with the first research objective of this study. The classification has been based on the general orientation and approach of the articles towards examining FOMO in the context of SM. The primary themes identified are: 1) conceptualization and evolution of FOMO, 2) FOMO and dark side of SM use, and 3) solution-oriented FOMO and SM use. Here, within the theme of FOMO and dark side of SM use, various sub-themes based on the contextual focus of the studies have been identified such as 1) adolescent centric, 2) problematic behaviors, 3) subjective and mental wellbeing, 3) social media fatigue, and 5) workplace centric.

### ***A. Conceptualization and Evolution Of FOMO***

The conceptualization and evolution of FOMO has been well explored in the literature through systematic literature reviews (Tandon et al., 2021a), meta-analyses (Fioravanti et al., 2021), and cross-sectional approaches (Al-Busaidi et al., 2022). With the exception of Fioravanti et al. (2021), studies have attempted to map the antecedents and consequences of FOMO, however, there is a lack of consistency in the variables identified. This could perhaps be associated with the diverse contextual focus whereby while Tandon et al. (2021a) focus on FOMO in the context of SM and smartphone usage, Tandon et al. (2021b) focus on workplace factors and Al-Busaidi et al. (2022) take an academic approach. Additionally, to address the inconsistencies in the literature, Fioravanti et al. (2021) undertake a meta-analytical review to summarize the relationship between FOMO, SM use, and problematic SM use.

### ***B. FOMO and Dark Side of Social Media Use***

- a. Adolescent Centric:*** A commonality that becomes apparent under the general theme of FOMO and dark side of SM use pertains to the use of FOMO as a mediating/moderating variable. Given the adolescent centric approach, research highlights need to belong as the primary antecedent to FOMO (Beyens et al., 2016; Wang et al., 2018). Additionally, while the study conducted by Beyens et al. (2016) focused on the impact of FOMO and SM related stress, Wang et al. (2018) sought to present the moderation of social support in weakening the negative repercussion of FOMO and SM use.
- b. Problematic Behaviors:*** The problematic behavior theme in the literature primarily refers to aspects of SM addiction. Accordingly, the articles consistently establish FOMO as the primary driver of addictive behaviors (Blackwell et al., 2017; Li et al., 2022; Müller et al., 2020). Notably, gender differences were not observed across FOMO and problematic SM use (Li et al., 2022). Interestingly, the meta-analytic review conducted by Fioravanti et al.

(2021) also confirmed that demographic variables such as age, gender, and geographic location have no impact on FOMO and problematic SM use

- c. Subjective and Mental Well-Being* : This theme identifies the repercussion of FOMO and SM use with set of unique variables such as ghost victim (Astleitner et al., 2023), vague booking (Astleitner et al., 2023), online vulnerability (Buglass et al., 2017), and social overload (Chai et al., 2019). Further, it is established that the repercussions of FOMO are well reflected in poor mental health, low self-esteem, and poor subjective well-being (Buglass et al., 2017; Stead & Bibby, 2017). Moreover, an inconsistency found in the literature pertains to the role of gender whereby while some study argue that gender significantly impacts FOMO and SM use (Astleitner et al., 2023), others find no evidence of such association (Li et al., 2022; Stead & Bibby, 2017).
- d. Social Media Fatigue*: Articles under this theme have sought to assess the relationship between social media fatigue (SMF) and FOMO, thus, resulting in mixed outcomes. For instance, while Tandon et al. (2021c) and Hattingh et al. (2022) establish FOMO as an antecedent to SMF, Dhir et al. (2018) posit that there is no association between FOMO and SMF. Another inconsistency pertains to compulsive SM use as it remains unclear whether compulsive use is directly associated with SMF or whether it mediates the relationship between FOMO and SMF.
- e. Workplace Centric* : FOMO and SM use related dark side effects in a workplace setting are well laid out by the studies conducted by Tandon et al. (2021b) and Tandon et al. (2022). Particularly of importance here are repercussion of workplace FOMO such as performance decrement, procrastination and phubbing, workplace incivility, lack of creativity, and workplace exhaustion (Tandon et al., 2021b; Tandon et al., 2022). However, with only two studies examining these factors, scholars are yet to garner consensus on the aforementioned variables as the consequence of FOMO and SM use at workplace.

### *C. Solution Oriented FOMO And Social Media Use*

Taking an advertising and consumer centric approach, Bui et al. (2022) represent the only initiative to explore FOMO in relation to consumers' engagement with SM advertising. In doing so, the study demonstrated how healthy levels of FOMO form an essential mechanism for consumer engagement with advertising and marketing activities on social media. Thus, the study, in line with Karampela et al. (2020), urged marketers and SM networks alike to consider the ultimate question of defining the optimal level of FOMO to reap its positive outcomes. Additionally, Eitan & Gazit (2023) and Sekscinska & Jaworska (2022) take into account the unique context provided by the worldwide outage of SM platforms revealing unexpected findings whereby individuals exhibited positive feelings towards the global outage, experiencing a version of joy of missing out (JOMO) or digital detox. Eitan & Gazit (2023) further shed light on the phenomenon in light of social comparison theory whereby when the inability to access is global, FOMO diminishes and is complemented with positive feelings. Correspondingly, Chan et al. (2022) rightfully argue the need for solution-oriented research to combat the dangers of FOMO and related social media use through various interventions. As a result, scholars have suggested initiatives such as Social Media Mindfulness Practice Framework (Chan et al., 2022) and a carefully devised STEPS-TECH program (Rogers & Barber, 2019) to reduced high levels of FOMO associated with SM use. Nevertheless, the success of these initiatives in combatting FOMO and problematic SM use remain as mere suggestions with little empirical support.

### **III. MAPPING THE ANTECEDENTS AND CONSEQUENCES OF FOMO**

Having critically examined the literature on FOMO in the context of SM use, this review reveals that scholars have increasingly sought to examine FOMO in association with various SM specific variables. Accordingly, by systematically analyzing the literature, the study identifies and categorized the various antecedents and consequences that have been examined

in the extant literature in relation to phenomena of FOMO. Through this, the study aims to uncover the various aspects and dynamics that contribute to the prevalence of FOMO in the dark side of SM literature. Partially adapted from the study done by Tandon et al. (2021a), Figure 1 maps out the antecedents and consequences of FOMO examined by the articles under review. Variables highlighted in red form the study’s imperative contribution to the conceptualization of FOMO and indicate the variables that have been overlooked in previous conceptualization efforts. Furthermore, variables such as self-esteem, social comparison, and social media use (highlighted in blue) have been examined as both an antecedent and consequence of FOMO. This indicates that the prior debate in literature over what comes first ‘social media use or fear of missing out?’ remains unanswered (Blackwell et al., 2017; Elhai et al., 2020; Fernandez et al., 2020). The mapping of the antecedents and consequences of FOMO in the context of SM use represents a crucial aspect of the study that can serve as a foundation for future research.

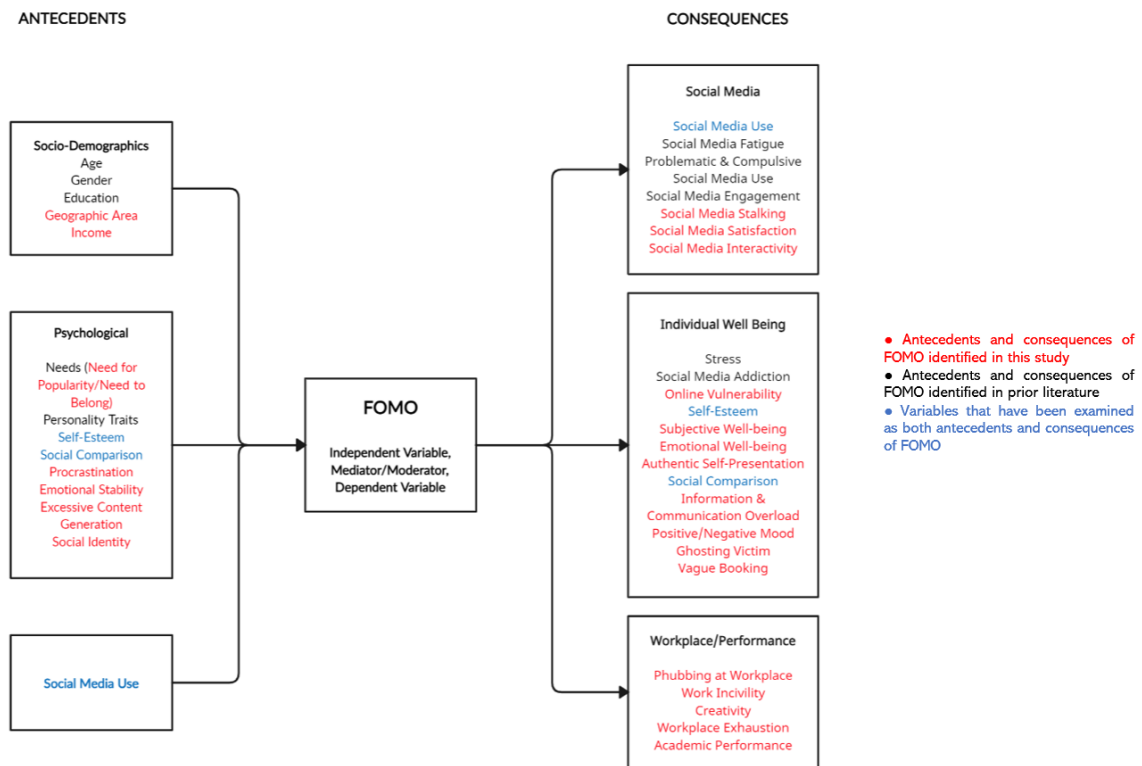


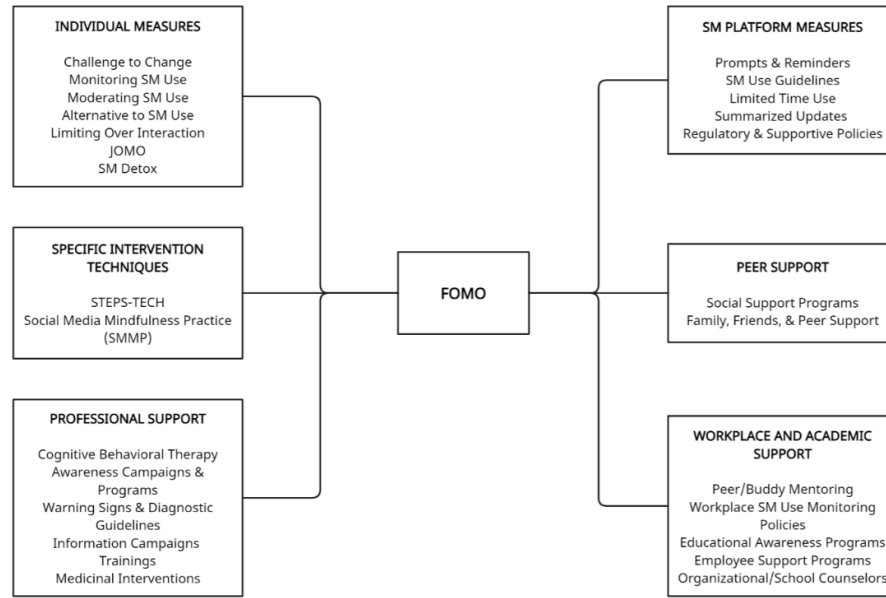
Figure 1: Mapping out the antecedents and consequences of FOMO in the context of SM use



#### **IV. CONCEPTUAL RESEARCH FRAMEWORK**

As evident from the thematic literature review, it becomes apparent that scholars have vastly focused on the negative repercussion of FOMO in the context of SM use with scarce initiatives towards a solution-oriented approach to dealing with the dark side of SM use, particularly FOMO. Accordingly, consistent with Chan et al. (2022) and Rogers & Barber (2019), this review concludes that solution oriented approach toward FOMO in the context of SM use remain vastly limited with little or no empirical evidence, thus highlighting a salient gap in the literature. Consequently, having highlighted the various shortcomings in the evolving FOMO literature, this study argues that FOMO will remain an eminent part of the dark side of SM use as long as nothing is done to address it. The subsequent repercussions would, thus, continue to grow in the absence of relevant interventions (Chan et al., 2022). Going back to the definition of FOMO proposed by Przybylski et al. (2013), FOMO is a type of anxiety disorder and thus, by proposing the framework in Figure 2, this study responds to the call for solution-oriented approach to FOMO and SM use in the literature. Further, given the lack of studies examining ways to mitigate the dark side associated with the variables under consideration, the framework explicates under investigated potential sources of solutions that could impact individual's level of FOMO.

To represent a holistic overview of the solution-oriented factors, this study has incorporated initiatives and intervention suggested by the articles under review. Consequently, the solution-oriented approach is categorized into 1) individual measures, 2) SM platform measures, 3) peer support, 4) workplace and academic support, 5) professional support, and lastly 5) specific intervention techniques. In line with the conceptual nature of this review, future researchers are encouraged to examine and validate the impact of these sources on FOMO, SM use, and subsequent problematic outcomes.



*Figure 2: Research Framework – Solution Oriented Approach to FOMO*

## V. DISCUSSION

This paper contributes to the existing literature whereby the thematic literature review reveals new insights that provide a holistic overview of FOMO in the context of the dark side of social media use. At an elementary level, this review highlights the existing state of the literature and attempts to emphasize the subdued limitations and future research relevant to the field. The paper further provides the conceptual mapping of the antecedents and consequences of FOMO that were previously unaccounted for. Additionally, undertaking a solution-oriented approach that goes beyond the purview of prior literary attempts, this paper provides a solution-oriented framework that represents the various facades through which FOMO and associated negative repercussions can be mitigated. Moreover, the development of a solution-oriented conceptual framework aimed at mitigating the dark side of social media use offers strategies and approaches for academic and practical implementation at various levels. The objective of this framework is to synthesize different mitigation strategies and promote mindful social media use which needs to be empirically validated and implemented. Therefore, this review hopes to guide future researchers in empirically ascertaining mitigation techniques to combat FOMO.

### ***A. Implications***

The solution-oriented approach undertaken in this review extends toward acknowledging FOMO as an anxiety disorder that much like any other disorder needs to be addressed. Accordingly, the paper has several practical and action-based implications for combatting the dark side of social media. Firstly, the review provides an exhaustive list of indicators that highlight the ways in which FOMO presents itself (the antecedents and consequences of FOMO). Secondly, the thematic review of the literature enables practitioners to identify vulnerable groups (e.g., adolescents) that would likely be more prone to the dark side of SM. Thirdly, the solution-centric framework provides implications to various stakeholders such as individuals (“Joy of Missing Out”), clinical professionals (medical interventions), social media platform managers (regulatory and supportive policies), peer advocates (social support programs), etc. in combatting FOMO. Given the literature reveals a narrow focus on personality, individualistic, and psychological aspects of FOMO and SM use, it would be interesting to gather greater empirical insights into solution-oriented aspects of FOMO and their subsequent impact on problematic SM use. The implications of this review can further be seen as a nudge in the direction of defining optimal levels of FOMO and combatting the dark side of SM use that has thus far been under-investigated in academia and practice.

### ***B. Limitations and Future Research Agenda***

Although this review provides various theoretical insights and proposes a conceptual framework for a solution-oriented approach to FOMO, it is subject to several limitations. Firstly, the conceptual nature of this paper relies on theoretical analysis of the existing literature to inform the mapping of the antecedents and consequences of FOMO, thus, lacking the support of empirical data and validation. Accordingly, future researchers are encouraged to empirically validate the predictability of the outcomes and consequences of FOMO. Likewise, the solution-oriented framework provided, in the absence of empirical studies examining solution-oriented

variables, draws on academic and practical suggestions of combatting FOMO. The development of this framework is the first step towards encouraging scholars and practitioners to focus on the mitigation strategies and their effectiveness that would ensure a more fulfilling SM experience for users at an individual, workplace, and social level. Future research would greatly benefit as the field matures with more concrete variables that would help mitigate levels of FOMO and their negative impact of SM use and vice versa. Secondly, there is a potential overlap with existing research that examines FOMO in the context of social media use (Tandon et al., 2021a), however, this this review differentiates itself from Tandon et al. (2021a) solely focusing on FOMO and social media use, considering only highly ranked articles, and most importantly by considering both quantitative and qualitative studies that were previously unaccounted for. Additionally, in contrast to prior conceptualization efforts, this paper introduces additional variables that were previously unaccounted for in the conceptualization of FOMO. Thirdly, the review process encompassed a total of 22 articles from limited databases. To enhance the comprehensiveness of future review attempts, it would be beneficial to expand the scope by including articles from diverse databases. Despite the aforementioned limitations, this review provides a comprehensive overview of the literature and further highlights antecedents and consequences of FOMO that were previously unaccounted for. The framework is further set guide future research in empirically ascertaining mitigation techniques to FOMO and SM use. To conclude, a positive outlook awaits as the research in the field matures.

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## VII. APPENDIX:

### A. Review Summary

No.	Study	Country	Sample	Methodology	Design	Analysis	Study Variables
1	Beyens et al. (2016)	Belgium	402	Quantitative	Cross Sectional Survey	SEM	Need for Popularity, Need to Belong, FOMO, Facebook Use, Perceived Facebook Stress Popularity, Perceived Facebook Stress Belonging, Age, Gender
2	Blackwell et al. (2017)	US	207	Quantitative	Cross Sectional Survey	Hierarchical Regression, MANOVA, MANCOVA	Age, Extraversion, Neuroticism, Avoidance, Anxiety, FOMO, Addiction, Engagement
3	Buglass et al. (2017)	UK	Cross Sectional: 489 Longitudinal: 175	Quantitative	Cross Sectional and Longitudinal Survey	SEM	SNS Use, FOMO, Online Vulnerability, Online Self Promoting Behaviors, Wellbeing
4	Stead & Bibby (2017)	-	495	Quantitative	Cross Sectional Survey	Multiple Linear Regression and Mediation Analysis	Extroversion, Emotional Stability, Conscientiousness, Agreeableness, Openness, FOMO, Problematic Internet Use, Well-Being
5	Dhir et al. (2018)	India	Study 1: 1154 Study 2: 1144	Quantitative	Pseudo-Longitudinal Survey	SEM	Compulsive SNS Use, FOMO, SNS Fatigue, Depression, Anxiety
6	Wang et al. (2018)	China	832	Quantitative	Cross Sectional Survey	Mediation Analysis PROCESS Macro	Need to Belong, FOMO, Perceived Social Support, Authentic Self Presentation
7	Chai et al. (2019)	China	1319	Quantitative	Cross Sectional Survey	PROCESS Macro Mediation Analysis	FOMO, SNS Use, Social Overload, Subjective Well-Being, Age, Gender
8	Rogers & Barber (2019)	-	97	Quantitative	Experimental Survey	ANOVA	FOMO, Telepressure, Control Sleep Hygiene, Steps-Tech, ICT Use Before Sleep, ICT Use During Sleep, Social Media Use, Poor Sleep Hygiene
9	Muller et al. (2020)	Germany	226	Quantitative	Cross Sectional Survey	SEM and Correlation Analyses	Maximization, Procrastination, State FOMO, Social Zapping, Problematic Social Networks Use
10	Tandon et al. (2021a)	-	58 Empirical Studies	Qualitative	Literature Review	Systematic Literature Review	-
11	Tandon et al. (2021b)	US	312	Quantitative	Cross Sectional Survey	Covariance based SEM	Exhibitionism, Voyeurism, FOMO, Compulsive Social Media Use, Work Performance Decrement, Procrastination due to Social Media Use at Work, Age, Gender, Income
12	Tandon et al. (2021c)	UK	321	Quantitative	Cross Sectional Survey	SEM, PROCESS Macro for Mediation and Moderation Analysis	FOMO, Social Media Stalking, Online Social Comparison, Social Media Fatigue, Social Media Envy, Frequency of Posting Social Media Status Updates, Age, Gender
13	Fioravanti et al. (2021)	-	33 Studies	Quantitative	Meta Analysis	PRISMA, Review Manager (RevMan), Version 5.3, Copenhagen: The Nordic Cochrane Centre, The Cochrane Collaboration, 2014.	-
14	Hattingh et al. (2022)	India	Instagram: 349 Snapchat: 543	Quantitative	Cross Sectional Survey	SEM and Multi Mediation Model	FOMO, Information Overload, Communication Overload, Online Subjective Well Being, Compulsive Social Media Use, Social Media Fatigue
15	Tandon et al. (2022)	US	243	Quantitative	Time Lagged Survey	CB-SEM	FOMO, Phubbing at Workplace, Promotion Focus, Prevention Focus, Workplace Incivility, Creativity, Workplace Exhaustion, Age, Gender, Educational Background
16	Busaidi et al. (2022)	Oman	Study 1: 120 Study 2: 300	Quantitative	Cross Sectional Survey and Scale Validation	SEM	Extroversion, Emotional Stability, Age, Gender, Excessive Content Generation, Attention Seeking, Social Media Followers, FOMO, SM Engagement, SM Addiction, Academic Performance
17	Li et al. (2022)	China	1143	Quantitative	Cross Sectional Survey	Network Analysis	Trait FOMO, State FOMO, Inability to Control Craving, Feeling Anxious and Lost, Withdrawal/Escape, Productivity Loss, Intensity of Social Network Site Use
18	Sekscinska & Jaworska (2022)	Poland	295	Quantitative	Cross Sectional Survey	Correlation Analysis	FOMO, Self Esteem, Negative and Positive Mood
19	Bui et al. (2022)	US	Study 1: 227 Study 2: 529 Study 3: 180	Quantitative	Experimental Survey	One Way ANOVA and PROCESS Macro for Mediation Analysis	FOMO, Need to Belong, Positive Mood, SM Interactivity, Information Overload, SM Satisfaction, Autonomy, Negative Emotions, Engagement with SM Advertising
20	Chan et al. (2022)	-	-	Qualitative	-	-	FOMO to JOMO Framework
21	Eitan & Gazit (2023)	Israel	571	Mixed	Cross Sectional Survey and Literature Review	Hierarchical Regression and Content Analysis	Age, Relationship Status, Children, Employment, Social Media Intensity, FOMO, Emotional Experience (Stress) Gender, Age, Social Comparison Orientation, Need to Belong, Histrionic Personality, Social Identity, Social Media Use, FOMO, Ghosting Victim, Vague Booking, Mental Health
22	Astleitner et al. (2023)	(European I	995	Quantitative	Cross Sectional Survey	SEM	

## **THE EFFECT OF ONLINE COMPANY RESPONSE ON REVIEW QUALITY: AN EMPIRICAL STUDY OF APP DEVELOPER COMPANY'S RESPONSES TO CUSTOMER REVIEWS**

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**Keywords:** User-generated content, Firm-generated content, Online reviews, Online company responses, Text mining

**Description:** An empirical study investigating the drivers and outcomes of online company responses to customer reviews

### **EXTENDED ABSTRACT**

**Research Question** – Companies increasingly respond to customers' online reviews and communicate directly with customers directly on online platforms. The effects of such online company response on the numerical characteristics of reviews, such as review volume or product ratings, are noted to be positive. However, the impact on the textual characteristics of the reviews, particularly on review quality, remains unclear. This study aims to investigate the reasons behind companies responding to customer reviews, including the textual characteristics that drive them to respond, and whether and how this response affects review quality over time.

**Method And Data** – Leveraging a big data set from a leading e-commerce website, the author combines Natural Language Processing and text analytics techniques to examine the drivers and outcomes of online company responses to reviews. I build a data sample that includes 214,277 reviews of app products and 21,412 company responses to the reviews, spanning an approximately 11-year period. I first examine the drivers of online company response with data at the individual review level to find review content cues (e.g., review sentiment, sentiment score

deviation) that might drive the online company response. Second, I probe the effect of online company response on review quality at each app's product level over time. In particular, we aggregate reviews at the app-week level to determine if online company response affects weekly review quality (review comprehensiveness and review readability) over time. Third, I explore how companies should respond to enhance review quality by analyzing the effect of how online company responses intensity, response comprehensiveness, and the tailoring of online company response content on review quality.

**Summary of Findings** – With the finding of our study, the author determines that companies are more likely to respond to reviews characterized by comparatively lower levels of sentiment and higher sentiment deviation scores; online company response also improves review comprehensiveness over time but does not increase review readability. I further demonstrate that (1) response intensity does not improve review quality over time; (2) longer responses enhance review comprehensiveness more, and (3) more tailored responses amplify the increases in review readability.

**Statement of Key Contributions** – This paper extends the marketing study of online company responses within the app context, and provides a new perspective on the motivation and effect of online company responses to reviews. These findings thus provide new evidence about how an appropriate online company response can improve the quality of subsequent reviews, in a continuous effect. The paper offers guidelines for how companies should respond to customer reviews, using behavioral and content cues that enhance subsequent review quality.

## **THE EFFECTS OF USERS' SOCIAL CAPITAL AND MOTIVATIONS ON ONLINE SHARING BEHAVIOR**

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**Keywords:** Social Capital, Intrinsic Motives, Image-Related Motives, Sharing Behavior

**Description:** This study investigates how users' social capital, alongside intrinsic and image-related motives, influence the tendency to share positive or negative content on social media platforms, and how these elements interact to shape overall online sharing behavior.

### **EXTENDED ABSTRACT**

#### **Research Question**

Social capital, seen as the assets and values a user gains through network participation, requires an investment; for instance, on Twitter, accruing followers demands content contribution and time. Such followers then become the user's social capital. The content a user shares, either positive or negative, can be predicted by this social capital (Heath et al., 2001). High social capital users, or influencers, are believed to share positive news more, while those with less capital may share negative news to attract attention and gain followers (Godes et al., 2005). Therefore, the number of followers, representing social capital, may anticipate the nature of content shared by users. Two main motivators for users to post content exist in social media literature: intrinsic and image-related motives. Users might gain intrinsic satisfaction from sharing content (Ryan & Deci, 2000), while image-related motivation involves the perception by others (Fehr & Falk, 2002). Understanding which user groups spread each content type and the motivation behind these actions has significant economic implications. This research aims to answer two primary questions: how does social capital, as represented by follower count, affect online sharing behavior, and how do intrinsic and image-related motives influence the propensity

to post positive or negative content? A secondary question examines how these motives moderate the impact of social capital on content sharing.

### **Method And Data**

In this study, the model is tested by assessing the actual interactions among observed social capital (i.e., #Followers), motives (which are extracted by analyzing a user's post history through natural language processing methods), and shared contents. A dataset of 150,000 Tweets gathered through the Twitter API is analyzed. The degree of positive and negative content is measured using Linguistic Inquiry and Word Count (LIWC), a well-known text analysis program that counts words in psychologically meaningful categories (Tausczik & Pennebaker, 2010). The dependent variable in this study is the number of positive/negative shares, which has a non-normal distribution and overdispersion. As the dependent variable is non-negative, highly skewed, and zero-inflated, unbiased estimates cannot be provided by linear regression. Furthermore, taking the logarithm of the number of shares is not a suitable solution, as the number of shares is zero-inflated. Therefore, a generalized linear model (GLM) and a negative binomial distribution are employed in the study to handle the non-negative and zero-inflated nature of the dependent variable.

### **Summary of Findings**

The findings reveal that intrinsic motivations enhance the sharing of positive content ( $\beta = .316$ ,  $p\text{-value} = .008$ ), but have no impact on negative content sharing ( $p\text{-value} = .504$ ). Conversely, image-related motives boost the sharing of negative content ( $\beta = .265$ ,  $p\text{-value} = .015$ ), but do not influence positive content sharing ( $p\text{-value} = .465$ ). It's also revealed that social capital positively affects positive content sharing ( $\beta = .144$ ,  $p\text{-value} = .013$ ), yet has no impact on negative sharing ( $p\text{-value} = .230$ ). As moderators, intrinsic motivations increase the influence of social capital on positive content sharing ( $\beta = .211$ ,  $p\text{-value} = .002$ ), but reduce its impact on negative sharing ( $\beta = -.155$ ,  $p\text{-value} = .021$ ) - likely driven by the desire to maintain a positive

reputation and gain further social support from their followers. Conversely, image-related motives enhance social capital's impact on negative content sharing ( $\beta = .183$ ,  $p\text{-value} = .011$ ), but diminish its effect on positive sharing ( $\beta = -.103$ ,  $p\text{-value} = .009$ ), potentially due to the desire to be recognized as an authority and attract attention through controversial content.

### **Key Contributions**

This study has important implications for marketing campaign designers in the digital age. By tailoring outreach efforts, businesses can create compelling content that resonates with targeted segments and drives engagement. The research illuminates the complex interplay between social capital, motivations, and content-sharing behavior on social media platforms, highlighting the importance of these factors in developing effective marketing strategies and optimizing firms' use of social media. The paper suggests that an approach to enhance advertising effectiveness is to consider the emotional tone of the content (e.g., advertising message, hashtag) and to tailor outreach efforts to users and influencers based on their social capital and underlying sharing motives. It is indicated that the average Twitter user follows five businesses and that 80% of users have mentioned a brand in their tweets. These statistics underscore the potential benefits of effectively leveraging social media for marketing purposes. However, to maximize impact, firms must develop relevant and engaging content for their target audiences. The paper contributes to this effort by shedding light on the importance of considering user motives and social capital when crafting and disseminating content. Additionally, the research contributes to the broader literature on social media by exploring the factors driving content-sharing behavior on these platforms.

**References are available upon request.**

**EMPIRICAL STUDY OF FACEBOOK FAN PAGES**

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**Keywords:** social media influencers, brand marketing, gratification theory, Facebook, text-mining analytics

**Description:** Using the perspective of gratification theory, this research delves into the elements that play a role in social media engagement, which hold significant importance in comprehending the impact of social media influencers on brand marketing.

**EXTENDED ABSTRACT****Research Question – 200 Words**

In today's digital landscape, consumers rely heavily on social media platforms to access brand-related content, actively seeking and engaging with a substantial amount of material, as highlighted by Campbell and Farrell (2020). To effectively connect with these consumers, marketers need to employ strategies that foster deeper connections with social media audiences. However, relying solely on metrics like follower counts, likes, or comments is no longer sufficient to gauge the impact of social media influencers in the dynamic realm of social media. Hence, this study embraces the gratification theory (Dolan et al., 2019; Hilvert-Bruce et al., 2018; Sepp et al., 2011) to investigate the psychological mechanisms driving audience interaction with social media influencers and analyze the types of content that can enhance engagement. The study aims to provide a

response to the posts of social media influencers. The research questions derive from a thorough examination of communication and interaction patterns, with the objective of illuminating their role in brand marketing.

### **Method And Data – 200 Words**

The investigation commences with an extensive analysis of theoretical literature, expert interviews, and relevant sources, in order to establish distinct influencer categories (mega-, macro-, and micro-influencers) and explore thematic diversity within technology, lifestyle, and food genres. From a pool of 27 social media influencers, carefully selected based on follower size and thematic diversity, a total of 20,033 valid posts from 2022 were collected for further examination, out of an initial count of 20,434.

### **Summary of Findings – 200 words**

This research offers empirical models capable of predicting and pinpointing audience interactions with social media influencers, considering aspects like gratifications, follower count, and thematic diversity. These indicators are useful resources to evaluate the real-world influence of social media influencers, helping brands set realistic standards when choosing influencers for online promotions and marketing initiatives.

### **Statement of Key Contributions – 200 words**

The preliminary results offer significant knowledge and opportunities for academics and industry professionals alike. To begin with, this study uses text-mining techniques to pinpoint a range of gratifications, thus highlighting an array of triggers that social media influencers can utilize to stimulate user interaction. Subsequently, the research delivers empirical evidence that aids in discerning and forecasting audience engagement with influencers, taking into account gratifications



impact of social media influencers, enabling companies to pinpoint suitable influencers for their

digital advertising and marketing efforts. Moreover, investigating engagement with social media influencers assists scholars in understanding audience behavior by monitoring follower interactions with influencer content, which is invaluable for marketers devising social media plans. Additionally, scrutinizing trends in influencer engagement can reveal popular subjects, furnishing businesses with the information necessary to produce relevant content and sustain a competitive advantage. Ultimately, studying trends in influencer engagement offers critical data on effective social media strategies, equipping businesses to generate captivating content and cultivate a devoted audience.

References are available upon request.

**PERSPECTIVE OF SELF-EFFICACY AND SOCIAL CAPITAL**

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**Keywords:** social media, successful aging, self-efficacy, social capital

**Description:** This study adopted the theoretical lenses of self-efficacy and social capital in an attempt to fill a research gap in clarifying the relationship between social media use and successful aging.

**EXTENDED ABSTRACT**

**Research Question – 200 Words**

The importance of assessing the positive influence of technological advancement on successful aging cannot be overstated. According to Wan et al. (2022), targeted technological interventions are capable of providing elderly individuals, especially those in suboptimal health, with monitoring capabilities. Certain technological interventions have also been demonstrated to enhance perceived health (Frye et al., 2007; Pitkala et al., 2009). However, the benefits of social media use for successful aging among the middle-aged and senior populace remain uncertain, given the limited amount of research in this area. This study leverages the theoretical constructs of self-efficacy and social capital to bridge this research gap and elucidate the association between social media usage and successful aging. Moreover, this research seeks to address three primary inquiries: (1) How is the middle-aged and senior populace adjusting to and interacting with the evolution of social media?

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(2) How does confidence in using social media influence the development of social capital among

these demographics for successful aging? and (3) How does the perceived age discrepancy (the difference between chronological age and perceived cognitive age) affect the relationships between self-efficacy, social capital, and successful aging?

### **Method And Data – 200 Words**

The data for this analysis was sourced from the Taiwan Communication Survey (TCS), commissioned by the Research Center of Academia Sinica in 2021. Specifically designed for the middle-aged and older demographic, the survey provides an excellent platform for exploring issues concerning social media usage and successful aging. As per the final report by Chang & Tao (2022), the survey targeted individuals aged 55 and above (i.e., those born before 31st December 1965). The TCS data were weighted according to sex, age group, education level, and sampling stratification, utilizing a multivariate inverse weighting method with varying odds ratios. Furthermore, a listwise deletion method was applied to select the final sample size to be included in the analysis, considering key variables (i.e., social media self-efficacy, bonding and bridging social capital, communication about aging, worry about aging, successful aging, and chronological/cognitive age). Any samples with missing values for these variables were excluded from further analysis (Gilley & Leone, 1991), resulting in a total weighted sample size of 703 for this study. To address the research questions, a descriptive analysis was conducted using SPSS 25, while path and multi-group analysis was carried out with SmartPLS 4.

### **Summary of Findings – 200 words**

Preliminary findings from the path analysis indicate a positive relationship between social media self-efficacy and bridging social capital, but not bonding social capital. Moreover, for middle-aged and older people, social media does not actually facilitate communication about aging by building bridging social capital. Rather, it has a negative effect on worry about aging. The results also show that worry about aging is indeed detrimental to successful aging. In turn, building bridging social capital increases aging anxiety. Furthermore, using a multi-group analysis, this study found that the

moderating effect of subjective age discrepancy was only present in the relationship between

bridging social capital and communication about aging. This finding suggests that the negative effect of bridging social capital on communicative aging may be effectively reduced when a person perceives him/herself as younger than he/she actually is.

### **Statement of Key Contributions – 200 words**

To address the unanswered questions in research and practice, this study attempts to construct an appropriate framework to explain the phenomenon of social media use and successful aging. If middle-aged and older people want to achieve successful aging, the primary goal is to effectively reduce worry about aging. Under the current circumstances, social media seems to increase awareness and worry about aging among the elderly due to the abundance of young people and new things in the social media environment. Therefore, more attention should be paid to mitigating such negative effects, as this is the same phenomenon found in previous studies on the dark side of how social media affects people (e.g., Baccarella, et al., 2018; Turel, et al., 2019). The empirical findings of this study can not only bring a different way of thinking to academic research and help practitioners develop appropriate branding or community management strategies in their move toward social media marketing but also provide governors with possible solutions to help mature people adapt and adjust their mindset to the ever-changing social media environment.

References are available upon request.

## **THE IMPACT OF SOCIAL MEDIA ON ZERO WASTE-CONSCIOUS CONSUMERS' PURCHASE INTENTION**

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**Keywords:** Zero-waste, Social media, Goal-framing theory, S-O-R model, Purchase intention

**Description:** This study aims to empirically investigate the impact of social media content on zero-waste purchase intention using goal-framing theory and the stimulus-organism-response model.

### **EXTENDED ABSTRACT**

#### **Research Question**

The latest peer-reviewed definition states that zero-waste (ZW) is “the conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning and with no discharges to land, water, or air that threaten the environment or human health” (ZWIA, 2018). In the last few years after COVID-19, social media buzz about the zero-waste movement has increased (Park et al., 2022).

Despite its increasing popularity, studies on consumers' intentions to purchase ZW products are limited. The current study seeks to address this research gap by identifying factors that stimulate ZW purchases in India. Hence, the objective of this paper is to discuss the following research questions:

**RQ1.** Does social media (SM) impact consumers' purchase intentions for ZW products?

**RQ2.** What are the factors that influence consumers' purchase intentions for ZW products?

Based on a review of the literature, the following hypotheses are proposed:

**H1:** SM positively affects gain motivation (GM).

**H2:** SM positively affects hedonic motivation (HM).

**H3:** SM positively affects normative motivation (NM).

**H4:** SM positively affects purchase intention.

**H5:** GM positively affects purchase intention.

**H6:** HM positively affects purchase intention.

**H7:** NM positively affects purchase intention.

### **Method and Data**

Simple linear regression (SLR) and multiple linear regression (MLR) analysis techniques are used in the SPSS 21 software package to check the model fit and test hypotheses. Data is gathered from various social media platforms, including Instagram, WhatsApp, and Facebook. Responses are measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Hinkin (1995) suggested that a sample size of at least 1:4 to 1:10 is recommended for items used to measure a construct. The sample size used in this study is 252 with 19 items, which exceeds the minimum requirement of 10 cases per item ( $252 > 19 \times 10 = 190$ ). Exploratory factor analysis is conducted using principal component analysis to examine the unidimensionality of variables and identify essential factors (Sarstedt and Mooi, 2014). The

factor loading of constructs exceeds the cut-off value of 0.50 (Merenda, 1997). Internal consistency among the items was evaluated using Cronbach's  $\alpha$ , which exceeded the acceptable threshold of 0.70 (Hair et al., 1998). The Barlett test of sphericity and Kaiser-Meyer-Olkin values are above the threshold value. The data is normally distributed as skewness and kurtosis values are within the acceptable limit (Hair et al., 2010).

### **Summary of Findings**

SLR examined the impact of social media engagement on GM, HM, NM, and purchase intention. Results revealed that GM ( $b = 0.446, p < 0.001$ ), HM ( $b = 0.381, p < 0.001$ ), and purchase intention ( $b = 0.542, p < 0.001$ ) are significantly influenced by the contents about ZW on social media, supporting hypotheses H1, H2, and H4. However, the influence on NM was insignificant as the p-value was greater than 0.05, declining hypothesis H3. Further, the MLR analysis shows that GM ( $b = 0.414, p < 0.001$ ), HM ( $b = 0.348, p < 0.001$ ), and NM ( $b = 0.205, p < 0.001$ ) are significantly influencing consumers' ZW purchase intention, supporting hypotheses H5, H6, and H7. All three motivational factors explain 45.80% of the total variance of purchase intention. These results support the stimulus-organism-response (S-O-R) model and goal-framing theory (GFT), emphasizing the role of content on social media as stimuli influencing consumers' goals to purchase ZW products.

### **Key Contributions**

This research paper contributes to exploring consumers' ZW lifestyles by extending the S-O-R model and GFT. The findings indicate that social media content positively influences consumers' attitudes, pleasure-seeking behavior, and intention to purchase ZW products. Thus, ZW marketers could communicate with potential consumers via social media to exploit their positive attitude and excitement toward ZW products. Consumers' GM, HM, and NM

display a positive perception of ZW products. Consumers' positive attitude, excitement, and duty to act properly positively influence their purchase decisions. Hence, marketers may capitalize on consumers' favorable attitudes toward purchasing ZW products. Marketers could address the hedonic value consumers acquire from ZW purchases with the help of influencers. Moreover, consumers' obligation to behave appropriately can also be utilized to increase sales through an emotional marketing strategy. This study is the first attempt to investigate the role of social media content as a stimulus and the three motivational factors of GFT to understand Indian consumers' ZW purchase intention. Therefore, the findings of this study could assist ZW business owners, solid waste management policymakers, and academicians. The business owners may utilize the motivating factors to encourage consumers' ZW purchase intentions and help them reduce waste at landfills.

References are available upon request.



## **The Influences of Social Media Stimuli and Perceived Values on Generation Z's Social Presence and Social Commerce Intention: An Example of Facebook Brand Page**

Dr. Shuling Liao

Ms. Minh Thu Thi Nguyen

Yuan Ze University

### **Key Contributions to Academe and Practitioners**

The purpose of this study is to investigate how social media stimuli and perceived values may affect Generation Z's social commerce intention. Albeit social commerce research has increased since 2010, the Generation Z as the first true digital natives is rarely studied. Thus, this study fills the knowledge gap regarding what being the determinants of Generation Z's social commerce intention and contributes to enhance the understanding about the new commerce trends: social commerce and the Gen Z customers. The study's findings also shed light for brands who intend to encourage social commerce intention of Gen Z. According to the study's results, the brands may consider more of the stimuli factors consisting of the social media's content, the interactive communication and the social environment to enhance the customer's shared interests and social commerce intention. Moreover, the importance about the pivotal roles of social factors (brand-page sociability, social value, and social presence) in social commerce are provided and highlighted in this study.

Specifically, this study implicates that to stimulate Gen Z shoppers' interests and buying intention in social commerce through social media, the brand requires not only good-quality, user-oriented content but also a friendly interactive and socially sharing environment where the shoppers can express their self-identities. Also, the brand needs to contemplate about the perceived values the brand pages can bring to the customers. The fun and entertaining elements are particularly impactful in the social commerce platform to motivate Gen Z customers' hedonic value, which can in turn create desirable psychological presence from the customers. Finally, this study suggests that brands may focus on creating or augmenting social values on their social commerce sites by encouraging the interaction and communication between followers with a comfortable and pleasant community environment.

### **Extended Abstract**

#### **Introduction**

Social commerce combining features of social media and e-commerce is considered a major trend with many advantages (Yadav et al., 2013). Social commerce integrating multiple technological features of social media provides useful, informative and high-quality content on the brand page (Gummerus et al., 2012) to help capture shoppers' attention (Berger and Milkman, 2012). The brand page's interactivity empowers users to share experience and form a community (Alexander and Jaakkola, 2016). The more interaction on brand pages, the more it could lead to better hedonic and social values (Carlson et al., 2018). Social presence is another key effect of social media for its capacity to convey social signals (Gefen and Straub, 2004). Although

social presence was found to be influenced by sociability, it remains unknown if hedonic and social values through social presence will cause social commerce intention.

Social commerce has drawn increasing attention from Generation Z (Jin & Youn, 2022), yet how social media's brand-page stimuli affect Gen Z's social commerce intention is undetermined. Gen Z shoppers (born between 1996 and 2012) who use social media as a source of novel shopping ideas are influential on family buying decisions in the categories of fashion, electronics and high-tech devices (Ahmed, 2021), and thus their social commerce intention is worth study. Hence, this study aims to investigate: (1) whether social commerce stimuli affect Gen Z's perceived hedonic and social values, and further influence their social presence? And (2) whether social presence contributes to Gen Z's social commerce intention (i.e., social shopping and social sharing intention)?

### **Theoretical Background and Hypotheses**

Drawing on the S-O-R model (Stimulus-Organism-Response) (Mehrabian and Russell, 1974), this study examined social media functionalities (brand-page's content quality, interactivity and sociability) as the stimuli (S) and social and hedonic values as the organism factors (O). Finally, this study scrutinized whether hedonic and social values will generate social presence and further lead to social commerce intention (R).

### **Social Media Functionalities and Perceived Values**

Content quality positively affects perceived values and behavioral engagement of customers (Carlson and O'cass, 2010; Nambisan and Barron, 2009). The more innovative and attractive brand-page content is, the more attention and support the brand can capture from its brand-page followers (Barreda et al., 2015; Berger and Milkman, 2012) who will engage passionately in the brands (Dabbous and Barakat, 2020).

The brand page creates an essential space for followers to discuss and exchange shopping experiences (Gallaughier and Ransbotham, 2010). The interactivity allows customers to support other shoppers emotionally (Zhang et al., 2015). Such interaction engenders not only customer engagement but also enjoyment and sense of belongingness (Carlson et al., 2018). Sharing the same interests about brands enhances social connections with others on social media sites (Lu et al., 2016). When the users receive social support from others, it increases brand-page sociability and social benefits (Liang and Turban, 2011). Hence, *brand-page content quality (H1) and interactivity (H2) will positively affect hedonic value, whereas sociability will positively affect social value (H3)*.

### **Perceived Values, Social Presence and Social Commerce Intention**

Customers who experience entertaining and enjoyable interaction on the brand-page are likely to become loyal fans (De Vries & Carlson, 2014) and are more willing to interact conformably with brands (Phang et al., 2009) with self-affected and warm feelings (Zhang et al., 2014). With emotional bonds, brand-page allows followers to develop close relationships to the brand by perceiving more social presence. Consumers' purchase decisions are not only driven by utilitarian and hedonic values but also social benefits (Sweeney and Soutar, 2001). Social support boosts social presence and reinforces social commerce participation (Zhang et al., 2014). Social value shall

encourage brand relationship by generating humanizing and social feelings that connote social presence. Therefore, *hedonic value (H4) and social value (H5) will positively affect social presence.*

Social presence has been identified to mediate e-commerce shoppers' attitudes and behavioral intention (Qiu and Benbasat, 2005) and it was also corroborated to mediate between trust and purchase intention in social commerce (Lu et al., 2016). Social presence enhances ability to socialize through relationship delivery (Animesh et al., 2011) and facilitates trust building (Ye et al., 2019). As trust enhances social sharing intention (Chen and Shen, 2015), the social media users shall have a stronger intention to share personal consumption experience. Therefore, *social presence will positively affect social shopping intention (H6a) and social sharing intention (H6b).*

## Method

Eight constructs measured by 30 items were modified from literature: brand-page content quality (Carlson et al., 2018), interactivity (Kim and Ko, 2012), sociability (Zhang et al., 2014), hedonic value (Carlson et al., 2018), social value (Zhang et al., 2014), social presence (Animesh et al., 2011), social shopping intention (Hsiao et al., 2010) and social sharing intention (Zhang et al., 2014). The Biti's Hunter FB brand page was chosen for this fashion sneakers brand's popularity in the youth segment in Vietnam. The data were collected via Facebook private chat from 354 Vietnam Gen Z respondents aged 15-24. After eliminating invalid questionnaires, a total of 305 (86.2%) responses were analyzed.

## Results

The valid respondents comprised of 169 males (55.4%), 126 females (41.3%) and 10 (3.3%) unidentified, mainly aged from 18 to 22 (54.1%), full-time students (65%), earning own income (68%) with 34.4% finance-independently. A structural equation modelling technique was employed. The CFA results showed that all reliability tests for each construct were satisfactory (Cronbach's alpha and CR values all exceeding .7, AVE values .50~.63). The roots of AVE were all higher than correlations between pairs of constructs, conforming to discriminant validity criterion. The Harman's single-factor test for assessing possible common method bias showed that one factor explained 38.61% of total variance, indicating no threat of common method bias in the data. Next, the statistical values of the measurement model all meet the suggested threshold levels: Chi-square/degree of freedom=2.012<3, RMSEA=.58  $\leq$  .05, GFI=.875>.8, AGFI=.841>.8 and CFI=.935>.9. The fit indices of the structural model all exceeded the suggested levels, indicating a good fit ( $\chi^2/df=2.487<3$ , GFI=.838>.8, AGFI=.801>.8, RMSEA=.070<.08, CFI=.90>.9). The structural paths results as shown in Table 1 supported all the hypotheses.

**Table 1: The results of hypotheses testing.**

Hypotheses	Path	Estimates	S.E.	C.R.	p-value	Results
H1	CQ→HV	0.579	0.138	6.407	***	Supported
H2	BI→HV	0.317	0.101	4.055	***	Supported
H3	BS→SV	0.949	0.068	11.288	***	Supported
H4	HV→SP	0.121	0.046	2.513	*	Supported
H5	SV→SP	0.852	0.089	11.512	***	Supported
H6a	SP→SI	0.649	0.055	9.650	***	Supported
H6b	SP→SS	0.724	0.061	10.198	***	Supported

Note:

1. \* $p < 0.05$ ; \*\*\* $p < 0.001$ .
2. CQ= Brand-page Content Quality; BI= Brand-page Interaction; BS= Brand-page Sociability; HV=Hedonic Value, SV= Social Value, SP= Social Presence, SI= Social Shopping Interaction, SS= Social Sharing Intention.

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## **The role of online brand reputation in improving company's performance: An exploratory study**

### **Statement of Key Contributions**

Brand reputation is a concept that has been addressed in numerous research studies (e.g., Fatma et al., 2015; Melo & Garrido-Morgado, 2012; Husted & Allen, 2006; Brammer & Pavelin, 2004). However, most of these studies looked into the general concept of reputation whereas research on online brand reputation has been limited.

The goal of this study is to explore the linkages between online brand reputation and a company's response. To be more specific, this study examines how these two concepts are related in the eyes of company managers (CEOs, general managers, partners, senior consultants) of firms that operate in the professional services industry. This study, therefore, contributes to the existing literature on brand management and company's performance.

The contribution of this research is twofold. First, this study is relevant from the theoretical view as it fills in the gap in the current scientific literature by investigating how company managers in the professional services industry understand and define online brand reputation, and how they perceive the linkages between online brand reputation and the performance of their companies. The findings of this study show what elements are in common when managers define online brand reputation, and they all agree that it is positively linked to company's performance. A theoretical paradigm is proposed in this study and links the relationship between online brand reputation and company's performance which is also expected to be moderated by market- and company-level characteristics.

This research study is also relevant from a managerial perspective by providing practical implications to the managers and marketing managers of professional service firms. The findings imply that online brand reputation is positively linked to company's performance, which suggests that there should be more attention dedicated to managing the online brand reputation of professional service firms. However, while the managers perceive online brand reputation slightly differently, it is recommended to choose relevant metrics to measure online brand reputation on a company level.

## Extended Abstract

**Introduction.** The significance of corporate reputation has been widely acknowledged in the academic domain. Reputation has been deemed an intangible and valuable asset for a company, acting as a determinant of competitive advantage in markets where product differentiation is challenging (Fatma et al., 2015; Melo, Garrido-Morgado, 2012; Husted, Allen, 2009). A favorable reputation serves to mitigate negative consumer perceptions (Lange et al., 2011) and affects consumers' evaluations of a company's new products and services (Hsu, 2012).

With the advent of Web 2.0, reputation has become more digital and complex to manage (Hearn, 2010). The academic literature mostly limits the definition and perception of online corporate reputation (OCR) to electronic word of mouth (e-WOM) and equates it to consumer online reviews. In practice, however, OCR encompasses a wider range of digital footprints, including search engine results pages (SERP) results, online media coverage, information tonality, and more.

Assessing a brand's reputation through the internet has become increasingly critical as it is a goal of the intangible economy to be perceivable, tangible, and even quantifiable through online reputation metrics (Elmurngi, Gherbi, 2020). It helps to understand and predict the interactive dynamics related to the brand, including how it affects sales growth, cost reduction, brand referrals, consumer involvement in product development, co-creative experiences, profitability, and consumer engagement (Ramos, Casado-Molina, 2021). While the role of consumers in impacting online reputation is clear, the extent to which company managers understand the importance of online reputation and leverage it to drive business performance remains under-researched.

The purpose of this research study is to examine the relationship between a company's online brand reputation and its performance as perceived by managers of the companies. The study aims to understand the extent to which managers believe that an online brand reputation can influence a company's financial performance, customer satisfaction, and employee morale. Additionally, the research investigates the strategies and practices that managers implement to manage and maintain their company's online brand reputation. By exploring the perspectives of managers this research study seeks to provide insights into the significance of online brand reputation and its impact on a company's performance.

The central **research question** of this research study is: What role does online brand reputation play in a company's performance as perceived by firms' managers?

This study is part of a larger research endeavor that aims to investigate the impact of online brand reputation on a company's performance and its moderating role in the market environment.

**Methodology.** To explore the linkages between online brand reputation and company's performance as perceived by managers, 16 in-depth interviews were conducted with managers of professional service firms from marketing, advertising, legal and other industries. At the time of data collection, the company had to have generated more than 1 million EUR in turnover in the previous financial year, be profitable, and have operated in the industry for at least 5 years. This was done to ensure the business's maturity. The interviewees were recruited using convenience and snowball sampling methods. The study was conducted in Lithuania. All the interviewed managers were assured that their identities and names will remain known only to the authors of this research study.

During the interview process, the managers were first asked to share their experience in the professional services industry. Afterward, they were requested to define what online brand reputation means to them and what elements they believe it consists of. They then were asked to share their perception of the linkages between online brand reputation and company performance. Furthermore, they shared how they perceive the current online brand reputation of their company and how they feel about the current performance of the firm they are managing.

To produce insights on the linkages between online brand reputation and a company's performance, a content analysis was used, and the open-ended questions were reviewed (Creswell, 2003).

**Results.** This exploratory study shows that the way managers perceive online brand reputation slightly differs. Interestingly, while some managers mentioned social media as one of the elements that contribute to online brand reputation, the majority agreed that social media is not the key contributor to the online reputation their brand has online. This may be attributed to



the fact that for many of these professional service firm's social media as a marketing channel is not a priority and they rather choose to invest in media, having an informative and reliable website and media. As quoted by the interviewee 9, a manager of a professional service firm in the public relations industry, "online brand reputation is mainly about having media to positively talk about your company as it matters so much more that sharing posts on social media from your own account". Interviewee 7 also indicated, "it's not what you say you are as a company, it's about what other people say about you and therefore I believe that the main contributor to having a great online brand reputation is having other people's testimonials, reviews and other positive sentiment".

Regarding the linkages between online brand reputation and company's performance, all the managers were on the same page agreeing that there is a positive linkage between the two variables. As suggested by interviewee 12, "online brand reputation is one of the main drivers of company's success. I think the pandemic has accelerated it as clients now go on Google to find their service providers more often than ever before". Interviewee 15 was on the same page, "first of all, you have to be good at what you do. Looking good online is the second most important thing nowadays".

The key findings of this research study are summarized in Table 1. Based on the data collected during interviews with managers we also propose a conceptual model that we intend to later test from a quantitative perspective using AI tools (see Figure 1).

**Conclusions.** This study indicates that online brand reputation is an inseparable ingredient in the company's success, which suggests that it should be acknowledged on a company level by having a measurement system and a dedicated person to manage it. Future studies should focus on testing the findings of this study from a quantitative perspective and comparing the results among different industries.

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**Figure 1. Proposed conceptual model.**



**Table 1. Key research findings from interviews with company managers**

No.	Sex	Industry	Keywords to define online brand reputation	Keywords to define company's performance	Perceptions toward the linkage between online brand reputation and company's performance of their company
1	F	Marketing	Reviews on social media, reviews on the website, clients and ambassadors on social media, positive sentiment on the media	Leads, converted clients, financial metrics (revenue, profit, etc.), employee turnover.	Direct linkage between online brand reputation and certain aspects of company's performance, particularly when it comes to attracting leads and subsequently converting them to clients. These in turn reflect to company's financial performance.
2	M	Marketing	The information, comments, reviews, evaluations on online channels. The stories and narratives among active communities, forums, social media groups, etc; the digital footprint.	Sales revenue, EBITDA, share of market.	Direct and indirect linkage. Might have an instant impact for sales, some may influence the online reputation in a longer perspective in regard with possible investments, talents.
3	M	Research	Encompasses various factors such as the quality of the products or services, the level of customer service, the company's values and mission, and the overall customer experience.	Refers to the overall success of the organization in achieving its strategic objectives and creating value for its stakeholders.	Strong link between online brand reputation and company performance. Important to build a strong online brand reputation by monitoring and responding to customer feedback, engaging with customers on social media, and ensuring that the company's values and mission are reflected in all digital channels.
4	F	Business consultancy	Company's image and credibility based on its online presence.	Revenue, profit, market share, customer satisfaction, employee engagement.	Focusing on both building a strong online brand reputation and delivering high-performance results, company can create long-term value for all stakeholders, ultimately achieving sustainable growth.
5	M	Monitoring	Refers to the perception of a company or its products reflected in various digital channels such as social media, review sites, and search engines.	Financial metrics: revenue, profit, return on investment, market share; non-financial metrics: customer satisfaction, employee engagement, innovation sustainability, stakeholders, including customers, employees, shareholders, and society at large.	Reputation is closely linked to a company's performance, the two are interdependent. A positive online reputation can significantly enhance a company's performance by increasing customer loyalty, driving sales, and improving brand awareness. Negative online reputation can harm a company's performance by damaging its brand image, reducing customer trust, and leading to a loss of revenue and market share.
6	M	Legal	Online brand reputation is the perception that people have of a company in the digital world.	Revenue, profitability, market share, customer satisfaction, employee engagement, innovation	Strong correlation between online brand reputation and company performance; company should prioritize the cultivation of a positive online brand reputation. This involves actively engaging with stakeholders on social media, promptly addressing customer feedback.
7	F	Marketing	Reflection of how brand is perceived by customers and stakeholders across all digital channels; encompasses not only what is communicated about company but also the sentiment that is associated with it.	Revenue and profitability, employee engagement, and social responsibility.	A strong linkage between online brand reputation and company performance; positive online brand reputation can bolster company's performance by increasing customer loyalty and trust, driving sales, improving brand recognition.
8	F	Media	Perception of the public towards a company based on its digital presence, includes	Revenue growth, profit margins, market share, customer satisfaction,	Linkage between online brand reputation and company performance is crucial for the success of company.

			various elements such as social media presence, online reviews, website content, and digital marketing.	and employee engagement.	
9	M	PR	The perception and image that the public has of company, as conveyed through various digital channels, especially media.	Revenue growth and profitability	Closely linked; positive online brand reputation can have a significant impact on company's performance. Strong online brand reputation can enhance brand image, increase customer loyalty and trust, increase sales and ultimately lead to higher revenue and market share,
10	M	Legal	The image of company seen by internet users - news articles, online reviews, forums, visibility in search results impact brand reputation.	Revenue growth, revenue per client, profit margin, client retention rate, customer satisfaction.	Strong link, a positive brand reputation is usually followed by customer loyalty and trust, which turn into sales.
11	M	Audit	Perception and recognition of a company or its products/services in the online space, based on factors such as customer reviews, social media engagement, online presence, and search engine rankings.	Market share, revenue, profit, customer satisfaction, employee engagement, innovation.	Close link: a strong online brand reputation can positively influence customer perception and loyalty, as well as attract potential new customers.
12	M	Creative	Perception that the public has of a company based on its online presence and digital communication. This includes how the company is portrayed on its website, social media platforms, and other online channels, as well as the reviews and feedback from customers and other stakeholders.	Revenue and profitability, customer satisfaction, employee engagement, and brand equity.	Important to build a strong online brand reputation by developing and executing effective digital marketing strategies, engaging with customers and stakeholders on social media, and monitoring and responding to online feedback. By building a strong online brand reputation and delivering high-performance results, companies can create long-term value for clients and help them achieve sustainable growth in the long run.
13	M	Communication	Digital proof of the company	Revenue, profit, employee engagement, satisfaction and turnover, sales.	Crucial for companies to proactively manage their online brand reputation to maintain and enhance their performance
14	M	Communication	Perception that individuals and stakeholders hold of a company, products or services as reflected in digital channels such as social media, search engines, and other online platforms.	Financial performance, operational efficiency, customer satisfaction, and employee engagement, among other factors.	Highly interdependent. A positive online brand reputation can enhance company's performance by increasing customer trust, driving sales, and improving brand awareness.
15	F	Communication	Quality of content and communication, the level of engagement with customers and stakeholders, and the overall online user experience.	Financial performance	Companies with a high level of positive reputation tend to have good financial performance. To make investment decisions, investors should consider both the financial performance and reputation. Positive results in all these areas are necessary for a company to attract investment.
16	M	Legal	Online brand reputation would refer to how the firm is perceived and talked about within the legal community and among clients, including reputation for expertise in certain areas of the law, success rate in litigation, and ability to provide high-quality legal services.	Revenue growth, profitability, market share, customer satisfaction, employee engagement, and productivity.	Strong linkage. A positive online brand reputation can help to generate referrals and establish firm as a trusted and reliable source of legal advice and representation.

## **The Social Contagion Effect: How Social Media Influencers' Opinions Impact Consumers' Post-Failure Responses**

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**Keywords:** Influencer Marketing; Social contagion; Product failure; Positive affect; Automated facial expression analysis

**Description:** This study examines the effect of social media influencers' opinions on consumer responses following product failures.

### **EXTEND ABSTRACT**

#### **Research Question**

The potential effects of social media influencers on the consumer decision-making process, primarily the pre-purchase and purchase stages, are well documented in the literature (De Veirman et al., 2017; Evans et al., 2017). However, what remains underexplored is their effect on the post-purchase stage. In other words, does an influencer's opinion matter *after* a purchase has been made? This question is critical, considering the importance for firms of post-purchase reactions such as satisfaction (Mano & Oliver, 1993), attribution (Suri et al., 2019), brand loyalty (Laroche, Habibi, & Richard, 2013), and word-of-mouth (WOM) (Hennig-Thurau et al., 2004). This research question is especially relevant in service and product failures, where dissatisfied consumers are more likely to actively seek others' opinions (e.g., influencers) in an attributional attempt (Weiner, 2000). It is very likely that such influencers' opinions might alter how consumers feel and react following their own product experience, just as these opinions affect consumers' decisions before purchase (Schouten et al., 2020). The purpose of this research is therefore to investigate the effects of the valence of an influencer's opinion on consumers' affective and behavioral responses following a product failure.

#### **Method and Data**

We tested our hypotheses in five studies across two different product categories. In Study 1, we use objective, real-time psychophysiological measures as well as sentiment analysis to assess participants' post-failure affective states after they are exposed to an influencer's positive (vs. negative) video-recorded review. Investigating the underlying process, Study 2 shows that the effect of an influencer's review on consumers' post-failure affect is mediated cognitively. Study 3 and Study 4 further extend the previous studies by introducing two important boundary conditions in this context: consumers' trust in the influencer (Study 3) and the severity of the failure itself

(Study 4). Lastly, study 5 tests the previous results in a pre/post-study design and also investigates the downstream consequences of consumers' post-failure affect.

### **Summary of Findings**

Across five studies and using a variety of emotional measures including automatic facial expression analysis, sentiment analysis and self-reported scales, the current research investigates whether an influencer's positive (vs. negative) product review leads to an improvement or worsening of consumer responses. The results robustly show the existence of a social contagion effect, such that an influencer's positive opinions result in an improvement of consumers' post-failure affective state (Studies 1-5), which is driven by a positive change of consumers' opinion about the product reviewed (Study 2). We show that this contagion effect is dependent on the level of trust consumers have in the influencer (Study 3), as well as the severity of the product failure, which serves as a boundary condition for the found effect (Study 4). Lastly, we show that an influencer's positive (vs. negative) review after a consumer's personal dissatisfaction with the product has two important managerial consequences: 1) a higher probability of giving the brand a second chance (behavioral outcome investigated in Study 2) and 2) a reduction in consumers' likelihood of sharing NWOM (Study 5). Taken together, these findings have several theoretical contributions and managerial implications.

### **Key Contributions**

First, this research investigates how consumers react to influencers' opinions in the post-purchase stage. This perspective is novel since past research has mainly focused on consumer outcomes before making a purchase. Second, our research stands out as we contrast two theories in predicting the direction of the effect: Namely, Cognitive Dissonance Theory and Social Contagion Theory. We show empirical evidence of how social contagion spreads between influencers and their followers. This research therefore extends past research on social contagion mainly on new product diffusion to influencers. Third, results reveal that the contagion only exists for those who trust the influencer prior to exposure and for less severe failures. These findings add to our understanding of influencer trustworthiness as a facilitating condition not only in the pre-purchase stage, but also in the post-purchase & recovery stage.

References are available upon request.

## THE VALUE OF ONLINE INFLUENCERS

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**Keywords:** influencer marketing, online influencers, parasocial relationship, hedonic value,  
utilitarian value

**Description:** This paper explores how influencer-viewer parasocial relationship influences value  
creation in influencer marketing strategies.



## **EXTENDED ABSTRACT**

### **Research Question**

Online influencer marketing has emerged as an effective marketing strategy to promote the firm's offerings (Leung et al., 2022). These online influencers, as ordinary people who obtain their fame through sharing organic content within a knowledge domain, heavily rely on building intimate relationships with their followers to sustain their success (De Veriman et al., 2017). Specifically, followers often perceive an involvement of "friendship" like relationship with their influencers and are being fulfilled by seeking hedonic and utilitarian value from these relationships (Campbell and Farrell, 2020; Leung et al., 2022; Lou, 2022). However, little is known about how such relationships are formed and their value creation. Thus, this study attempts to answer the following questions: (1) how influencer-viewer relationships are formed? (2) and how do these relationships influence hedonic and utilitarian value creation?

### **Method and Data**

Drawing from parasocial relationship theory, this study proposes a parasocial relationship framework, with three levels of parasocial relationships (parasocial connection, parasocial interaction, parasocial loyalty) and the moderating role of influencer size that indicates the power of influencers within the relationships, to study their impacts on hedonic and utilitarian value. To empirically test the framework, this study collected field data from livestream sessions (a type of influencer content format) hosted by over 1,600 beauty influencers on a livestreaming platform over time. By measuring the constructs from this actual data, the study applied econometric methods to test the proposed framework.

### **Summary of Findings**

Findings reveal that parasocial loyalty generates the most hedonic value but contributes the least to utilitarian value, while parasocial connection and parasocial interaction have comparable effects on both hedonic and utilitarian value. Notably, most of parasocial relationship levels contribute more hedonic value than utilitarian value, signaling followers may prioritize hedonic value in the relationship. In addition, the observed impacts are moderated by influencer size. Larger influencer size enhances the impact of parasocial interaction and parasocial loyalty on hedonic value as well as strengthens the relationship between parasocial connection and utilitarian value. Conversely, larger influencer size weakens the effect of parasocial connection on hedonic value and reduces the effects of parasocial interaction and parasocial loyalty on utilitarian value.

### **Key Contributions**

*Theoretical Contributions.* This study contributes to several literature streams. First, it provides a relationship angle to understand the value creation of online influencers, expanding upon existing influencer marketing literature predominantly focusing on influencer and content characteristics (e.g., Hughes et al. 2019; Kim and Kim 2021; Lee and Eastin 2020). Second, it investigates both hedonic and utilitarian value creation from influencer marketing, extending existing literature that focuses on utilitarian type of value while ignoring the hedonic dimension (e.g., Aw and Chuan, 2021; Reinikainen et al., 2020; Yuan and Lou, 2019). Third, it enriches relationship literature that highlights marketing relationships such as consumer-seller and consumer-brand relationships that have underlying commercial goals (Fournier, 1998; Kozlenkova et al., 2017) by proposing a parasocial relationship perspective to review influencer-follower relationship. Fourth, it extends existing parasocial relationship literature that treats influencer-follower relationship as a singular attitudinal construct (e.g., Lou 2022; Yuan and Lou

2020) by considering the multidimensionality and degree of intimacy found in social relationships at three parasocial levels.

*Managerial Implications.* This study offers valuable managerial implications to influencers, marketers, and social media platforms. First, online influencers can leverage three levels of parasocial relationships to create hedonic value creation in the forms of monetary rewards and non-monetary rewards or utilitarian value related to sponsored product sales. Second, marketers should consider the influencers' relationship-building ability at the three parasocial levels when selecting influencers for their influencer marketing strategies. Finally, social media platforms should be cautious at adding new influencer monetization channels as loyal followers in our empirical context (livestreaming) prioritize hedonic value than utilitarian value seeking.

\*References are available upon request.

## **TRIGGERS FOR WRITING EWOM HOTEL REVIEWS: A DECISION TREE ANALYSIS**

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**Keywords:** eWOM, decision trees, hotel reviews, writing reviews, online platforms

**Description:** This work analyzes traveler's propensity to share travel experiences by writing hotel reviews, in order to classify customers according to the use of different online platforms and sociodemographic factors.

### **EXTENDED ABSTRACT**

#### **Research Question**

Authors explore external factors which trigger eWOM writing, and find a research gap in measuring the relationship between the propensity by customers to use some specific online platforms for gathering information about hotels and the propensity to write a hotel review. Other

external factors related to the customer profile, such as age, gender, work status, household situation, education level and income level, were also tested in the model as independent variables.

The set of online platforms (OTAs, Review sites, Social Networks, etc) has been selected using their traffic rank (Statista, 2019), and the use of propensity DTs is proposed in this work because they enable expressing non-linear relationships among variables such as the asymmetric relationship between use of online platforms and sociodemographic factors and propensity to write eWOM (Busacca & Padula, 2005).

After considering the domain knowledge, the authors research questions (RQ) are as follows:

RQ1: What are the most important triggers for writing eWOM for hotels?

RQ2: What is the best combination of the triggers for writing eWOM for hotels?

### **Method and Data**

A Supervised Learning technique of Machine Learning, Decision Trees, was used to classify customers by their propensity to write reviews. This is a white box method which provides marketing managers with an explanation of the logic of the algorithm, enabling the interpretation of results and its reasoning. This statistical technique generates a classification model, based on flux diagrams, to identify groups and make inferences. A decision tree helps make a more accurate decision from a probability perspective when faced with a range of possible decisions. It allows us to examine the results and determine visually how the model flows.

An online self-administered survey was conducted among users of online tourism opinion platforms. The final number of valid questionnaires was 739. The survey was structured in four sections: the first as a presentation and filter so that only those consumers who use the web to

search for information on tourist accommodations could be consulted, the second section aims to detect on which specific platforms they are likely to read reviews. The third section investigates the inclination on the part of the customers to write a review about their experience after their stay. The questionnaire ends with six socio demographic questions.

### **Summary of Findings**

This work has answered the two proposed research questions, identifying the main triggers for writing eWOM reviews and also the best combination of values that increases the customer's propensity to write. The main findings are that customers who use Facebook intensively to gather information about hotels and at the same time are employed, have the highest probability to write eWOM reviews. The employed status is recorded as opposed to those who are not working, self employed or managers. The proposed model also identifies the travelers with lower probability of writing hotel reviews, as those with low intensity use of Facebook and Booking when looking for information about hotels.

Practical implications are that hotel managers can predict the probability that their customers become eWOM providers, being such an important contribution to the hotel's online image and marketing strategy. There is a significant value attached to the knowledge that some specific customers are prone to write eWOM reviews and that the way to find out is within the scope of a brief conversation at the check in.

### **Statement of Key Contributions**

Authors propose a practical methodology for extracting patterns relating to travelers' propensity to write hotel reviews as eWOM by the analysis of their behavior in online platforms as well as

sociodemographic factors. This approach is able to identify and predict whose hotel customers are proner to write eWOM.

Authors implement a white box Machine Learning technique, Decision Trees, in a real case study of data drawn from a survey of travelers about their behavior in relation to eWOM provision. The profile is validated against domain knowledge and results are compared to a reasonable baseline represented by the logistic regression model. The proposed Decision Tree greatly improves the detection of the group of interest (i.e. eWOM providers).

Results are relevant for hotel managers in order to identify who are the customers with the highest probability to write eWOM reviews, which are the employed travelers with intensive use of Facebook. On the other hand the travelers with lower probability to write eWOM reviews are those who use little Facebook and Booking when they search for information about hotels.

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## **UNBOXING VIDEO EFFECTIVENESS – DOES SPEECH MATTER?**

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**Keywords:** unboxing, effectiveness, qualitative research, quantitative research, uses and gratifications approach

**Description:** Relying on a qualitative and a quantitative study and the uses and gratifications (U&G) approach, this study analyzes the effects of speech in unboxing videos on viewers' video and brand engagement.

### **EXTENDED ABSTRACT**

#### **Research Question**

Unboxing videos have become increasingly popular in social media (Mowlabocus 2020). These videos are publicly available audiovisual media that focus the process of unpacking of a specific product (Craig and Cunningham 2017). Due to their popularity, companies increasingly use unboxing videos as part of their influencer marketing strategy and incentivize influencers to unbox their products (Shields 2014). Yet, companies and influencers currently miss guidelines on how those unboxing videos should be designed to increase viewers' video and brand engagement.



The topic of unboxing videos has only received little attention in academic literature and it is thus unclear why some videos are effective while others are not. With our research, we take a first important step in order to investigate the effectiveness of unboxing videos. We focus on an important design characteristic of unboxing videos, i.e. speech, and analyze (1) how speech influences viewers' video and brand engagement and (2) the extent to which this effect is mediated by specific gratifications obtained from watching unboxing videos.

### **Method and Data**

In a first step, we develop our conceptual model relying on a qualitative study and the U&G approach. We conducted ten problem-centered in-depth interviews with viewers of unboxing videos to identify different gratifications that can be obtained from watching unboxing videos. Afterwards, we derive hypotheses in how far speech will be able to satisfy these gratifications in order to increase video and brand engagement.

In a second step, we run an experimental study to test our hypotheses on the effect of speech on video and brand engagement. We used a posttest-only control group design (Campbell and Stanley 1963) and manipulated speech in the unboxing video (speech vs. no speech) by randomly assigning participants to one of two groups. Participants got to see an unboxing video of headphones on YouTube either with a voice-over (speech) or with music (no speech), whereupon they had to fill out a questionnaire. We gather data on video engagement (i.e., viewers' intention to like the video), brand engagement (i.e., viewers' likelihood to purchase the specific product) and the stimulation of the four gratifications (i.e., informativeness, inspiration, entertainment, and pass time). The data was collected online. In total, 166 participants took part in the study.

## **Summary of Findings**

We reveal that four gratifications could be obtained from watching unboxing videos: informativeness, inspiration, entertainment, and passing time. Speech in turn influences the extent to which unboxing videos satisfy these gratifications and in turn positively affect video and brand engagement.

With regard to **video engagement**, we find two opposing effects of speech in unboxing videos through inspiration and entertainment. On the one hand, we find a positive indirect effect of speech on video engagement via inspiration. On the other hand, we find a negative indirect effect via entertainment. In sum, the two opposing effects of speech on video engagement cancel each other out. That is, the total effect of speech is non-significant. In turn, we can conclude that the suitability of speech in unboxing videos for stimulating video engagement depends on the context and should be driven by the main gratifications sought in specific product contexts.

With regard to **brand engagement**, we find a negative indirect effect of speech on brand engagement via entertainment. In sum, we can conclude that brand engagement is mainly dependent on the gratification of entertainment, which is limited by speech in unboxing videos.

## **Key Contributions**

Relying on a qualitative and a quantitative study and the U&G approach, our research makes four important contributions. First, we close a gap in the literature on influencer marketing effectiveness by focusing on unboxing videos as a new media type since videos in general and especially unboxing videos are only scarcely investigated so far. Second, we present insights into why customers watch unboxing videos. Based on the uses and gratifications approach, we identified different gratifications that customers can obtain from watching unboxing videos. Our qualitative results offer support that customers want to be

informed, inspired, entertained, or avoid boredom by watching unboxing videos. Third, with our quantitative study, we are the first to analyze design characteristics (i.e., speech) as antecedents of influencer marketing success. Results show that speech can influence in how far gratifications can be obtained from watching unboxing videos. While it positively influences informativeness and inspiration, it negatively influences entertainment. Fourth, we take a differentiated view on engagement. While most of the studies on influencer marketing effectiveness focus either on the success for the influencer or the sponsoring company, we include video as well as brand engagement in our analysis.

References are available upon request.

## **USING GAMIFICATION TO CREATE BRAND LOVE IN ONLINE RETAILING: BRAND ENGAGEMENT AND VALUE CO-CREATION PERSPECTIVE**

### **Abstract**

Gamification has emerged as a popular approach to use a virtual platform in combination with social media and other emerging digital platforms to enhance brand engagement. We investigate the focal roles of co-creation and brand love in the impact of brand engagement on brand loyalty and advocacy in a gamified online retailing platform. We use a multi-method approach with two consumer surveys (Gen Y=389 and Gen Z= 496) and a sentiment analysis of user-generated content with tweets about gamification in the context of online retailing. Results confirm a positive link for social and emotional (but not cognitive) brand engagement with value co-creation. Brand love is positively associated with both brand advocacy and loyalty. Finally, brand trust fully moderates the relationship between value co-creation and brand love. Besides adding to the current research on brand love, gamification, and consumer brand engagement, these findings also provide useful insights to online retailers for using gamification to drive their customer engagement and value co-creation efforts to create brand love that in turn would lead to customer loyalty and advocacy.

### **Key Contributions**

This paper investigates the important roles played by value co-creation and brand love in the process by which brand engagement affects brand loyalty and advocacy in a gamified online retailing platform. Using a multi-method approach with two consumer surveys (Gen Y=389 and Gen Z= 496) and a sentiment analysis of user-generated content with tweets about gamification in the context of online retailing, we find that social and emotional (but not cognitive) dimensions of brand engagement have a positive association with value co-creation. Similarly, brand love is positively associated with both brand advocacy and loyalty. Finally, brand trust positively moderates (enhances) the link between value co-creation and brand love. All these findings make important theoretical contributions to current research on brand love, gamification, and consumer brand engagement, by demystifying the relationships among these diverse constructs. Specifically, we show that simply using gamification without linking with the brand engagement and value co-creation efforts may not lead to a positive impact on brand loyalty and advocacy from customers. These findings also provides useful insights to online retailers and social media managers on how they may be able to use gamification strategies to improve engagement level with their customers and value co-creation activities to create brand love that in turn would help them build customer loyalty and advocacy. For example, while designing their gamification activities and features, managers may find it useful to enhance the brand engagement and value co-creation aspects of their efforts, in order to reap maximum benefits in terms of positive impact on brand loyalty and advocacy from their customers.

## Introduction

Application of online gaming, virtual reality and interactive social software to the marketing context has generated a new phenomenon that helps enhance users' experience by promoting creative and active participation through gamification (Hamari and Koivisto, 2015; Bitrián et al., 2021; Weretecki et al., 2021). Gamification is described as "the use of game design thinking, while using game elements within a non -gaming context" (Deterding et al., 2011, p.10) and it has emerged as a cutting-edge concept that dynamically enhance customer engagement by incorporating the game-based dynamics and mechanics, aesthetics, and game thinking ( Hamari, 2017). Numerous industries, including education and e-learning (Putz et al., 2020), mobile marketing (Bitrián et al., 2021), tourism (Xu et al., 2021), health (Garett et al., 2019), and intraorganizational management have adopted gamification over the past few years as a new interactive online gaming design (Friedrich et al., 2020).

Gamification has also been offered as a service layer of reward and reputation systems, in order to enhance consumer brand engagement ( Xi et al., 2020; Feng et al., 2020; Berger et al., 2018). For example, Nike used a game-ware design, driving over millions of players to compete and improve personal fitness goals, which the company can monitor, and set their customers' a target. On achieving the target, Nike reward customers with points and rewards. The popular chocolate cookie brand Oreo's official game, "Twist, Lick Dunk," is another suitable illustration. Customers twist, lick, and consume virtual Oreo cookies to play this game. Customers can view their score and ranking on leader boards while playing. The points that are earned by customers may be retrievable in the form of price discount over the customers' next order. Similarly, Amazon, organizes gaming contests like 'spin the wheel'. Through this medium, the company gives their customers a chance to win exciting prizes. Adoption of these sorts of gamification techniques are all in a bid to woo customers, while keeping them integrally engaged to the brand. (Shouk and Soliman, 2021; Wong, 2021; Srivastava and Bag, 2021; Hass et al., 2021). Gamification also facilitates collaborative innovation practices among multiple actors (Leclercq et al., 2017).

Gamification provides an interactive and participatory and collaborative environment which tend to create high quality customer interaction through the gamification mechanics (Eisingerich et al., 2019; Högberg et al., 2019; Hammedi, et al., 2019; DeCanio et al., 2021). Consumers share their knowledge with other customers and even potential customers of the businesses due to gamification mechanics that may improve customer participation in company activities (Pansari & Kumar, 2018; Hollebeek et al., 2020). Therefore, active customer engagement is indeed a challenge for marketers, who wish to co-create value between two parties (Storbacka et al., 2019; France et al., 2020). Value co-creation is defined as the collaborative exchange of thoughts and activities between customers and companies (Prahalad and Ramaswamy 2004; Mai et al., 2022).

Recently, brand managers have given a lot of emphasis to the notion of "brand love" to symbolize the deep and persistent connections between a company and its consumers (Junaid et al., 2019; Singh et al., 2021). In other words, it may be seen as a process of creating an emotional bond between a brand and its consumers, which could help them develop a long-term relationship with the brand itself (Palusuk et al., 2019; Izquierdo et al., 2021). Although recent research provides several theoretical valuable insights upon the determinants of brand love and advocacy while integrating the gamification marketing strategy as there seems to be paucity of studies looking into the gamification mechanics that actually go on to effect customer engagement.

Furthermore, prior studies seemed to have focused on value co-creation and paid less attention to the various dimensions of customer engagement, which is an important aspect. Earlier

studies based on the customer perspective towards gamification have used either quantitative or qualitative approaches ( Hsu et al., 2018; Xi and Hamari, 2019; Eisingerich et al., 2019). However, a combination of both the approaches are limited specifically in the framework of gamification and online retailing. To address these gaps, we aim to understand the process by which gamification may help engage customers' engagement and value co-creation in the online retailing context. Accordingly, we identify the following questions:

RQ1: How does gamification enhance customer brand engagement and value co-creation between service providers and customers!

RQ2: How does value co-creation affect brand love that leads to customers' brand advocacy and brand loyalty!

RQ3: How does 'trust' for a brand effectively moderate the relationship between the value co-creation and brand love!

### **Theoretical background and hypotheses development**

Two theoretical stances—SDT (Self-Determination Theory) and Flow theory—have been used in previous research on the application of gamification in the commercial setting. More specifically, the motivation to use gamification features comprises of two types - extrinsic and intrinsic. Extrinsic motivation integrates the gamified mechanics/elements into non-gaming context (Zichermann and Cunningham, 2011; Hollebeek et al., 2021; Tobon et al., 2020). For example, most players use leader boards and avatar to play the game competitively within a gamified environment they feel satisfied and happy as the results are displayed on leader boards. By contrast, the design of game thinking incorporates the effects of positive arousal on intrinsic motivation driven by an internal desire to play the game in a non-gaming context (Ryan and Deci 2000; Xi and Hamari, 2019).

The gamified marketing that used the gaming elements and design like playable ads to attract and retain customers. Intrinsic activities triggered by intrinsic motivation are those, which the players find interesting, and which give enjoyment and pleasure to the players of gamification users (DeCanio et al., 2021; Hammedi et al., 2019; Feng et al., 2020). When people are intrinsically motivated, they are self-motivated to enjoy each and every activity immensely. The second theory used to provide a conceptual base to the gamification context is the flow theory of psychology. Flow theory is described as “a state in which people are so involved in an activity that nothing else seems to matter the experiences is so enjoyable that people will continue to do it even at great cost for the sheer sake of doing it”(Cskikszentmihalyi, 1990, p.56). One requires a balanced aim in order to accomplish flow because it is a state of intense attention and an abortion. In other words, the goal has to be challenging and attainable within an individual's ability (Matallaoui et al., 2017; Whittaker et al., 2021).

### **Customer brand engagement and value co-creation**

Customers who are emotionally and rationally attached to a brand are said to be engaged with it, which leads to a co-creative customer experience. Brand engagement also reflects an interactive brand relationship, where customers interact with service providers representing the brand (Hollebeek et al., 2014; Kumar et al., 2020). It consists of social, emotional, and cognitive engagement (Kumar, 2020; Fernandes and Moreira, 2019). While addressing value co-creation and interactive experience in marketing literature, theories have described the theoretical roots of Customer Brand Engagement (CBE) (Harmeling et al., 2017; Cheung et al., 2020; Lourenço et al., 2022). According to earlier research on gamification, the highly interactive CBE process is both developed and enhanced by gamification (Xi and Hamari et al., 2020; Högberg, et al., 2019).

Cognitive brand engagement focuses on the degree of consumers' understanding and their involvement with a brand, particularly in terms of the amount of time, energy, and effort they expend on analyzing and dealing with a brand (Hollebeek et al., 2021; Rather et al., 2021). Extant literature on both gamification and branding highlighted that, achievement-related features like earning rewards, badges, encountering with adventures, leaderboards, progression metrics are closely associated with cognitive style and composed the goal-structures (see goal setting theory, Landers et al., 2017). Prahalad and Ramaswamy (2004, p. 5) confirm this as, "business cannot develop anything of value without the engagement of individuals." To create a strong consumer base for value co-creation, engage your brand (Ramaswamy and Ozcan, 2016). Accordingly, we hypothesize as follows:

**H1a.** Cognitive brand engagement has a positive effect on value co-creation.

Social brand engagement on the other hand, refers to social involvement and interaction, based on the inclusion of society and the brand's social groups (Frimpong and McLean, 2018). In the present context, socialization and online interaction with a brand community is very relevant and essential for enhancing customers' brand interaction (Osei, 2019; Cheung et al., 2021). Social interaction-related features, such as feedback, reviews, likes, comments, and cooperation, fundamentally tailor social brand engagement (Leclercq et al., 2018). Gamification features may open up potential for online service providers, notably e-tailers, who want to increase client involvement. In the process, it could help both e-tailers and customers to come on a common platform and be intrinsically connected with the intent to foster value co-creation among them (Osei-Frimpong, 2019; Cheung et al., 2020). Based on the above arguments, we posit:

**H1b.** Social brand engagement has a positive effect on value co-creation.

Customer sentiments, relationships, and love are reflections of their sense of brand loyalty. Emotional brand engagement basically develops an emotionally charged link between consumers and the brand that helps brands establish long-term, sustainable relationships with them (Torres et al., 2020; Pansari and Kumar, 2017). The immersion in environment and its features are potentially important for customer experience (Peters et al., 2018). Therefore, immersion-based gamification features like story, role play sharing photos and audio-visual richness can expressed emotional brand engagement. It also believed that this emotional aspect of brand engagement also includes a positive brand-related affect through customer value co-creation (Hollebeek et al., 2014; Torres et al., 2020). In the context of e-tailing, customers' emotional ties to brands do play a big part in raising their spirits and inspiring them to co-create values with them.

**H1c.** Emotional brand engagement has a positive effect on value co-creation.

### **Value co-creation and brand Love**

Value co-creation is a collaborative development of value that enables users to jointly create a unique experience with the service providers (Prahalad and Ramaswamy, 2004). Effective value co-creation, requires certain kind of principles which includes (i) enthusiastic participation of stakeholders with a firm's strategies to co-create value; (ii) rewards and recognition for the stakeholders, customers, employees and suppliers; (iii) A continuous dialog among all the firm's stakeholders, regardless of their direct or indirect association with the firm; and (iv) an interactive platform to engage stakeholders for sharing their experience, while partaking in the process of creating a future road map (Ramaswamy and Gouillart, 2010). Applying these principles would increase the chances of having a more pleasant and productive collaborative atmosphere, which would facilitate value co-creation instead of reducing the risks of a challenging and resource-intensive process.

Value co-creation may also be related to "brand love," the outcome of a sustained partnership between a customer and a particular brand. In fact, 'brand love' is formed through a continuous dialogue between both parties that bring about value co-creational aspects in the relationship (Stach, 2019; Wallace et al., 2021). Extant literature of branding discussed the brand love from various perspective which subsequently incorporated various dimensions and allied concepts like, brand acceptance, brand loyalty, positive word-of-mouth (Shetty and Fitzsimmons, 2021; Ayuningsih and Maftukhah, 2020). In this relationship marketing paradigm, where customers' roles are transforming from passive to co-creator and where they actively participate in the process of value co-creation using interactive platforms (Junaid et al., 2020; Nadeem et al., 2021). Thus, we posit as follows:

**H2.** Value co-creation has a positive impact on brand love.

### **Brand love, brand loyalty, and brand advocacy**

Brand love represents the customers' affection with a brand, which in turn, reflect continuous commitment and responsible behavior towards a brand, turning the customers into 'brand advocates' being loyal to the brand (Wilk et al., 2021; Bhati and Verma, 2020). However, the relationship between a brand and its customers is intricate and multifaceted. Consumers who can connect with a brand are more likely to be brand loyal, willing to support business initiatives, and focused on assisting others with brand-related questions (Coelho et al., 2019; Wongsansukcharoen, 2022; Khamwon and Masri, 2020). Interestingly, extant literature has also documented brand loyalty-brand advocacy relationship even in offline contexts (Coelho et al., 2019; Kumar and Kaushik, 2020). Past research also shows that more intense love and connect with brand leads to the higher possibility of purchasing the products even at premium price (Ayuningsih, and Maftukhah, 2020; Verma, 2021) and continuous relationship with a brand (Nikhashemi et al., 2019). Therefore, we argue that brand love could be a central aspect of customer-brand relationship that may help develop brand loyalty and advocacy, as follows:

**H3a.** Brand love has a positive influence on brand loyalty.

**H3b.** Brand love has a positive influence on brand advocacy

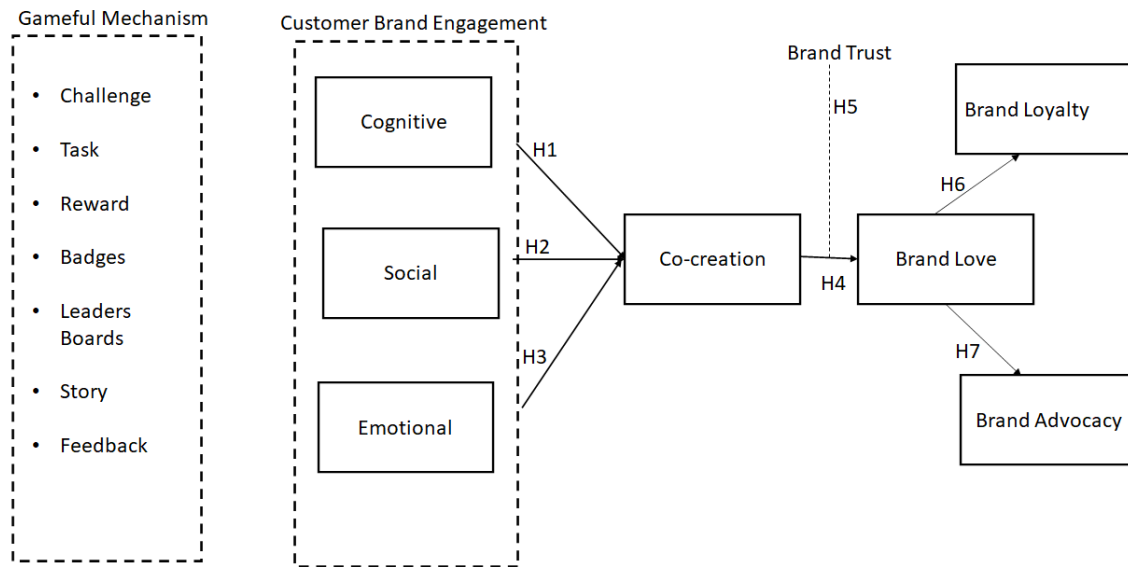
### **Moderating effect of brand trust**

Mayer et al. (1995) defined trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that other party" (p.172). Numerous academic fields, including psychology, sociology, economics, management, and marketing, have investigated the role of trust (Bennur and Jin, 2017). Due to its complex nature and diverse metrics, "trust" lacks a clear definition, making it difficult to understand the concept as well as its antecedents and results (Chen & Dhillon, 2003; Vorm et al., 2022; Akhmedova et al., 2021).

In the context of marketing, brand trust refers to consumers' willingness to place their trust in a brand's ability to fulfil its intended purpose (Khan and Fatma, 2019). Brand trust is a crucial element that confirms customers' trust in their preferred brands and describes the long-term relationship between the brand and the customer (Shin et al., 2019; Ramirez and Merunka, 2019). Previous research also expressed the importance of brand trust, as it reduced the risk for selecting a new product, and thereby create a connection between a customer and a brand that is both emotional and logical. (Hafez, 2021; Konuk, 2021; Seifert and Kwon, 2019).

**H4.** Brand trust moderates the relationship between value co-creation and brand love.



**Figure 1: Conceptual model**

## Methodology

This paper uses a multi-method approach combining the traditional and user generated content analysis, divided into two phases (Ray et al., 2022; Eslami et al., 2018). We first conducted an intensive literature review on gamification and online retailing to identify specific research gaps and develop our conceptual model, which we tested using PLS-SEM. In the second phase, we performed user-generated content analysis on online user comments and tweets about the use of gamification in the context of online retailing. We adapted scale from extant literature to measure all the constructs using seven-point Likert scales, ranging from ‘strongly agree’ to ‘strongly disagree’. We assessed customer brand engagement through three dimensions (cognitive, social, and emotional). The three items used to measure cognitive dimension adapted from Hollebeek et al., (2014). Further, we used five items to measured emotional brand engagement and social brand engagement with six items adapted from (Vivek et al., 2014). Value co-creation is measured using a four-item scale adapted from Zhang and Chen (2008). Two item scale of brand advocacy adapted from (Brown et al., 2005). The brand love measured with ten items adapted from Carroll and Ahuvia (2006). Five Items for brand trust were adapted from (Chaudhuri and Holbrook, 2001; Delgado-Ballester et al., 2003). The four-item scale were used to measure brand loyalty adapted from Carroll and Ahuvia (2006).

We tested our hypotheses using two distinct samples, one from generation Y or millennials (born 1987-1996) and the other from generation Z (born 1997-2012). All the scales show good psychometric properties including high reliability, average variance extracted and composite reliability as well as discriminant validity with other constructs. Next, path analysis shows most of the relationships in our model significant, except that cognitive brand engagement does not influence the value co-creation ( $\beta=0.076$ ,  $t=1.349$ ,  $p=0.178$ ), all other hypotheses were found to be supportive and significant. A high  $R^2$  value (72%) shows that our model explains most of the variance in brand love (Shmueli et al., 2016; Hair et al., 2019; Hair et al., 2011). Next, all the effect sizes ( $f^2$ ) were found to be small to medium according to Cohen’s (1988) criteria. Finally,  $Q^2$  values for the endogenous construct for both samples was greater than zero (brand loyalty  $Q^2 = 0.579$ , brand advocacy  $Q^2 = 0.613$  for gen Y and  $Q^2=0.614$  and  $Q^2=0.578$  for gen Z). Finally, we tested the moderating effect of brand trust on the link between value co-creation and brand love, we used the product-indicator approach with standardized data and the two-stage approach for both the samples. We found significant interaction between value co-

creation and brand trust on brand love, thus brand trust moderates the link between value co-creation and brand love for both Gen Y and Gen Z customers.

### User-generated content analysis

To conduct the sentiment analysis, we used opinion mining process, in which a piece of writing is analyzed computationally positively, negatively, or neutrally. We fetched tweets using keywords, such as 'online retailing', 'badge', 'gamification', 'game design', 'point', 'gamified engagement', 'feedback', 'leader Boards', 'gamified task', 'challenges', 'loyalty'. We used Text Blob to classify these tweets as positive, negative or neutral (Da Silva et al., 2014; Shobana et al., 2018) and used Logistic Regression to analyze these tweets to explain the relationship among one dependent binary variable and one or more independent variables (Yang et al., 2020). We also used the maximum likelihood method while estimating the logistic regression, as it determines the parameters that are likely to produce the observed data, assuming mass function (Friedman et al., 2000). Finally, we used Sigmoid function, also called S-curve (Rządkowski, and Sobczak, 2020), as it has the ability to take up any real value and map it into values ranging from 0 to 1 (Burtch et al., 2021).

Some of the important theme generated from the thematic analysis of tweet are 'points', 'levels', 'badges', 'leader', 'game design', and 'brand loyalty'. Figure 2 shows the word cloud or text cloud, which was obtained from the cleaned tweets. In simple words display the group of words, or cluster, that are shown in various sizes. The more frequently a word is used inside a document and the larger and bolder it is, the more significant it is. In our case, we used cleaned tweets dataset to generate word cloud related to the gamification dynamics. The word cloud presents a pictorial representation of the broad perspective of online customers, related to their usage and their interaction with gamification features, used by e-tailing websites. Notably, the words game design, leader, badges, points, feedback, brand loyalty and memories were found from the tweets of customers of e-tailers (figure 2).

**Figure 2: Word cloud of tweets**



## **Discussion and implications**

This study made use of multi-methods approach to study the role of gamification in online retailing by combining the findings of our SEM analysis to complement the user generated content analysis. Despite the growing popularity of gamification, marketing and branding literatures seem to lack integrated models that explain the use of gamification in the context of online retailing. It is important to note herein that the retailing sector nowadays is considered as an information-driven sector, wherein the use of smartphones strongly foster tools on gamification on both the retailing apps and websites. Gamification mechanics go on to create value for customers, because they enhance the level of customer involvement, and thus, they are considered as one of the most vital tools for creating Marketing strategies.

In the context of the emerging economies' internet commerce sector, which provides multifaceted brand contact in a range of contexts like (cognitive, social and emotional). Our study's sample showed a favorable correlation between the aspects of brand involvement and other significant outcomes like value co-creation and brand love (Cheung et al., 2020; Luo et al., 2015). For both of our samples, we did not discover a statistically significant relationship between cognitive brand engagement and value co-creation. The fact that "cognitive" essentially refers to the degree of customers' attentiveness toward a brand may be one explanation for this. It is important to note that brand love and value co-creation were positively correlated with all customer brand engagement aspects.

This study enhances the extant literature on online commerce by exploring how gamification can keep customers interested in a longer amount of time. Although gamification has been extensively studied in a variety of fields and contexts, it appears that little attention has been given to the gamification tactics used by retailers to influence their customers, particularly in developing countries. By examining the effects of gamification on brand engagement, value co-creation, and brand love, this study contributes to the extant literature on the influx of digital technologies in the retailing context. We also contribute to existing literature on SDT and Flow theory in retailing sector, especially under e-tailing settings, whereby we incorporate four crucial constructs of Marketing (i.e. customer engagement, value co-creation, brand love, brand advocacy and loyalty).

This study also has important practical implications for the e-tailing service providers in terms of the major strategies need to implement for effective customer engagement in e-tailing platform. This study will help retail managers by utilizing the user generated contents for the development solid social marketing strategy. To a great extent, our results are in congruence with existing studies on branding literature. However, the findings of this study provide a road map in the following ways, which are relevant for web designers and managers of online brand communities that typically struggle to maintain customer traffic through customer involvement on their website (Banik, 2021; Suh et al., 2017).

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## **VIRTUAL INFLUENCER MARKETING EFFECTIVENESS: THE IMPACT OF PRODUCT AND SOCIAL MIXED REALITY ON CONSUMER PERCEPTIONS AND BEHAVIOR**

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**Keywords:** Virtual Influencers, Virtual Products, Authenticity, Attitude, Implicit Brand Selection

**Description:** There is a dearth of literature examining virtual products, or digital representations of physical products, in the social and new media domains; thus, based on the Computers are Social Actors framework, this experimental study investigated the effects of social cues (i.e., virtual influencer alone vs. with a human) and product type (i.e., real vs. virtual) on consumers' perception of authenticity and attitudes toward the virtual influencer and, ultimately, attitudes toward the brand and implicit brand selection.

### **EXTENDED ABSTRACT**

#### **Research Question**

As the usage of newer technology becomes prevalent in marketing, brands have found novel opportunities to engage consumers. Employing virtual human influencers as brand endorsers sounds convenient and promising, but do they generate greater marketing effects when they are in a “mixed” reality social media-based setting with a high degree of realism (e.g., with a human

and holding a real product)? Based on the Computers are Social Actors (CASA) framework, this experimental study investigated the effects of social cues (i.e., virtual influencer alone vs. with a human) and product type (i.e., real vs. virtual) on consumers' perception of authenticity and attitudes toward the virtual influencer (VI) and, ultimately, attitudes toward the brand and implicit brand selection.

### **Method and Data**

A 2 (MR social cue: with a human vs. alone) x 2 (Product Type: real vs. virtual product) between-subjects experimental design was used to test the hypotheses and answer research questions. Participants were randomly assigned to one of four experimental conditions: VI alone with a virtual product, VI with another human and a virtual product, VI alone with a real product, and VI with another human and a real product. Once randomly assigned, participants viewed the VI's Instagram profile. Then, participants viewed the VI's Instagram posts according to their condition. Afterward, participants' perceived authenticity, attitudes toward the VI, and attitudes toward the brand were measured along with VI's perceived competence (as a control variable). Lastly, after participants answered questions on demographics, they participated in an implicit brand selection test.

Data was analyzed using SPSS.V28. To address proposed hypotheses and research questions, this study conducted an analysis of covariance (ANCOVA), a multiple regression, a Binary Logistic Regression, and a layered  $\chi^2$  analysis.

### **Summary of Findings**

Data indicate when there is an increase in the elements of the physical world, such as the presence of a real human with the virtual influencer, consumers' attitudes toward the virtual influencer are more favorable than when the virtual influencer is alone. Additionally, a significant interaction between real products (vs. virtual products) and being with a human (vs. alone) was found for consumers' perceived authenticity of the virtual influencer. Moreover, perceived authenticity of the virtual influencer positively influences consumers' attitudes toward the virtual influencer, and attitudes toward the virtual influencer positively predict attitudes toward the brand. Finally,  $\chi^2$  analysis estimating the layered effects on implicit behavior indicates a significant effect within the presence of the mixed reality social cue (with a human): when the target brand is selected, it is significantly more likely to be a real product compared to the virtual product. Overall, findings suggest when there is an increase in the elements of the physical world, especially when the virtual influencer is with another human and promoting a real product, consumers' attitudes toward the virtual influencer and the brand are more favorable compared to when the virtual influencer is alone and promoting a virtual product.

### **Statement of Key Contributions**

This research broadens the research scope of CASA by advancing the theoretical foundations that support the psychological mechanisms of an emerging and increasingly prevalent form of human-computer interaction conducive to marketing effectiveness. Extending the CASA paradigm, data indicate that consumers prefer the VI when there is a presence of a social cue, suggesting that consumers can apply not only pre-existing scripts related to human-to-human interactions but also learned knowledge from human-media agent interactions to their perceptions and encounters with VIs on social virtual platforms. Further, data suggest that



endorsing a real and tangible product (vs. a virtual product) and being with a human (vs. alone) have a significant interaction effect on the VI's perceived authenticity, which indicates that social media marketing practitioners who wish to employ VIs should consider implementing social cues when creating Instagram posts. Specifically, the magnitude of the VI's social effect observed implies that social cues are underexplored and underused in the current VI social media marketing practice.

References are available upon request.

**BUYER OR WATCHER? THE ROLE OF CUSTOMER MOTIVATION AND SOCIAL PRESENCE IN LIVE STREAMING SERVICE**

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**Keywords:** Live Streaming, Social Presence, Customer Motivation, E-Commerce, Technology Adoption

**Description:** A quantitative research that studies the role of customer motivations and social presence in live streaming service across different customer types.

**EXTENDED ABSTRACT**

**Research Question**

Live streaming has become a favored direct shopping channel that provides not only convenience but also social interaction for customers. Despite the increasing adoption of live streaming services in the marketing industry, prior research has largely focused on the buyer aspects of such behaviors. It is important to consider watcher because this group can create profits through different channels nowadays, such as video views, advertisements, and virtual-gift donations in addition to direct purchases. Furthermore, the initial motivation for buyers and watchers are different, indicating that their intentions and behaviors can be influenced across values and products.

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**Extended Abstract**

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Because the nature of live streaming is conducted in a virtual platform, the sense of feeling interacting with the service provider becomes critical, which refers to the level of social presence. While the importance of social presence in shaping user behavior in live streaming shopping service is widely acknowledged, the extent of variation and its influence on intrinsic and extrinsic motivations among users with distinct behavioral types remains uncertain.

This paper aims to investigate the effects of customer type (watcher/buyer), social presence, and customer motivation (extrinsic/intrinsic) on customers' live streaming adoption by extending the technology acceptance model (TAM) and the Theory of Self-determination.

**Method and Data**

We conducted two online studies to examine the effects of customer type (buyer, watcher) on customer' motivation (usefulness, enjoyment) in live streaming settings. We also explored the moderating effects of perceived social presence on customer type to affect customers' perceived usefulness and enjoyment. In study 1 (n = 285; 111 females), a SEM analysis was conducted to test our hypotheses. We found that the buyer type customer exerted positive effects on perceived enjoyment and perceived usefulness of live streaming service. However, the moderating effects of social presence on the buyer type to perceived enjoyment and usefulness were not found to be significant. In study 2 (n = 287; 103 females), based on the results of the SEM analysis, we found that the watcher customer type exerted significant positive effects to perceived enjoyment and perceived usefulness of live streaming service. Also, the moderating effects of perceived social presence on the watcher type exerted a significant influence on both perceived enjoyment and perceived usefulness. Moreover, we found both moderated mediating effects of perceived social presence on the "watcher" customer

type through customer perceived enjoyment and usefulness to their attitude on using live streaming services were significant.

### **Summary of Findings**

First, a customer's prior shopping task (i.e., as a buyer or watcher) positively affects the perceived enjoyment and usefulness toward live streaming service. Our findings provide support for the Self-determination Theory that focuses on the relationship between personal importance and activities and on internalization, indicating that the type of customer exerts effects on usage behaviors. Specifically, as a watcher, a customer values both enjoyment and usefulness more than a buyer in the live streaming shopping domain. The results are partly against previous studies revealing that social media commerce users with higher purchase involvement were more concerned with the instrumental value.

Secondly, the moderating effect of perceived social presence on customer motivations was only found significant with the "watcher" customer type but not with the "buyer" type. Specifically, this effect was strengthened at the lower level of perceived social presence with a higher tendency to be a watcher, suggesting that as a watcher, minimum social presence is required to form their perceptions toward the live streaming service.

Lastly, as expected, the moderating effects of social presence and the "watcher" customer type exerts a positive mediating influence on customer attitude toward using live streaming service through motivations (enjoyment and usefulness).

### **Key Contributions**

This study provides meaningful theoretical contributions and practical implications. First, we extend existing e-commerce literature by examining customer type (buyer/watcher) in the live streaming shopping context and its effects on customer motivation, attitude, and

**Extended Abstract**

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intention consequently. Second, we broaden the technology acceptance model and the Theory of Self-determination by investigating the roles of extrinsic and intrinsic motivation in influencing customers' live streaming shopping adoptions. Third, we explore the moderating effect of social presence on customer type (buyer/watcher) and customers' extrinsic and intrinsic motivations, and its consequential impacts on their adoption of live streaming services. Fourth, we contribute to the literature that examines customers' decision-making process in live streaming by proposing a hypothetical model. Finally, our study provides practical implications to firms such as individual sellers and streamers to increase positive customer responses regarding their services and suggest tailored service environments in response to different customer types, motivations, and services. Specifically, we provide great contributions on studying the effects of influencing watchers.

*References are available upon request.*

**WHEN LIKES FOR CONSUMPTION SHARING ON SOCIAL MEDIA IS  
LESS APPEALING: IMPACT OF IDEAL SOCIAL SELF-CONGRUITY ON  
CONSUMER'S BEHAVIORAL INTENTION**

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**Keywords:** Social media likes; Social acceptance; Ideal social self-congruity;  
Behavioral intention

**Description:** This study was supported by the research grants from the National Natural Science Foundation of China (72102155).

**EXTENDED ABSTRACT**

**Research Question**

Social media platforms can facilitate the sharing of consumption-related content among users and enable consumers to initiate social interactions (Mochon et al., 2017). A quick and simple click that allows users to “like” the content on social media has become ubiquitous across new-media platforms (Lee, Hansen, and Lee, 2016), with Facebook users collectively generating 4 million likes every minute (Smith, 2019) and each individual liking content posted by their friends at least once a day (Pew Research Center, 2014).

Given the popularity and importance of likes, both marketers and researchers regard numbers of likes as measures of social media engagement (e.g., Khan, 2017; Li and Xie, 2020) and of the direct performance of the social ads (Chang et al., 2019). The extant research primarily focuses on the effects of likes from the brands' perspectives, exploring whether and how the acquisition of likes translates into changes in marketing outcomes (e.g., Hoffman and Fodor, 2010; John et al., 2017; Mochon et al., 2017). However, there is less known about what this proliferation of likes means for the post-purchase behaviors of consumers who organically share consumption-related content. This study examines the effect and underlying mechanisms of receiving likes on consumers' post-purchase behavioral intention.

### **Method and Data**

Our hypotheses were tested through one lab experiment and an archival data analysis of social media. In Study 1, 160 college students in Hong Kong participated in the study in exchange for cash compensation. A 2 (number of likes: many vs. few)  $\times$  2 (priming: congruent vs. incongruent ideal social self) between-subjects design was employed (main effect). Study 2 was designed to demonstrate the external validity of the observed effect by using data from a real-world social media platform in China. First, we collected data on consumption-related photos and corresponding likes posted on Sina Weibo. To capture the homogeneity of the product and consumption context, we targeted Starbucks posts that had been uploaded in the previous three days and manually filtered for those that had received several likes (between 1 to 28 likes). Second, to obtain self-reported data on the post creators' behavioral intentions, we sent

each of the creators an invitation to an online survey through private chat. The respondents completed the survey for cash compensation. We collected 108 matched interaction records and questionnaires. To clean the data, we excluded responses that failed an attention check, leaving us with a usable sample of 102 questionnaires for the analysis.

### **Summary of Findings**

Study 1 provided robust evidence for a main effect of the number of likes on behavioral intention and a mediating effect of social acceptance for consumers whose posted content had a high ideal social self-congruity. This confirmed the moderating effect of ideal social self-congruity. More specifically, social acceptance was found to partially mediate the relationship between the number of likes and behavioral intention for the high ideal social self-congruity condition. We also found that the effect of generated likes on behavioral intention only occurred among participants in the congruent ideal social self condition. Conversely, for those who were in the incongruent ideal social self condition, the number of likes did not make a difference.

Using data that capture the real generated likes in a natural social media context, Study 2 provides evidence consistent with our hypothesis that receiving likes for a consumption-related post leads to increased behavioral intention. In addition, the matched self-reported data also provided evidence that ideal social self-congruity was the boundary condition for the main effect of generated likes on behavioral intention and the mediating effect of social acceptance, which further confirms the results of



Study 1 in natural context.

### **Key Contributions**

From a theoretical perspective, first, we demonstrate that receiving social media likes can positively affect consumers' post-purchase behavioral intentions. Prior research primarily focuses on the effects of likes from the brands' perspectives, exploring whether and how the acquisition of likes translates into changes in marketing outcomes. However, little is known about the effects of receiving likes on the post-purchase behaviors of consumers who organically share consumption-related content. Therefore, our study fills a critical void in the emerging interactive marketing literature. Second, we identify social acceptance as the underlying mechanism through which likes translate into consumers' behavioral intention change. Finally, we define the boundaries of this effect by exploring the self-image congruence.

From a practical perspective, our study inspires marketers to consider how to help consumers attract more likes by exploring and developing the appealing elements in the consumption context, such as pleasant visual design, unique product characteristics, a "classy" environment, and special offers. Secondly, marketers should conduct market research to investigate the kind of image that their target customers would like to be seen by others and then develop their products and brand images accordingly. Thirdly, marketers should create opportunities to help consumers gain social acceptance and build social connections.

## Whom to Trust? Collaboration Between Human and AI Influencers in Brand Endorsement

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### EXTENDED ABSTRACT

Despite limited knowledge on advertising's effects when human and AI influencers collaborate in endorsing brands, our structural equation model ( $n = 202$ ) revealed that consumers trust an AI influencer more than a human influencer when both appeared in an ad. Consumers' attitudes toward the ad also significantly influenced their intention to purchase the advertised product.

**Keywords:** AI influencer, human influencer, trust, ad attitude, brand endorsement

### Research Questions

For brands today, the success or failure of social media marketing often depends on the endorser. However, given increasingly mature artificial intelligence (AI) technology, the role of the brand endorser is no longer limited to humans. On the contrary, AI influencers—that is, computer-generated virtual avatars appear imitate human appearances and behaviors—are now exerting significant influence on social media, where their followers sometimes number in the millions (da Silva Oliveira & Chimenti, 2021).

Considering that trend, scholars in marketing have begun to study the effects of virtual influencers in the context of social media and compare such influencers with human ones. Thomas

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and Fowler (2021), for example, found that consumers' attitudes toward a brand and purchase intentions significantly decreased when transgression, more specifically, an offensive or politically incorrect statement, occurred by either human or AI influencers endorsing the brand on social media. Meanwhile, in Sands et al.'s (2022) study, consumers showed significantly greater word-of-mouth intention about a brand exposed to them on social media by an AI influencer than by a human influencer but also trusted the AI influencer less. However, because such research has typically involved comparing human with AI influencers, collaboration between human and AI influencers as dual, complementary endorsers has remained underexamined.

Even so, such collaboration does occur. Among the most famous AI influencers on social media, Lil Miquela often posts photos of her with celebrity actors or fashion designers, while Imma, based in Tokyo, often does the same but with renowned artists. Despite such pairings of human and AI influencers, little is known about their collaboration in advertising on social media. To fill that gap, we aimed to answer two research questions:

1. Which do consumers trust more: human influencers or AI influencers?
2. How does collaboration between human and AI influencers create advertising effects on consumers' attitudes and purchase intentions?

## **Method and Data**

Using Qualtrics, we created an online questionnaire on which participants first saw a screenshot of an Instagram post showing an AI influencer and a human influencer endorsing a brand of life insurance. Next, on eight questionnaire items, participants indicated the extent to which they trusted the human and AI influencers on a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). The order of the items was randomized using a function on

Qualtrics. Afterward, four additional items addressed participants' attitudes toward the ads on a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). Participants also indicated their purchase intention in response to three items on a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). All constructs exceeded the recommended minimum Cronbach's alpha ( $\alpha$ ) of .70.

We collected data from the United States using Prolific (<https://www.prolific.co/>). Ultimately, 202 valid questionnaires were gathered from 101 men and 101 women, all 20–78 years old ( $M = 41.20$ ,  $SD = 12.86$ ).

We analyzed the data using structural equation modeling in Amos 21.0. The overall model fit indices indicated that our data fit well to our model (CMIN = 128.75,  $df = 61$ ,  $p < .001$  CFI = .984, NFI = .970, IFI = .984, RMSEA = .074). The path from trust in the AI influencer to ad attitude was significant ( $b = .659$ ,  $p < .001$ ), whereas the path from trust in the human influencer to ad attitude was not ( $b = .145$ ,  $p = .072$ ). The path from ad attitude to purchase intention was significant ( $b = .733$ ,  $p < .001$ ).

### **Summary of Findings and Key Contributions**

Altogether, our findings indicate that participating consumers' trust in AI influencers (vs. human influencers) plays a significant role in their ad attitudes. Thus, our results suggest that trust in an AI influencer matters when both human and AI influencers jointly endorse a product. Moreover, the path from their ad attitudes to their purchase intentions was significant, as consistent with past findings. In those ways, our research expands knowledge about marketing by AI influencers by examining the relatively novel context of collaboration between human and AI influencers.

Our results have managerial implications, including the reality that cultivating trust in AI influencers is crucial when they collaborate with human influencers. To that end, consumers' trust in AI influencers can be evaluated using various criteria, including physical attractiveness, knowledge, and homophily (Alboqami, 2023). As a result, understanding the similarities between AI influencers and their followers and thereby increasing the influencers' perceived trustworthiness can help marketers to improve their marketing efforts on social media.

Among our research's limitations, the product advertised was life insurance, meaning that, to ensure reliability, future research should investigate other product categories. Beyond that, potential moderating variables (e.g., consumers' acceptance of new technology) should be investigated. Last, conducting an experimental study could provide a causal explanation about why fostering trust in AI influencers deserves more attention than fostering trust in human influencers. Based on our initial findings, we plan to further investigate collaborative efforts between human and AI influencers in advertising on social media.

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## **Extended Abstract**

### **WHY YOUR DOCTOR HAVE A SIDE GIG ON TIKTOK? A QUALITATIVE STUDY IN CHINA**

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**Keywords:** healthcare professionals; social media; grounded theory; motivation

**Description:** This paper explores the motivations and experiences of healthcare professionals in creating content on social media, specifically TikTok and through qualitative research employing semi-structured interviews with 18 healthcare professionals, a model of motivational factors was developed.

#### **Research Question**

As social media becomes increasingly popular, more patients and the general public are searching for health information online (Househ et al., 2014; Moorhead et al., 2013). Additionally, a growing number of healthcare professionals are gaining significant attention as influencers on social media platforms. This trend was further accelerated by the COVID-19 pandemic, when it is difficult for patients to seek

offline medical treatments during pandemic. However, there is a lack of understanding regarding the motivations and experiences of healthcare professionals in creating health-related contents on social media. Our study aims to identify the potential reasons for healthcare professionals to adopt social media as a platform for health information dissemination or marketing tool. Specifically, we investigate the motivations and influencing factors that drive healthcare professionals to post short videos on TikTok.

The research question for our study is: Why do healthcare professionals participate in new media health information dissemination, i.e., what are the motivations or influencing factors for them to post short videos on TikTok?

### **Method and Data**

Initially, we conducted our fieldwork without a particular application of concepts and theories. However, as with other studies based on grounded theory, this research is intertwined with existing bodies of theoretical work to define the research focus, questions, and "refine" prior theoretical work and fill in existing gaps (Lofland et al., 2006). Our study employed a grounded theory tradition of data triangulation (Corbin & Strauss, 2008) and was based on both primary and secondary data sources. Primary data sources were obtained through in-depth interviews with 18 healthcare professionals, 16 of whom were highly active on TikTok with over 3000 followers, while the other 2 had only a few hundred followers and were at an early stage of

posting videos. The purposive recruitment of research participants reflected organizational structure and diversity. We also gathered reports on TikTok and platform policy documents. Data triangulation (interviews, reports, and policy documents) was used to verify our study (Corbin & Strauss, 2008).

Semi-structured in-depth interviews were conducted, guided by a preliminary interview guide. The purpose of the interviews was to understand the healthcare professionals' views on new media, especially TikTok, and their attitudes towards creating content and their experiences on the platform. All interviews were conducted over Tencent Meeting and audio recorded. Interviews were originally conducted in Chinese and later transcribed and translated into English. On average, the interviews lasted an hour. We anonymized all interviewees to conceal their identity.

### **Summary of Findings**

During the open coding stage, 182 preliminary concepts were identified, and 18 of these were eventually established as significant: self-efficacy, skill development, gaining trust, social motivation, professional mission, altruism, job burnout, opportunity for development, self-marketing, title assessment, expanding fan base, enhancing doctor-patient interaction, no geographical restrictions, ease of operation, platform reputation, patient needs, efficient communication, and positive reinforcement.



In the axial coding stage, a "coding paradigm" was used to obtain 7 main categories. These categories were: (1) Achievement Driven, (2) Emotionally Driven, (3) Opportunity Driven, (4) Interest Driven, (5) Relationship Driven, (6) Platform Empowered, and (7) Information Empowered.

Finally, in the selective coding stage, we identified three categories, which were: (1) Internal Motivation, (2) External Motivation, and (3) Technology Empowerment. And we have developed a model of motivational factors for healthcare professionals on TikTok based on the above analysis.

Our analysis has shown that healthcare professionals have various motivations for creating TikTok videos beyond just using it as a marketing tool to attract future patients. It is interesting to note that some healthcare professionals mentioned job burnout as a reason for using TikTok as a way to take a break from their demanding work at hospitals. However, healthcare professionals also faced challenges such as time constraints and maintaining professionalism on the platform. As a new technology in the healthcare domain, social media has both benefits and risks for healthcare professionals.

### **Statement of Key Contributions**

The key contributions of the paper to practice and academia are as follows:

**Academic:** The paper contributes to the development of a motivation model for healthcare professionals to participate in new media health information dissemination, based on the grounded theory. This model can be used as a reference for future scholars to explore the healthcare professionals' activity in social media marketing and help to advance the understanding of user participation motivation in the healthcare sector.

**Practice:** The study provides insights into the motivations of healthcare professionals to adopt social media, specifically TikTok, which can be helpful for healthcare organizations and practitioners to develop effective marketing strategies and engage with patients online.

### **References**

References are available upon request.

### **Funding**

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## **WILL AI REPLACE HUMANS: CONCEPTUALIZING TECHNOLOGICAL AFFORDANCES OF VIRTUAL AVATAR LIVESTREAMERS IN LIVESTREAM E-COMMERCE**

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**Keywords:** Technological affordances, AI livestreamer, livestream e-commerce, AI assistant

**Description:** This study investigates how technological affordances of virtual avatar livestreamers facilitate flow experience and in-app purchase.

### **EXTENDED ABSTRACT**

#### **Research Question – 200 Words**

Livestream e commerce has grown in popularity as more consumers opt for online shopping through internet streaming on social networks as highlighted by Zhang et al. (2022). E-commerce live streaming refers to the practice of brands or companies transmitting video content in real time over the Internet, enabling users to interact directly with the brand or company's live streamer during shopping activities (Ming et al., 2021). This innovative approach enhances online shopping experiences since it provides customers with personalized and interactive buying opportunities that go beyond static product photos or videos (Kang et al., 2021). In addition livestream channels offer immersive experiences that allow consumers to better understand products and their features (Zhang et al., 2022).

Recently, virtual avatar livestreaming is becoming increasingly popular in e-commerce, offering a new and innovative way for brands to connect with customers and promote their products (Bloomberg, 2022). Virtual avatar livestreamers typically use platforms such as YouTube, TikTok, or Taobao to broadcast live videos of themselves showcasing products, demonstrating how to use them, and answering questions from viewers in real-time (Bloomberg, 2022). By using virtual avatars to broadcast live events, companies and brands can create a more engaging and interactive shopping experience for consumers (Xue, 2020). Virtual avatar livestreamers are customizable in terms of their appearance, movements, and interactions with viewers, as they can be quickly adapted and animated (Booth, 2022). Human livestreamers,

on the other hand, are constrained by their own physical capabilities and may struggle to imitate the movements of an avatar.

Research question: How technological affordances of virtual avatar livestreamers facilitate flow experience and in-app purchase.

**Method And Data (Not Applicable For Nonempirical Papers) – 200 Words**

We put the aforementioned hypotheses to the test by carrying out an online survey. We provided incentives to invite participants, and we utilized purposive sampling. We implemented structural equation modeling. The scales achieved discriminant validity and the measures demonstrated adequate convergent validity and reliability. All hypotheses were supported.

**Summary of Findings – 200 words**

We demonstrate that the characteristics of technological affordances, namely modality, agency, interactivity, and navigability, facilitate the flow experience, which positively influence consumers' intentions to make in-app purchases. Brands have the ability to provide audiences with an experience that is interactive and engaging through the use of virtual livestreamers.

**Statement of Key Contributions – 200 words**

This study evaluates technological affordances of live avatars in e-commerce, given the potential of this new industry. We demonstrate that the dimensions of technological affordances (i.e., modality, agency, interactivity, and navigability) enhance the flow experience and positively influence in-app purchase intentions.

References are available upon request.

# **Marketing Analytics, AI and Machine Learning**

**CALLING PARTIES' SENTIMENT VOLATILITY INCREASES THE  
EFFECTIVENESS OF DEBT COLLECTION CALLING STRATEGIES**

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**Keywords:** debt collection, micro-loans, acoustic feature extraction, speech emotion recognition

**Description:** By identifying the emotions conveyed through acoustic features in debt collection calls, our study aims to investigate how calling parties' voice cues mutually impact calling strategies' effectiveness and even borrowers' repayment decisions.

## EXTENDED ABSTRACT

### Research Question

Conventional lenders often set stringent criteria to filter out borrowers with poor repayment ability and low creditworthiness, leaving online lending a last resort for ineligible borrowers amid distressing circumstances. Yet, while the relatively lax lending criteria for micro-loans provide borrowers with easier access to financial resources, they also hamper lenders from recovering their funds to some extent (Cadena and Schoar 2011). Hence, tactics that improve delinquent debt collection's effectiveness are crucial pillars for such micro-loan lenders. Text messaging, emails and calls are the three most frequently adopted debt collection strategies, but only the former two have garnered sufficient investigations (Huang et al. 2022). Scholars have found that text messages positively impact debt repayment (Pokonen, 2014; Caden & Schoar, 2011), and email reminders also lead to a 29.6% increase in students repaying their loans (Karlan et al. 2016). However, direct calls, often perceived by debt collectors as the most profound means, still lack scholars' attention.

In this study, we propose utilizing audio-mining algorithms to extract calling parties' acoustic features and emotions from debt collection conversations and investigating how effective these voice-related features are in debt collection scenarios. Although voice analysis might be tricky due to its complexity and unstructured nature, the advancement of audio mining algorithms and voice analysis machine learning makes it feasible to dig into this data type now. The challenge remains since previous studies on human voice only adopt monologue data rather than dialogue (e.g., Wang et al., 2021) or separate the calling parties and utilize borrowers' acoustic properties as the moderator variable (Huang et al. 2022). Nevertheless, this might be inadequate for learning vocal interactions and mutual impacts between collectors and borrowers in our case. Hence, a new measure, sentiment volatility, is referred to in this study to predict communication effectiveness in the debt collection context.

## Method and Data

We cooperate with a qualified debt collection agency in China that takes over long-term delinquent debts from major Chinese micro-loan platforms. Data are selected from a single lender source to control the initial borrowing demands (e.g., people use Huabei for their consumption needs and use Duxiaoman for cash needs), credibility criteria, and repayment terms. Since collectors may conduct multiple calls with a borrower regarding one debt collection case, we choose the first call for every delinquent case to eliminate the influence of other collection strategies such as follow-up messages and calls. We consider that the first call could reveal sufficient information regarding the borrower's intention or willingness to continue the conversation and the subsequent repayment procedures. In total, we receive first call audios, together with its borrowers' information and loan characteristics, from 488 cases, of which 169 cases are closed with debt received, and 319 cases are left unsolved.

To preprocess the data, we separate the audio tracks of both calling parties and slice each audio into sentence-level chunks based on the conversation pauses. Then we extract each chunk's emotions in six dimensions: anger, fear, happiness, sadness, surprise, and neutral. With these sentence-level emotions in hand, our next step is to measure the emotional shifts of both calling parties during a single phone call. Hence, we borrow a concept from the field of finance, volatility, to describe the period-to-period shifts in sentiment, i.e., sentiment volatility (Berger, Kim, and Meyer 2021). Mathematically, sentiment volatility is defined as the standard deviation of sentiment differences between adjoining experience chunks, where  $N$  = total number of chunks,  $s_i$  = average sentiment of chunk  $i$ , and  $d_i = s_{i+1} - s_i$

$$\text{Sentiment Volatility} = \text{stdev.}(d) = \sqrt{\frac{1}{N-1} \sum_{i=1}^{N-1} (d_i - \bar{d})^2}$$

We also convert the audio data into text and conduct the abovementioned procedures again to investigate whether the conversation content matters in this case.



### **Summary of Findings**

In this study, two dependent variables are selected: calling length and whether repayment has been made. The former provides essential information to demonstrate borrowers' willingness to involve in the subsequent negotiation, especially for the first call they pick up. The latter is the most critical concern for micro-loan lenders and debt collection firms. Although some are just reimbursed partially, debt collection agencies take a cut of the money they receive in arrears, while micro-loan companies would like to recoup as much of the losses as possible. Hence, even partial repayment behaviour still reflects the success of the calling tactics. Our findings discover that emotions play a significant role in strengthening the mutual engagement of both calling parties since the expression of anger, happiness and sadness in a conversation significantly enhances the length of calling time. Besides, borrowers' fear is a negative indicator of repayment and can be exacerbated by the collectors' frequent expressions of anger, fear and sadness. Furthermore, borrowers are more sensitive to acoustic rather than contextual features, as positive verbal expressions from collectors are ineffective at assuaging their fears. Finally, we also find that the higher the sentiment volatility of borrowers, the more likely they are to repay the loan.

### **Key Contributions**

Although text messaging, emails and phone calls are regularly used debt collection strategies, prior studies concentrated chiefly on texts and thereby left the performance of calls an almost blank research field (Huang et al. 2022). Remarkably, calling has been proven the most effective in actual debt collection practice, especially for experienced borrowers. Thus, it is of essential meaning for both academia and practitioners to further investigate the calling strategy. By identifying the emotions conveyed through acoustic features in debt collection calls, our study aims to investigate how voice cues impact calling strategies' effectiveness

and even borrowers' repayment decisions. Moreover, this study employs volatility, initially a financial concept describing stock fluctuation (Berger et al., 2021). It was once adopted by Berger et al. (2021) to measure period-to-period sentiment shifts in a movie context, and we further extend the application to describe dynamic emotions in the human voice, i.e., sentiment volatility. Our ways of utilizing sentiment volatility add two significances to the research. While other studies mainly adopt natural language processing to evaluate speakers' emotions by converting audio to textual data, we extract acoustic features, with the help of advanced machine learning algorithms, from the call directly to illustrate voices' sentiment volatility. Furthermore, this measure allows us to explore additional information disclosed in dialogue data, which was not previously the study focus. Dialogue is expected in the marketplace. Besides debt collection, dialogue data can be gathered from any call centers like pre- and post-purchase customer services, live-streaming sales, etc. The diverse presence of dialogue in our daily life makes such a technique valuable and useful as it creates potential for future learning in multi-party conversation scenarios.

**DECIPHERING THE EMOTIONAL CODE OF EMPLOYEE-CUSTOMER  
CONVERSATIONS USING VOICE ANALYTICS**

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**Keywords**

employee-customer interaction, speech emotion recognition, machine learning, voice  
analytics, transformer model

## Description

This research utilizes voice analytics and AI by introducing a five-step methodology, incorporating an audio transformer model and multilingual speech emotion recognition, to analyse emotions in pre-recorded conversations and therefore identify the role of emotions in employee-customer interactions and highlight their importance through literature review and expert interviews.

## **EXTENDED ABSTRACT**

### **Research Question**

The goal of this paper is the examination of the role of emotions in customer-employee interactions. Building on a literature review and a series of expert interviews we discuss the relevance of emotions in the service and sales context. The second goal of this paper is the development and introduction of a methodology to measure the impact of emotions during an employee-customer conversation. It is structured in five steps with different goals, tools, and key challenges. Based on these steps, the application and development of an audio transformer model and multilingual speech emotion recognition for this kind of implementation is organized and supported. The current implementation status of the machine and deep learning components of this project and first results will be reported.

### **Method and Data**

This present research utilizes state-of-the-art machine learning techniques including transformer model and pretrained algorithms to investigate the role of emotions during employee-customer interactions. Therefore, we first conduct a series of expert interviews (n=12) to emphasize the importance of emotions during conversations in general. Building on these findings, we are currently developing a voice analytics tool and introduce a corresponding methodology to measure emotions from pre-recorded audio files. Thereby we identify a five-step process with the associated goals, key challenges, tools and methods for application. Using data from a previously conducted lab experiment (n= 228 dyads) we build and apply our voice analytics tool and report first results and findings.

## **Summary of Findings**

The aim of this work is to introduce a step-by-step process model to develop and implement a novel AI voice analytics tool. Thereby we report the goals, challenges, tools, and methods of the different steps. Building on findings in the literature, we report the results of our series of expert interviews (n=12), supporting the relevance of emotions in the sales context. We report initial findings of the implementation and testing on pre-recorded data from a lab experiment (n= 228 dyads). The pretrained speaker separation (step 1) pipeline is completely implemented and reaches an acceptable error rate on the pre-recorded dataset (DER = 30,8%, Pur = 95,2%, Cov =95,3). The feature extraction (step 2) and emotion detection (step 3) are in an implementation phase and will be tested in the future. Steps 4 (emotion classification) and 5 (conversational outcome linkage) are next in line for realization. Once implemented and tested, the pre-recorded data will be used to investigate the interplay between employee-customer interactions and emotions. This research contributes to the field of voice analytics and AI, offering insights into the application of these technologies in understanding emotions in the service and sales context.

## **Key Contributions**

Voice analytics and AI are gaining traction in the sales and service sector, particularly in understanding emotions. This paper explores the significance of emotions in customer interactions and introduces a five-step methodology to measure their impact. By reviewing literature and conducting expert interviews, the study emphasizes the importance of emotions in sales and service contexts. The methodology incorporates an audio transformer model and multilingual speech emotion recognition, providing a structured approach for analyzing emotions. This allows for evaluating customer-employee interactions and their outcome

variables, such as satisfaction and sales success, using recorded data. The researchers plan to apply the voice analytics tool to previously recorded dyadic conversations in a reclamation scenario, enabling real-life feedback and interventions. This implementation aims to improve performance for both employees and managers. The study highlights the growing interest in leveraging voice analytics and AI to understand and utilize emotions in sales and service interactions.

## **DESIRE TO USE AUGMENTED REALITY APPLICATION: THE MODERATING ROLE OF MATERIALISM**

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**Keywords:** augmented reality, functional benefits, positive emotions, desire, materialism

**Description:** This study attempts to examine the direct effect of functional benefits and positive emotions on desire to use augmented reality (AR), and to investigate the moderating effects of materialism and personal innovativeness in the relationship between positive emotions and desire to use AR app.

### **EXTENDED ABSTRACT**

#### **Research Question**

In the extant literature of augmented reality (AR) in marketing, the moderating effects of cognitive innovativeness (Huang & Liao, 2015), hedonic shopping motivation (Watson et al., 2018), visual or verbal style of information processing (Hilken et al., 2017), perceived body image (Yim & Park, 2019), prior experience (Song, Baek & Chu, 2019), behavioral control (Gäthke, 2020), product type (Mishra et al., 2021), brand attachment (Yuan et al., 2021), and product/brand attitude (Zanger et al., 2022) have been tested. In view of the fact that little existing research on AR has included both affective and cognitive variables and delved into the moderating effects of personal values, this paper attempts to address the following research questions:



1. Whether the use of AR is positively associated with positive emotions, functional benefits, and desire to use the app?
2. Whether and how positive emotions and functional benefits of using AR affect desire to use AR app and in turn willingness to use the app?
3. Whether the relationship between positive emotions and desire to use AR app is contingent upon materialism and personal innovativeness?

### **Method and Data**

Experimental method was used to test and verify our hypotheses. Data was collected from female in the age range of 21-30. A total of 95 participants joined the experiment (experimental group, n = 40; control group, n = 55). The experimental group were asked to use Sephora virtual mirror to choose any facial makeup products of their choice. At the same time, the control group were requested to browse the mobile website of Sephora with similar content but without the AR effect. After the participants explored the app or mobile website for about 15 minutes, both groups were given a weblink to access and complete the questionnaire. The key constructs used in this study are operationalized and measured using existing established scales drawn from the extant literature. The data were analysed using Partial Least Squares based Structural Equation Modeling (PLS-SEM) as the research objectives focus on prediction of constructs (Hair et al., 2016) and it works well for small sample size (Hair et al., 2012).

### **Summary of Findings**

Although both affective and cognitive antecedents lead to desire to use AR app, affective factors, i.e. positive emotions have a stronger effect on desire to use AR app. Consumers who experienced positive emotions are more likely to be motivated to use AR app. Furthermore, the strength of this effect is contingent upon consumers' materialistic orientation. The results

showed that the effect of positive emotions on desire is greater with higher level of materialism. Materialistic consumers experienced a greater positive affective response with the use of AR. Unexpectedly, personal innovativeness did not show an effect on moderating the relationship between positive emotions and desire. A probable reason behind this could be the focus of innovative consumers is not on the process but outcome of shopping (Huang & Liao, 2015).

### **Key Contributions**

With reference to theoretical contribution, the study provides meaningful information about effect of personal values on AR adoption. Particularly, materialistic orientation which was not tested in other AR research proves its effect on the intensity of positive emotions evoked by AR. From managerial points of view, marketers should motivate consumers' desire by ensuring their AR app is able to influence consumers emotions positively. By exploring socio-psychological variables such as emotions and personal values, marketers would be able to use psychographic segmentation to better predict consumer behaviour. Specifically, the moderating role of materialistic tendency implies that product categories associated with enhancing self-image or developing a sense of self would be beneficial from embedding AR feature to demonstrate the product effects.

**References are available upon request.**

**ON REVIEW HELPFULNESS**

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**Keywords:** Online Consumer Reviews; Review Helpfulness; Review Format; Review Text-Image Congruency; Machine Learning, Convolutional Neural Networks; Fake Reviews

**Description:** Examining the role of images and text-image congruency in online consumer reviews on review helpfulness using Machine Learning and Google Vision API.

**EXTENDED ABSTRACT****Research Questions**

There is lack of research on the influence of accompanying images in online consumer reviews (OCRs) on perceived review helpfulness (Wu et al. 2020; Srivastava et al. 2022). This can be attributed to the fact that extracting information from images accompanying OCRs is still in its early stages due to conceptual and methodological limitations (Li et al. 2021; Ma et al. 2018). Additionally, there is no consensus on the impact of inconsistencies between images and text in OCRs on review helpfulness as this inconsistency can either complement or signal incongruence (Kim and Lennon 2008). Therefore, this dual objective study aims to test the following hypotheses:

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(1) Examine the role of images in OCRs on perceived review helpfulness; and

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*H1: Higher the number of images in an online consumer review, greater would be the perceived review helpfulness.*

(2) Examine the role of text-image consistency in OCRs on perceived review helpfulness.

*H2: Higher the degree of consistency between the textual content and visual content of an online consumer review, greater would be its perceived review helpfulness.*

### **Method and Data**

For this study, 20,000 most recent reviews of restaurants were extracted from the Yelp.com Academic Challenge Dataset and converted into R data frames. These reviews had around 8,000 images. this study employs Machine Learning Models and Google Vision API to extract information from images and then develop a similarity score between the OCR text and accompanying images. The study further tests the review helpfulness model to show that both the presence of images as well as congruence between images and textual content positively and significantly influences OCR helpfulness. Before model testing, four key Machine Learning steps were performed:

1. Text Analysis: The process included extraction from a text corpus, text pre-processing, tokenization, word frequency analysis, themes/meaning extraction using Latent Dirichlet Allocation (LDA) and word embedding (i.e., representing words as dense vectors in a high dimensional space, where words with similar meanings are closer to each other).
2. Image Analysis: The image was pre-extracted as a collection of features/labels retrieved by the Google Vision API, and this corpus of information was then transformed into another embedding as an image embedding. While the labels and features were able to identify and classify the images into categories like “location”, “Food”, “Ambiance”, “Service”, and others, “Value/Price” was not retrieved. Hence, to do so, a novel code was written to classify

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the images into a “bill” and “not a bill” to find “Value/Price” related images and these were

cross-checked using the Naive Bayes and Support Vector Machine (SVM) classifiers.

3. Sentiment Analysis: Additionally, to test the models for hypotheses testing, it was important to extract the sentiment or valence of the reviews. Two different lexicons (VADER and AFINN) were used to compute positive, negative, and neutral sentiments.
4. Similarity/Consistency Score: After the formulation of the embeddings of image and text, the next step was to analyze the similarity between the two. This has been done by Cosine similarity. The Cosine similarity ranges from -1 to 1, where 1 indicates that the vectors are identical and -1 indicates that they are orthogonal (i.e., completely dissimilar). The formula for Cosine similarity between two text representations A and B is given as:

$\cos(A, B) = (A \cdot B) / (\|A\| * \|B\|)$ ; where  $(A \cdot B)$  is the dot product of the two vectors, and  $\|A\|$  and  $\|B\|$  are the magnitudes of the vectors.

### Summary of Findings

To test H1, a review helpfulness model (Model 1) was developed and tested.

OCR Helpfulness (Useful Votes)

$$= \beta_1 * \text{total\_reviews} + \beta_2 * \text{rating\_squared} + \beta_3 * \text{word\_count} + \beta_4 * \text{sentiment\_score} + \beta_5 * \text{number\_of\_images} + \epsilon_1$$

To test H2, the above model was tested by adding similarity\_score as an additional independent variable (Model 2). Models 1 and 2 were run on R to test H1 and H2. Results show that along with previously tested variables like reviewer expertise (total reviews), review length (word count), valence (rating and overall sentiment score), number of images (b= 0.6674; p<0.001) also has a significant and positive influence on OCR helpfulness, supporting H1. The output of Model 2 showed that, the degree of similarity (b= 5.0259; p<0.001) between image content and the textual content also significantly influences review helpfulness, supporting H2.

1. This is one of the few studies that attempts to **examine the significance of images accompanying OCRs on perceived review helpfulness**. This study shows that OCRs that contain both text and images (and specifically more images) are more effective in communicating product reviews and usage experiences. Using only text or only images is not as effective because the combination of both provides a higher degree of mental imagery, thus impacting review helpfulness.
2. This study attempts **to analyze the impact of text-image inconsistency in online reviews on OCR helpfulness**. The proposed computed similarity score can help e-commerce website/application managers and third-party review aggregators use this tool to identify reviews that are fake, could be potentially misinformative, misleading, and hence, unhelpful, particularly for reviews in the hospitality sector.
3. This study lays the **foundation for future research** in this domain of studying ‘OCR text-image incongruency’ and inconsistencies in other user-generated content on social networking sites; **wherein this incongruency could be classified into levels or degree of inconsistencies**. Further, the differential impact of these levels could be studied on the perceived credibility and helpfulness of online reviews.

References are available upon request.

## FACTORS IMPACTING SUCCESSFUL HUMAN-ROBOT INTERACTION

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**Keywords:** Anthropomorphism, Xenocentrism, Intentionality, Sociality, AXIS robotics, Human-robot interaction

**Description:** This research examines the factors contributing to robot likeability and successful human-robot interaction (HRI) implementation.

### EXTENDED ABSTRACT

#### Research Question

This research focuses on socio-cognitive mechanisms of human intelligence explained through anthropomorphic, xenocentric, intentional, and social (AXIS) robotics. We examine three pivotal AXIS concepts of robotic anthropomorphism, intentionality, and sociality. We analyze their impact on robot likeability and a successful human-robot interaction (HRI) implementation.

#### Method and Data

To collect the data to test the conceptual framework, we used the X-Culture project ([www.X-Culture.org](http://www.X-Culture.org)), a large-scale international business collaboration and consulting project that employs approximately 5,000 participants per academic semester. Godspeed questionnaires using 5-point semantic differential scales were used to measure robotic anthropomorphism, robot likeability, and

HRI implementation (Bartneck et al., 2009). We used Marchesi et al.'s (2019) InStance Test (IST), a novel tool that assesses the adoption of the intentional stance or robot intentionality (i.e., two sentences are displayed as possible descriptions and respondents choose the sentence that best fits the scenario description). Further, we used the consumer xenocentrism scale (C-XENSCALE) to measure xenocentrism (Balabanis & Diamantopoulos, 2016) in robots, with robots treated as foreign (intelligent) beings. We validated our measures and tested our hypotheses using partial least squares (PLS), specifically SmartPLS software version 3.2.8 (Ringle et al., 2015).

### **Summary of Findings**

We found that pivotal concepts of AXIS robotics led to positive robot likeability and HRI implementation for both industrial and social robots. Perceived inferiority moderated the relationship between anthropomorphism and robot likeability negatively, but it was a positive moderator between intentionality and robot likeability. However, social aggrandizement did not act as an important boundary condition. Sociality was not affected by the moderating influence of xenocentrism. We discuss future research directions for AXIS robotics.

### **Key Contributions**

Our paper makes several contributions to address the dearth of social robotics research and HRI. First, we enhance the understanding of social-collaborative robotics by comprehensively considering levels of AXIS in social robotics and their subsequent influence on robot likeability and effective HRI implementation. Second, we add to the limited research addressing how these socio-behavioral relationships are associated with AXIS characteristics in robots (Kaplan et al., 2019; Letheren et al., 2016; Marchesi et al., 2021; Woods et al., 2007). We delve into each of the constructs using the computers are social actors (CASA) paradigm; the uncanny valley effect; the



simulation theory of cognition; the system justification theory; the sociality, effectance, and elicited agent knowledge (SEEK) model; and Maslow's hierarchy of needs theory.

Third, we investigate robotic xenocentrism as a higher-order social robotics construct comprising perceived inferiority and social aggrandizement through the lenses of robotic anthropomorphism, robotic intentionality, and robotic sociality. This construct and its impact have not been previously examined in social robotics and HRI research. Furthermore, we analyze the linkages of robotic xenocentrism to robot likeability and HRI implementation (Arora & Arora, 2020). In sum, we strive to address the following questions: How do robots mimic humanlike characteristics, and how do their implicit attributes of intelligence, sociality, and intentionality arouse robot likeability that leads to an effective HRI? Our research explores these questions and fills the research gaps through an in-depth examination of AXIS robotics that focuses on robot likeability and overall successful HRI implementation.

## **Artificial Intelligence's Interaction Modality: Humanlike Artificial Intelligence 's Failure and Consumers' Forgiveness**

### **Abstract**

Companies are increasingly employing avatars including single or multi-interaction modalities to interact with their customers. Using the expectation disconfirmation model, this research demonstrates the effect of humanlike artificial intelligence's (AI) failure on consumer perceptions, thereby consumers' forgiveness and their rebuy intention. In addition, this research explains how to translate negative service experience into positive service experience. Employing five experiments, results indicate AI's service failure lowers consumers' perception of service experience and consumers have different experiences through interaction with different modalities.

**Key Words:** Artificial intelligence, avatars, consumer forgiveness

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## IMPROVING CONVERSATIONS WITH THE BRAND: HOW CONSUMERS PERCEIVE HUMOUR IN AI

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**Keywords:** online experience (*webatmosphère*), humour, AI, virtual agent, chatbot.

**Description:** This qualitative study, based on the interview of 22 consumers, investigates consumer's perceptions and reactions to humour from conversational AIs, namely virtual agents, and how it affects their online experience.

### EXTENDED ABSTRACT

#### Research Question

How can conversational AIs be easily adopted and used in an enjoyable way rather than a purely utilitarian one? Although some AIs already use humour and computer science has had a separate field of study (computational humour) since the 1990s, humour and more broadly personality traits (as part of anthropomorphism) in conversational AI are rarely explored in marketing. Research in marketing and other fields, has found humour to be a useful tool in various cases (advertisement, negotiations, etc. - Bolls et al., 2003; Yeo, S. K., et al., 2020), but does it have the same effects when used by an AI? To answer this question, we asked 21 consumers a series of questions that underlined elements of our literature review but also uncovered unexpected results. This paper is structured as follows: first, an overview of our methodology and data; second, main findings; and third, this paper's key contributions.

#### Method And Data

The following research was conducted after a literature review on both humour and virtual agents, and after two qualitative studies including a benchmark of fifty virtual agents and 19 expert interviews. It follows on from previous research on conversational AIs in online experience (Lemoine, J. and Kusz N., 2022) and humour (Dragana Medic, 2020). In this study we conducted semi-directive interviews (Chapuis, S. M., 2015) on 22 French and non-French consumers living

to 73 and included 55% of women and 45% of men. The interviewees came from various ethnic groups, some being polyethnic (White Europeans and Americans, Middle Eastern and North Africans (MENA), etc.), and had different work and social statuses (consultants, gardeners, doctors, unemployed, etc.). In a nutshell we asked them questions on three major topics: 1. Perception of virtual agents; 2. Perception of humoristic virtual agents and how/why they could be used (meaning virtual agents with humoristic characteristics); 3. Reactions (emotions, intentions, and behaviours) when faced with humoristic virtual agents. For the last theme, three examples of conversations with humoristic virtual agents were provided, each with a different appearance, type of humour and context.

### **Summary of Findings**

One of the most interesting findings is that, based on the interviews it seems that, consumers expect humour from virtual agents and more generally speaking, from conversational AIs. Indeed, most of the consumers questioned, believed it to be a natural or logical development of AIs as they strive to replicate human communication and as online communication is usually less formal; some also pointed out existing virtual agents using humour (Alexa, etc.). Most participants said they would be inclined to receive humour from a virtual agent, if well implemented, and stated multiple advantages to it including **feeling closer to the brand** and having a **more pleasant exchange** with the AI. Many also stated they would perceive the AI as **more human**, which younger generations overall viewed positively while some older consumers viewed negatively. In case of failed humour, participants would generally ignore the attempt although some stated they would stop using the AI if humour is too prominent. In terms of how or when humour should be used, answers sometimes greatly contrasted. The following key moderators were identified: age, culture, type of humour, and characteristics of the conversational AI (excluding humour).

### **Statement of Key Contributions**

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From a theoretical point of view, this research enriches various fields of study including research

on anthropomorphism (Lemoine, J. and Cherif, E.; 2014; Daniel Faggella, 2017), research on

humour and research in AI (Besnier, 2012; Shani, C., et al., 2022). Findings concerning consumers' expectations in terms of humour in AI, how to implement it from a strategic perspective and its impact seem unprecedented. Most findings are consistent with the literature review and indicate the way consumers react to humour from an AI is similar to the way they would towards a human. However, some results are unexpected: for instance, the fact that humour from AIs seems natural or at least unsurprising. This goes against some experts' beliefs that humour from an AI will most likely surprise consumers, based on expert interviews conducted and the incongruity theory. It aligns with research stating humour as an anthropologic constant needed to communicate and connect with others (Simon C., 2002; Rada M. et Carlo S., 2006). From a managerial perspective, this research provides useful findings and recommendations for conversational AI (need for transparency, etc.) and on the use of humour in AI (when, how and for whom it could be used).

References are available upon request.

## **MACHINE LEARNING MODELS FOR CREDIT SCORING AT HIGHER EDUCATION INSTITUTIONS**

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**Keywords:** Machine learning; forecasting; default; higher education; credit scoring.

**Description:** This research investigates the usage of machine learning models created with student data to develop credit scoring models for private higher education institutions.

### **ABSTRACT**

Default is a major problem for private higher education institutions (HEI) and can result in school dropout and loss of revenue. This work aims to propose and test a credit scoring model using machine learning techniques in the private higher education sector, estimating the default risk of each student.

### **INTRODUCTION**

From 2010 to 2019, Brazilian higher education recorded a 36.9% increase in private schools' enrollment, reaching 6.52 million enrollments in 2019. However, as significant as the growth curve in the number of enrollments, is the curve of default in private HEIs, with monthly payments with more than 90 days delays rising from 7.8% in 2014 to 9.5% in 2019. In the same period, the number of students with access to reimbursable funding from the federal government fell from 21.3% in 2014 to 2.2% in 2019, while private funding from HEIs rose

only from 0.3% to 5.5%. In the US, student loans are the only form of debt balances that virtually sextupled from 2003 to 2018. Student loan borrowing for US higher education has emerged as a top policy concern since its debt now exceeds one trillion dollars, second only to mortgages in consumer debt.

For the HEI, a higher default rate ends up having a burden on students in the form of a tuition increase, sometimes causing more defaults because students cannot afford the increase in the amount of tuition, consolidating a vicious cycle (Lemos, Ribeiro & Siqueira, 2017). In addition, a critical consequence of default is school dropout. Students with difficulties in paying the tuition fees, eventually abandon their courses. The losses of students who start, but do not finish their courses, are social, academic, and economic wastes (Silva Filho, 2007).

Despite the relevance of the theme, the use of credit scoring models, widely disseminated by financial institutions, is less used in the private higher education sector. It would be interesting for HEI to look for a credit analysis process that could predict as accurately as possible each student's default risk, to establish preventive measures. Sobrinho (2007) presents a study of credit scoring models in basic education and Lemos, Ribeiro and Siqueira (2017) study default in HEI, but with a qualitative approach, without statistical deepening due to difficulties in accessing data. Therefore, the purpose of this study is to analyze the behavior of a group of students from a single private HEI in Rio de Janeiro and establish relationships between financial, academic, and social variables and the potential default risk. The theoretical basis to be addressed in the study is CRM, credit scoring, and default in HEI.

This work's relevance is to propose something new for the higher education sector, which is the use of credit scoring models with machine learning techniques as a strategic management tool for the HEI so that they can differentiate their students according to their respective default risk and identify social, financial, and academic factors that are most related

to this risk. In this way, the HEI will be able to carry out preventive financial and relationship actions aimed at a customer value strategy.

## **LITERATURE REVIEW**

### ***Factors that Impact Default***

According to Lemos, Ribeiro and Siqueira (2017), the main external factors that impact defaults in HEI are the economic situation of the country, the current educational legislation, the poor granting of credit by the HEI, and the lack of adaptation of the HEI to the new reality of the market, which requires an increasingly rapid response, especially concerning the collection of credits to be received.

Regarding the poor granting of credit, the HEI, for the most part, do not perform any kind of prior credit analysis of the student to predict their potential risk of default and thus do not perform preventive actions. Lemos, Ribeiro and Siqueira (2017) propose that default in HEI should be analyzed from a broader perspective, extrapolating the external and financial factors as determinants of the paying capacity of the students. The authors seek to explain default through internal factors of the students themselves, such as analysis of their profiles, their socioeconomic characteristics, and academic situation. The authors present seven factors as being influential in the paying capacity of students: academic origin (public or private school), academic performance, attendance, gender, place of residence (associated with income), marital status (single versus married with children) and professional occupation (e.g., self-employed, unemployed).

### ***Credit Scoring***

Credit scoring is an important analytical technique in credit risk evaluation based on customer history and environmental factors (Bhatore et al., 2020). Among the objective techniques of credit risk management, credit scoring stands out. According to Thomas (2000), credit scoring models are systems that attribute scores to a proponent's credit decision variables



by applying statistical techniques. These models aim at segregating characteristics that allow the good ones to be distinguished from bad payers. The score can be interpreted as the probability of default when compared to the score established as a cutoff point or minimum acceptable score, which will serve as the basis for the approval or refusal of credit.

Credit scoring models can be divided into two categories, as to their objectives: credit approval models and behavioral anchorage models, also known as behavioral scoring. Credit approval models use data on the personal and professional life of the credit applicant to predict the future behavior of current and new customers about the payment of debts under the credit agreement (Rosenberg & Gleit, 1994). On the other hand, scoring behavioral models also aim at predicting default, but their focus is on the analysis of individuals who are already clients of the institution and have a credit relationship, enabling the incorporation of the payment history of these clients into the set of predictor information of the model (Sobrinho, 2007).

### ***Data Mining and Machine Learning***

Data mining is a term often used to define the process of extracting useful information from a vast customer information database. The main challenge for companies that work with a large amount of their customer's data is to take advantage of this opportunity given by the availability of data and turn it into useful knowledge for the company. In general, data mining can be direct (classification, estimation, and prediction) or indirect (affinity grouping, clustering, description, and visualization), and can be used, for example, algorithms such as logistic regression, decision trees, and neural networks.

The term machine learning deals with machine learning techniques and models that use massive amounts of data, seeking to continuously learn from new data to improve the prediction about a given variable. Prediction models can be implemented using Supervised Learning algorithms, which learn a function that maps a set of independent variables (features) to a dependent variable (target) (Olivé et al., 2020). Modeling with machine learning

techniques, the researcher will include variables that are suspected of impacting the target variable. The goal is, considering these attributes, to evaluate what output the model returns for each instance of the database. The main advantage of computer-aided credit risk evaluation is that human work is minimized since it learns from a pre-collected database to make accurate and reliable predictions (Bhatore et al., 2020). During data mining modeling, diverse attributes with unknown relationships are evaluated in search of hidden relationships, which were previously unknown. Using AI, hidden patterns are recognized, and appropriate alerts are raised in a useful and timely manner (Bhatore et al., 2020).

Therefore, considering the objective of this work, algorithms will be used to collect the relevant information of the students of the evaluated HEI and identify those that influence their paying capacity. In the scenario of Brazilian higher education, machine learning techniques find a vast field of application, still little explored (Lemos, Ribeiro & Siqueira, 2017). Default prediction, using machine learning models specifically, has been little studied in this sector, being, therefore, a promising field of research.

## **METHODOLOGY**

This study addresses default in private higher education as a problem of financial management and relationship marketing. A quantitative approach was adopted, through the application of machine learning models to classify a real database to find models that explain student default in the evaluated HEI. The HEI is located in Rio de Janeiro and has more than 13,000 students on 2 campuses. The profile of the students of the HEI is low income, with a default rate of 20%, with debts of one or more monthly payments. The database used has information regarding a representative sample of 4978 students of the institution who were active in the years 2017 and 2018.

Students who had debts of one to six monthly fees were considered in default. It is also worth mentioning that, given the nature of the service provided and the impossibility of limiting

access to educational services when the client/student becomes a debtor, the default condition will be analyzed in this study at the end of each semester.

Classification processes will only indicate the probability of students defaulting at some point, not when they will default. Regarding the proportions between the segments in the database (defaulter/non-defaulter), we have 38% of the students as non-defaulters and 62% as defaulters; thus, it was not necessary to perform oversampling procedures to adjust the proportions between segments.

### ***Data Collection and Preparation***

With the direct access given by the HEI to the institution students' data, the following variables were collected, through interaction with the institution's information technology sector, for the construction of the 4978 students' database used in this work:

- *Sociodemographic*: Registration number (identifier), gender, marital status, age, has or not children, people in residence, financial guardian or not, type of paid activity, contribution to family income, where and how he attended high school.
- *Academic*: Amounts (per semester) of subjects enrolled, absences, total disapprovals, disapprovals for misconduct, disapprovals by note, approvals, and locks.
- *Financial*: half-yearly paid amount and outstanding debits amount.

Table 1 details the available variables and their measurement scales, when appropriate:

**Table 1 - Variables collected and measurement scales**

Category	Variable	Comment / Scale
Demographic	License plate	All information from the academic databases is associated with the enrollment number, so this was used as the identifying code of each student in this study.
	Gender	Male or female
	Marital status	{1,2,3,4} where 1-married, 2-divorced, 3-single and 4-widower
	Age	Calculated at the time of data extraction in September/2019

	Do you have children?	Yes or no
	Number of people residing with a student	From 0 to 5 people
	Participation economic life	Binary variables that seek to understand whether the student is financially responsible
	Paid activity	Binary variables that seek to understand the nature of the paid activity performed by the student: self-employed, internship, private or state fixed employment
	Family income contribution	Own student, parent, spouse, or another person
	Household income	Up to 02 minimum wages, from 02 to 04 minimum wages or greater than 04 minimum wages
	Middle school	Public or private school without a scholarship, with a partial or full scholarship
Academic	Disciplines	Number of subjects that the student enrolled in the semester
	Faults	Number of student absences per semester
	Failures	Amount of failures per semester
	Failures for misconduct	Amount of failures for misconduct every semester
	Failures by note	Amount of failures per grade each semester
	Approvals	Number of approvals per semester
	Trancamentos	Number of course locks per semester
Financial	Value paid	Amount of half-yearly pay
	Amount of debits	Amount of debts (from 0 to 6) in the 4 semesters analyzed

### ***Data Analysis***

This study used the free access software WEKA to create the predictive models. This software has several of the algorithms most used in machine learning processes and allows the creation, testing and comparison of models (Witten; Frank & Hall, 2011). Three machine learning algorithms were used for classification: logistic regression (Wilson & Lorentz, 2015),

decision trees, and neural networks (Haykin, 2007). We used the supervised training approach since the data were already classified (0 – non-defaulter and 1 - defaulter). The out-of-sample model accuracy and their generalization capabilities were tested using the cross-validation method known as k-fold cross-validation (Witten; Frank & Hall, 2011), with k = 10.

## RESULTS AND DISCUSSION

The risk of default in the evaluated HEI was estimated through three different machine learning models, with the respective coding in the WEKA software: Logistic Regression, Decision D Tree (J48 Tree), and Neural Networks (Multilayer Perceptron). All models used in this study, on average, presented high accuracy rates, evidencing the high capacity to predict the proposed problem. Table 2 summarizes the predictive performance of the evaluated credit scoring models, while Table 3 summarizes the main financial, academic, and sociodemographic variables related to a student's default risk, obtained in the generated model results.

**Table 2 - Accuracy, sensitivity, specificity, and accuracy of the estimated models**

	<b>Regression Logistics</b>	<b>Decision Tree J48</b>	<b>Neural Networks</b>	<b>Average</b>
Accuracy	81,24%	77,21%	77,04%	78,49%
Sensitivity	80,40%	80,83%	80,67%	80,63%
Specificity	82,57%	71,45%	71,24%	75,08%
Precision	88,05%	81,90%	81,76%	83,90%

**Table 3 - Main model results summary**

	<b>Financial</b>	<b>Academic</b>	<b>Demographic</b>
<b>Default</b>	Debts in previous semesters 2018.1	Number of subjects attended	Parent, mother, spouse, or another person responsible for family income Family income of up to 2 minimum wages
	Debts in previous semesters 2017.1	Variety of courses attended	Students with "divorced" status Students with self-employed, unemployed, or state company worker

This work aimed to propose and test a credit scoring model using machine learning techniques in the private higher education sector, using financial, academic, and social data from students from a private HEI in Rio de Janeiro. Among the proposed models, logistic regression presented the best accuracy and accuracy index, indicating the greater capacity of this model to predict students at default risk for the analyzed data. On the other hand, the decision tree model can show the chain of relevant variables presenting relevant information for the understanding of the default process. Possibly, the combination of more than one model can contribute to a better understanding of the phenomenon of students' defaults.

Given the existence of laws that protect students who become defaulters and limit the HEI effort to receive the debts, the credit scoring models proposed here allow institutions to better manage the educational credit risks. By applying these models, HEI can identify risk factors and students at higher risk of default to seek to mitigate these risks, in addition, to predicting students who can recover their credit from those who will not have any conditions of payment of debts. At a more advanced stage, HEI can seek to select only students who have the long-term ability to pay and improve their student finance model.

Without the use of models, such as those that use machine learning techniques, actions are performed indiscriminately for all students. The use of predictive models allows HEI to focus its efforts on the group of students at higher risk of default, obtaining more efficient results both in the collection process and in default prevention. The predictive capacity of the proposed models allows the HEI to understand the risk of a student becoming a defaulter in advance, enabling preventive actions to be taken to prevent the student's situation from reaching an irreversible stage.

The default phenomenon negatively affects a company's customer lifetime value (CLV). The use of machine learning tools can improve the selection and retention of customers. In this sense, the HEI can incorporate predictive models of default to improve or create

management models for its student base, seeking to increase its customer lifetime value and, at the same time, reduce school dropouts.

The relevance of this study lies in the validation of machine learning techniques as a tool to predict the default risk of students from higher education institutions, which can be adapted to other segments. Few studies have associated the use of machine learning techniques with predicting the risk of student default by understanding the most relevant factors that influence this behavior and allowing the performance of different preventive actions according to each student's risk. Existing studies don't focus on the private higher education sector nor perform a quantitative analysis on default, only exploring statistical data superficially.

Finally, regarding the study's limitations, it is important to note that the available database only included students who were active in the four semesters of 2017 and 2018, from a single HEI. Particularly relevant would be to study the default of students after the COVID-19 pandemic, reprocessing the proposed models with more recent data. In addition, this study only considers the financial, academic, and demographic attributes of students of a private HEI, disregarding external factors, such as economic changes and unemployment level, when calculating the probability of default. Future studies could consider external variables that systematically impact the model. Another limitation of the methodology, which can be addressed in subsequent studies, is the impossibility of predicting exactly when the default will occur since the analysis does not include a temporal study providing information about how long a student will become in default. Finally, with the expansion of the results obtained by this work, we may suggest the creation of an algorithm that, for any student base, can calculate the individual risk of each student becoming in default. It would be a management tool of great importance to support decision-making in any HEI, and not only in the institution analyzed in this study.

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## **PREDICTING SOCIAL MEDIA CONVERSION WITH A DECISION TREE**

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**Keywords:** Digital marketing, social media, decision tree, conditional inference tree, conversion, advertising

**Description:** Model results from Facebook ad data show that decision-tree-based prediction models are more effective in predicting conversion rates compared to conventional prediction models.

### **EXTENDED ABSTRACT**

#### **Research Question**

Social media has transformed marketing. One viral social media post can generate more impressions and customer reach for free compared to a TV ad during the golden time slot, which often costs millions. In this aspect, social media has become the main channel for marketing communication. Marketers have been spending more on social media ads every year, while they have reduced budgets for traditional media ads. This might make sense economically, however, there has been relatively limited evidence for the ROI of social media marketing.

According to a recent survey of business leaders, nearly 59% of the respondents plan to cut advertising budgets. CEOs often question the ROI of advertising spending. Advertising gains are often intangible. Advertising budgets are one of the most common expenses consultants

recommend for cost reduction when finances worsen. To address this concern, we aim to discover insights into the mechanism of how social media ads increase conversion and whether investing in social media ads pays off in the first place.

## **Method and Data**

To answer this question, we examine the performance records of more than a thousand digital ads on Facebook to investigate whether investing more in social media ads pays off in terms of increasing conversion rates and how can social media ads contribute to increasing conversion rates. Intuitively, more investment leads to more impressions, more clicks, and more customer conversion events. However, their relationships are not likely to be linear, and these relevant factors might not have comparable impacts on conversion.

Conditional inference tree models can address these challenges while predicting the conversion from potentially relevant factors by partitioning the relationship between predictor variables and customer conversion and selecting only the input variables that have strong associations with conversion. Conditional inference tree (CT) is a relatively new method. It is developed to address the common decision tree problems, such as overfitting and a selection bias towards covariates with many possible splits or missing values. One main difference of the conditional inference tree from traditional decision tree methods is that it separates the process for the best covariate associations to split on from that of the best split point search for the selected covariate, and it subsequently generates more reliable results compared to the random forest (RT).

## Summary of Findings

The findings suggest that the relationship between investment in advertising and customer conversion tend is not linear and tends to be complex. Spending more on digital ads does not always lead to more conversions.

Ad impressions seem to be the dominant logic to predict customer conversion, however, model comparison results based on prediction accuracy suggest otherwise. Ad bidding and the number of clicks together tend to best predict conversion events. Adding ad impressions to the prediction model improves prediction accuracy compared to predicting conversion from only the bidding amount; however, the bidding amount and the number of clicks better predict conversion, compared to when ad impressions are considered simultaneously in the model. To increase customer conversion, what matters more is to get people to click on the ad compared to simply increasing the number of times the ad is displayed. The conditional inference tree (CT) prediction model that utilizes bidding amount and the number of clicks to predict customer conversion shows 77.87% prediction accuracy while the regression model predicts conversion rates correctly by 52% chance. The findings can be utilized as empirical insight to justify the asset value of advertising, where spending above a certain amount in ad campaigns increases customer conversion substantially. Marketers can utilize decision trees to predict customer conversion and demonstrate the ROI of social media ads.

For ads with low numbers of conversion events, the number of clicks can be used to predict customer conversion, however, for ads with higher than 15.82 USD bidding, the bidding amount tends to be the sole classification factor to partition nodes. One notable pattern is that conversion rates do not seem to vary substantially for ads with lower than a certain bidding amount.

Customer conversion tends to increase exponentially for ads with higher than 215.84 USD

bidding. The findings can be used to optimize the real-time bidding (RTB) algorithms by incorporating the exponential relationship between ad bidding and customer conversion.

### **Key Contributions**

The asset value of advertising is often difficult to measure. In this article, we propose a decision-tree-based prediction model for advertising conversion on social media based on bidding and the number of clicks. The findings suggest that the click-through rate (CTR) is the main predictor of customer conversion. To increase conversions, how engaging the ad content might be the most important factor. Spending more on social media ads is associated with improved conversion rates in general. However, conversions tend to increase exponentially when advertisers bid over a certain amount.

*References are available upon request.*

# Should I Choose a Human Financial Advisor or a Robo-Advisor?

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## Key Contributions for Scholars and Practitioners

New financial technologies have emerged since the 2008 global financial crisis. The financial services industry has launched automated financial services such as robo-advisors that act as online investment management platforms to better meet the needs of investors. According to a report by MyPrivateBanking Research in Switzerland, the assets held by robo-advisors at the end of 2015 totaled US\$20 billion and were projected to surge to US\$450 billion in 2020. The rapid development of automated financial services poses a challenge to traditional financial advisors. Financial advisors with high levels of professional knowledge can reduce customers' uncertainty and anxiety, thus obtaining greater trust. However, robo-advisors provide financial advice and services of equal quality at a lower cost, and their financial advice is considered transparent and fair. Other advantages of robo-advisors include their 24-hour availability, avoidance of human bias and error, and higher predictive accuracy.

Whether consumers prefer human or robo-advisors may depend on self-control, which is a personality trait. Generally, people with low self-control tend to pursue instant gratification. Consumers who perceive themselves as having high self-control have positive emotions toward and more confidence in their decisions. Conversely, consumers who perceive themselves as having low self-control have negative emotions toward and less confidence in their own decisions.

The findings indicated that consumers who perceived themselves as having low self-control were more likely to favor human financial advisors over robo-advisors, whereas those who perceived themselves as having high self-control were more likely to favor robo-advisors. Therefore, to ensure customer satisfaction, businesses should recommend human financial advisors to clients who invest impulsively or who are too busy to research their investment targets and robo-advisors to clients who are unlikely to invest impulsively or who are willing to spend time researching their investment targets.

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## Should I Choose a Human Financial Advisor or a Robo-Advisor?

### Extended Abstract

#### *Robo-Advisor*

New financial technologies have emerged since the 2008 financial crisis. The financial industry has launched automated financial services such as robo-advisors that act as online investment management platforms to better meet investors' needs. According to a report by My Private Banking Research in Switzerland, the assets held by robo-advisors at the end of 2015 totaled US\$20 billion and were projected to surge to US\$450 billion in 2020. The rapid development of automated financial services poses a great challenge to traditional financial advisors. Financial advisors with high levels of professional knowledge can reduce consumers' uncertainty and anxiety, thus obtaining greater trust (Feng & MacGeorge, 2010). However, robo-advisors provide financial advice and services of equal quality at a lower cost (Baker & Dellaert, 2018), and their financial advice is considered transparent and fair. Other advantages of robo-advisors include their 24-hour availability, avoidance of human bias and error, and higher predictive accuracy.

#### *Self-Control*

Self-control is a personality trait. Generally, people with low self-control tend to pursue instant gratification (Higgins et al., 2006). Nikolova et al. (2016) observed that consumers who perceive themselves as having high self-control experience positive emotions toward and have more confidence in their decisions. Conversely, consumers who perceive themselves as having low self-control experience negative emotions toward and have less confidence in their own decisions.

When consumers perceive themselves as having low self-control, they acknowledge their impulsivity and irrationality in making investment decisions and tend to lack confidence in this area. These consumers tend to prefer human financial advisors to robo-advisors because human advisors provide individualized support and advice based on their needs, which enhances consumers' confidence in their investment decisions. Robo-advisors provide investment advice to consumers based on the instructions they receive, leaving the authority in the hands of consumers. Consumers with low self-control are unwilling to use robo-advisor services because they lack confidence in their decisions and worry that they will invest impulsively and irrationally.

Consumers with high self-control are less likely to invest impulsively and engage in careful deliberation before making any investment decisions. Robo-advisors strengthen their confidence as investors, providing comprehensive investment advice and market information based on instructions. Therefore, consumers with high self-confidence tend to prefer robo-advisors to human advisors. The following hypotheses were developed based on these assumptions:

**H1: Consumers with low self-control have higher decision confidence when they are served by human financial advisors compared with robot financial advisors; consumers with high self-control have higher decision confidence when they are served by robot financial advisors compared with human financial advisors.**

**H2. Moderated mediation: Consumers' self-control level moderates the effects of financial advisor type (robot or human) on decision confidence; this, in turn, affects consumers' attitude toward the financial advisor.**

### Study 1

#### *Participants and Stimuli*

In this research, 160 adult consumers (50.6% female, with a mean age of 35.96 [SD = 8.27] years) were enlisted through an online panel provided by a marketing research company. Descriptive details of the study participants are displayed in Table 1. The participants were randomly allocated to one of the



conditions in a 2 (financial advisor type: human or robot)  $\times$  2 (self-control: high or low) factorial experimental design.

### *Results and Discussion*

To analyze the relationship between financial advisor type, self-control, and usage intention, a two-way analysis of variance was conducted. Usage intention was considered as the dependent variable, while financial advisor type and self-control were independent variables. The results demonstrated a significant interaction effect between financial advisor type and self-control on usage intention,  $F(1/156) = 4.46$ ,  $p = .04$ .

## **Study 2**

### *Participants and Stimuli*

Study 2 recruited a total of 400 participants (50% female, mean age = 35.98 [ $SD = 8.41$ ] years) from a marketing research company panel. This study had a 2 (financial advisor type: human or robot)  $\times$  2 (self-control: high or low) between-participant experimental design, and the participants were randomly assigned to four groups.

### *Results and Discussion*

In this study, a mediator, decision confidence, was integrated into the analysis to test a model that supported the moderated mediation hypothesis using the PROCESS macro (Model 7; Hayes, 2013). H2 proposed a significant moderating effect of self-control (Mod) on the mediation path from financial advisor types (X) to decision confidence (Med). The outcomes indicated a notable interaction between financial advisor type and self-control on decision confidence ( $t = 3.21$ ,  $p < .01$ ), indicating that the first stage of the mediation model (X  $\rightarrow$  Med) was moderated.

In addition, decision confidence exhibited a significant effect on usage intention when controlling for financial advisor type (Med  $\rightarrow$  Y;  $t = 16.39$ ;  $p < .01$ ; Table 1). When decision confidence was controlled, the direct effect of financial advisor type on usage intention was nonsignificant ( $t = 0.04$ ;  $p = .97$ ). These observations verified H2.

## **Conclusion**

The results revealed that consumers with lower self-control tended to prefer human financial advisors over robo-advisors, whereas those with higher self-control were more inclined to choose robo-advisors. This implies that businesses should suggest human financial advisors to customers who invest impulsively or are too busy to conduct research on their investment targets, and robo-advisors to clients who are less likely to invest impulsively or are willing to allocate time to research their investment targets in order to achieve customer satisfaction.

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# **STRATEGIC MANAGEMENT OF HOTEL CUSTOMERS BASED ON THEIR ONLINE REVIEWS: THE CASE OF LUXURY HOTELS IN SPAIN**

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**Keywords:** RFM model, 2-tuple linguistic model, customer segmentation, marketing strategies, TripAdvisor

**Description:** Based on the classic RFM model, this paper introduces a new RFHPS model, which considers the Helpfulness, the Promoter score, and the Stability of the customer as additional dimensions to enhance the interpretability of the segmentation results.

## **EXTENDED ABSTRACT**

### **Research Question**

The use of the RFM model is very popular in marketing environments, either on its own or in combination with some other models, the main reason being its easy interpretability and the possibility of making explainable decisions. The current purchasing process relies heavily on internet content, such as hotel ratings and reviews. During the process of gathering information,

the potential customer not only looks at the ratings (e.g., hotel stars, global scores, etc.) but also obtains information through the responses that other users give to the satisfaction questionnaires and by reading their opinions expressed in natural language and by looking at the pictures uploaded to expand the information provided. This work aims to provide some guidelines for practitioners to manage their customers strategically by using clustering techniques to identify the different customer profiles based on their reviews

### **Method and Data**

Based on the widely used RFM model, a new model called RFHPS that includes five dimensions obtained from customer reviews (Recency, Frequency, Helpfulness, Promoter Score, and Stability) has been proposed. Moreover, to improve the accuracy and interpretable capacity of this new model, the 2-tuple fuzzy linguistic model has also been included. Finally, customer segmentation is done using K-means clustering.

Data was collected from TripAdvisor using web scraping for a set of Luxury hotels in Spain. The dataset gathered includes 447,180 reviews from the 422 luxury hotels in Spain. However, after cleaning the missing value and setting the study period as the last ten years, 401,007 comments left by 338,361 customers on TripAdvisor between December 19, 2012, and December 19, 2022, are employed to analyze the proposed model.

### **Summary of Findings**

This work has proved the validity of a new model which expands the scope of the RFM model, adding three new dimensions to it. The use of the 2-tuple linguistic model allows for direct interpretation of results without the need to have a reference number, using intuitive expressions instead. The proposed model achieves a more accurate hotel customer segmentation with better interpretability of results, allowing a description of the segments in a way that enables the design

of different marketing strategies for each segment. For instance, the customers with the highest value to the brand should be treated differently by providing some special treatment for permanence (discount when doing a transaction in a third-party platform, providing a scale of customer badges as proof of the value to the community, etc.). The most valuable customers are the ones who have been active in the last 5 years and who are considered helpful by their peers (community). However, it is also necessary to pay attention to those customers whose helpfulness score is relatively low because of their recent membership, but can potentially become an important group for the community.

### **Statement of Key Contributions**

An improved model of customer segmentation is proposed in this work, based on the widespread use of the RFM model, in which the Monetary value is substituted by Helpfulness and adds two new dimensions (Promoter value and Stability) related to hotel reviews. Customer segments are identified from over 400,000 customer reviews extracted from TripAdvisor, using K-means clustering and the 2-tuple linguistic model. Results show that the proposed model is effective in customer segment identification, enabling hotel practitioners to activate a differentiated marketing strategy for each segment. This model improves the accuracy and linguistic interpretation of previous existing RFM models. The applicability goes beyond the use case, being a useful model for hotel chains and online travel agencies.

### **Acknowledgements**

This work has been supported by the Madrid Government (Comunidad de Madrid-Spain) under the Multiannual Agreement with Universidad Complutense de Madrid in the line Excellence Programme for university teaching staff, in the context of the V-PRICIT (V Regional Programme of Research and Technological Innovation).

## **The Role of Voice Artificial Intelligence on Perceived Eeriness and Consumers' Voice**

### **Shopping**

#### **Extended Abstract**

Human-like voice-based artificial intelligence or voice AI shapes consumer responses. Drawing on the uncanny valley effect (UVE), this study demonstrates how voice AI influences humanlike traits including perceived autonomy, intelligence, and social presence, and thereby perceived eeriness and consumers' voice shopping. Results of lab experiments show that the voice modality of voice AI enhances perceived autonomy, intelligence, and social presence. In addition, perceived intelligence lowers perceived eeriness while it enhances consumers' voice shopping. Furthermore, perceived autonomy enhances perceived eeriness whereas it does not influence consumers' voice shopping. In addition, perceived social presence enhances perceived eeriness and consumers' voice shopping.

**Keywords:** Artificial Intelligence, Voice, Voice shopping



# **Marketing in Times of Uncertainty**

**BEST EFFORTS OR WORST PRACTICES: HOW MARKETER'S DIVERSITY,  
EQUITY, AND INCLUSION EFFORTS MAY MARGINALIZE MINORITY  
CONSUMERS**

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**Keywords:** Inclusion, Omission, Commission, Minority Consumers, Hispanic Consumers

**Description:** This study examines how marketers' efforts to include minorities influence societal  
discourse of inclusion, omission, and commission of minority consumers.



## **EXTENDED ABSTRACT**

### **Research Question**

Marketers play a crucial role in developing knowledge and influencing society's cultural competency (Cui 2001). Indeed, marketing strategies produce or reflect cultural knowledge and contribute to marketplace perceptions, whether about an industry, a product, or a consumer segment. As marketing communications and strategy contribute to the widespread dissemination of institutionalized norms about minority consumer segments (Peñaloza and Gilly 1999), marketers are among the gatekeepers to the institutionalized perceptions of minority consumers (Cook 2004). Minority consumer segments such as African Americans, Asian Americans, and Hispanic Americans have a history of exclusion and marginalization in advertisements (Saren, Parson, and Goulding 2019; Taylor and Stern, 1997; Peñaloza, 2018). However, the Black Lives Matter Movement and a global reawakening to social justice that paralleled the COVID-19 pandemic created a watershed moment that resulted in an increased inclusion of minority groups within marketing (Bonaparte 2020; Gurrieri, Tuncay Zayer, and Coleman 2022). Still, several of these marketers' attempts to embrace diversity, equity and inclusion have, in contrast to their aims, been reductive and offensive. Therefore, we investigate whether more subtle attempts to include minority consumer groups may actually reinforce stereotypes and also create stress and trauma for these groups.

### **Method and Data**

The authors conducted an analysis of public discourse through newspaper articles. The Hispanic market was chosen because it is the largest minority group in the United States (U.S. Census 2022;

Nielsen 2022) and this group is more likely than any other cultural group to be underrepresented and portrayed negatively in mainstream communications (Larson 2006; Dávila and Rivero 2014). Newspaper articles were deemed appropriate as such written communications reflect society's norms and values and allows researchers to examine how they evolve over time (Dowling and Pfeffer 1975) and the news media constantly communicates the image, values, and practices of an industry (Bajde, Chelekis, and van Dalen 2022). 22 years of newspaper articles resulted in a final data set of 850 articles which were thematically analyzed using the Dedoose web application. The data were coded and then categorized into key patterns, leading to core themes highlighting the inclusion, omission, and commission of the minority consumer segment and their collective trauma.

### **Summary of Findings**

Our analysis of newspaper discourse revealed marketer efforts that include Hispanic consumers were found to not only contribute to discourse reflecting inclusion, but also discourse reflecting omission and commission. Additionally, this discourse is reflected across three levels of practice: Marketplace Level, Organizational Level, Societal Level. Marketplace level practices are those which impact the structure of the marketplace and reflect inclusion or omission of Hispanic consumers. Organizational level practices are those conducted by the firm which reflect the application of marketing strategy within the marketplace, specifically in how minority consumers are included and portrayed, and lead to inclusion, omission, and commission. Lastly, societal level practices are those that reflect the inclusion of Hispanics as a normative part of society, which also highlighted inclusion, omission, and commission. This collective discourse and the accompanying marketing practices contribute to the marketplace trauma of the Hispanic consumer segment.

**Key Contributions**

To understand the role of marketing in shaping the discourse and societal narrative of minorities, we build on the collective trauma framework by Bennett et al. (2016) to show how the omission and commission of minority consumers in marketing have received disparate acceptance in the marketplace. This paper provides novel contributions to the literature on marketplace inclusion and on marketing to minority consumers by demonstrating the effect of marketers' practices on social perceptions of minorities through inclusion, omission and commission at the marketplace, organizational, and societal levels. These results highlight the need for marketers to look beyond the immediacy of their marketing practices, to their sociocultural impact. In reflecting upon the impact of their practices, marketers can better tailor actions to contribute to reforming marketing strategy to eliminate practices that contribute to marketplace trauma.

*References are available upon request.*

## **CUSTOMER ORIENTATION OF SERVICE EMPLOYEES IN EXTRAORDINARY SITUATIONS**

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**Keywords:** Customer Orientation, Demographics, Service Employees, Covid-19.

**Description:** This study examines the relationships between the individual level of customer orientation and the demographics of service employees in the Covid-19 era.

### **EXTENDED ABSTRACT**

#### **Research Question**

After the World Health Organization issued a warning about COVID-19, the virus significantly spread worldwide, and its variants became more infectious (Pettersson et al., 2021; Powell, 2021). Additionally, many service providers laid off their employees to survive this pandemic. According to health experts, it will take a few years to maintain the safety measures related to the Covid-19 pandemic and its variants (Shin & Kang, 2020). The service industry and service-related jobs have been deeply affected by this new era. The rules and regulations concerning customer orientation have also changed. The concept of customer orientation has been influenced by the changes and challenges in the service industry, including new rules,

regulations, and, to some extent, government mandates. This study focuses on the individual level of customer orientation among service employees in these extraordinary situations.

### **Summary of Findings**

Some of the antecedents examined in this study are individual factors, including gender, age, experience, and education, which are important demographic components for customer orientation. While there is a limited number of studies that specifically explore the relationship between customer orientation and demographics, they highlight the significance of these factors in service industries. Customer orientation can be considered a psychological factor that motivates employees to satisfy customers' needs (Zablah et al., 2012, p. 22). Additionally, the authors will also examine variables such as experience and ethics. The following hypotheses will be tested.

- Younger service employees are likely to be more customer-oriented than their older counterparts.
- Educated service employees are more customer-oriented than less educated ones.
- Female service employees are more customer-oriented than their male counterparts.
- Experienced service employees are more customer-oriented than inexperienced ones.
- Ethical service employees are more customer-oriented than less ethical ones.
- Experienced service employees are more customer-oriented than inexperienced ones.

### **Key Contributions**

While there is a limited number of empirical studies focusing on the effects of age differences between employees (young versus old employees), it is generally assumed that younger

employees have a greater potential to be effectively trained and to better absorb and apply the current body of knowledge about customer orientation (Dwyer, Richard, and Shepherd, 1998; Homburg and Giering, 2001).

Previous research has overlooked the potential correlation between a salesperson's formal training or education level and their degree of customer orientation. It has been argued that salespeople with higher levels of education are better equipped to interact with customers effectively (Lambert et al., 1990) and are more inclined to engage in continuous learning and develop new selling skills (Delucchi and Korgen, 2002).

Both male and female employees indicated that they practice a high degree of adaptive selling during their interactions with customers. The most significant finding from the customer orientation perspective was that "Saleswomen reported engaging in a significantly higher level of customer-oriented selling than men... In other words, women are more likely to serve as problem-solving consultants and assist their customers in achieving their goals, rather than simply attempting to make the sale regardless of customer needs" (Siguaw and Honeycutt, 1995, p. 50).

References are available upon request.

**COVID-19 COMMUNICATION IN EMERGING MARKETS- NOT VIRAL  
ENOUGH?**

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**Keywords:** Covid -19, Demand for durables, Household Sentiments, Frugality, Crisis, India

**Description:** We examine the effects of current and future perceptions of households'  
financial well-being on their willingness to buy durables during Covid-19.

## EXTENDED ABSTRACT

**RESEARCH QUESTION:** According to Bock et al. (2014), Dixon et al. (2014), and Lozza et al. (2016), measures of consumer attitudes have statistically and economically significant predictive power for consumption growth across a range of household expenditure categories. However, thus far, no empirical evidence exists on how sentiments affect the demand for durables in Covid-19. In this context, we fill this gap by empirically examining the relationship between the perception of a family's financial condition (current and future) and assessment of time to purchase durable goods. We also investigate the impact of the pandemic as well as household specific variables such as education, gender, occupation, region etc. on this relationship.

**METHOD AND DATA:** We use data from the Centre for Monitoring Indian Economy's (CMIE) Consumer Pyramids Household Survey (CPHS). We use the aspirational information gathered as part of the CPHS asset module from waves 18, 21, and 22 of the CPHS, representing pre-Covid, post-first wave and post-vaccination announcement period respectively. The study considers three sentiment variables at the household level. *Current finance* - **Compared to a year ago, how is your family faring financially these days?** captured as worse, same, or better. *Future finance* - **How do you think your family will be faring a year from now?** captured as worse, same, or better. *Time to buy* - **Do you think that this is generally a good or bad time to buy things like furniture, refrigerator, television, two-wheeler, etc.?** captured as bad time, same as other times, and good time.

A multinomial logistic regression model is employed to test the relationship. It is a statistical technique for predicting the probability of category membership of a dependent variable based on one or multiple independent variables (Hilbe, 2009).



**SUMMARY OF FINDINGS:** We find that, in general, the perception of current finance and future finance are positively related to the perception of time to buy durables. However, Covid impacted the households and the sentiments were lowered even when the perception of financial status was good – indicating covid induced fear and uncertainty. Perception of future finance matters more compared to perception of current finance. Female headed households were reported worse sentiments compared to male households. Fixed assets lead to improved sentiments whereas families with liquid assets or savings had a reduced buying sentiment during Covid. We also find that urban regions were more affected compared to rural. In terms of education, educated households saw a downward adjustment in their sentiments compared to illiterate households. At the same time, salaried class showed more resilience compared to non-salaried class.

**KEY CONTRIBUTIONS:** In this study, we identify two important themes – current shock and future uncertainty due to the pandemic. The impact on households is in line with some of the existing studies. Since urban, educated and non-salaried class shows less inclination towards buying durables, discounts and financing on purchases may help. The demand for durables is not likely to recover immediately after pandemic due to long term impact on purchase sentiments. Firms need to identify the impact on consumer segments and plan their strategies accordingly. Government, on the other hand, needs to do targeted policy making to ensure that households generate demand.

**References are available upon request.**

## **TITLE: INVESTIGATING FIRMS' RESPONSE STRATEGIES AND RESPONSE TIME DURING A WAR CRISIS**

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**Keywords:** War Crisis, Firm Response Strategy, Response Time, Consumer Evaluation

**Description:** This paper examines consumers' reactions to a company's response strategy and response time during a war crisis.

### **EXTENDED ABSTRACT**

#### **Research Questions**

Since Russia invaded Ukraine on February 24<sup>th</sup>, 2022, a growing number of global companies have pulled their business out of Russia as economic sanctions escalate and the invasion of Ukraine is being widely condemned around the world. Furthermore, consumers harbor objection and animosity towards the invasion, demonstrated by a worldwide phenomenon of anti-invasion movement, such as digital activism and group protests (Wikipedia 2022). Many consumers demand companies to act morally and cut ties with Russia (Marketingdive 2022). Under increasing pressure to respond appropriately to consumers' expectations, many US companies have adopted a strategy of complete withdrawal or scaling back their operations as an overall business strategy, while others have chosen to continue their business operations. While companies adjust their response strategies to deal with the mounting pressure, it remains unclear

how those strategies might impact consumers' attitudes. In this paper, we attempt to answer the following research questions:

- 1) How does a company's response strategy impact consumers' attitudes?
- 2) How does a company's response time impact consumers' attitudes?
- 3) What is the mechanism underlying the proposed effects related to response strategy and response time?

## **Method And Data**

### **Study 1: The Effect of Response Strategy on Consumer Attitudes**

The goal of Study 1 is to examine the effect of a company's response strategy on consumer attitudes. We recruited four hundred and two participants from Mturk. The study was a 2 (response strategy: continuation vs. suspension)  $\times$  2 (brand reputation: high vs. low) between-subjects design.

### **Study 2: The Joint Effect of Response Strategy and Response Time**

The goal of Study 2 is twofold: 1) to examine the effects of response strategy and response time on consumers' evaluations; and 2) to test the mediating role of perceived morality in the relationship between response strategy/time and consumers' evaluations. We recruited three hundred and ninety-nine participants from Mturk. They were randomly assigned to conditions in a 2 (response strategy: suspension vs. scale-back)  $\times$  2 (response time: early vs. late) between-subjects design.

**Study 3:** The purpose of this study is to provide further evidence on the relationship between response strategy and response time using secondary data. We collected 125 firms' response strategies and response time from the list published by Dr. Jeffrey Sonnenfeld and Yale Research Team.

### Summary of Findings

Our first two experimental studies showed that participants responded more positively when a company adopted a suspension strategy than a continuation strategy ( $M_{\text{suspension}} = 5.73$ ,  $M_{\text{continuation}} = 3.29$ ). When a company adopted a full-suspension strategy, response time had no significant effect on attitude toward the company ( $M_{\text{early}} = 5.54$ ,  $M_{\text{late}} = 5.15$ ,  $t(395) = 1.62$ ,  $p = .106$ ). In contrast, when a company adopted a scale-back strategy, the early response enhanced attitude toward the company significantly than the late response ( $M_{\text{early}} = 4.81$ ,  $M_{\text{late}} = 4.17$ ,  $t(395) = 2.60$ ,  $p = .01$ ). In addition, perceived morality significantly mediated both the effects of response strategy and response time on attitude toward the company.

Study 3 used secondary data and the results showed that response strategy had a significantly negative relationship with companies' response time ( $b = -.499$ ,  $t = -6.42$ ,  $p < .001$ ), suggesting that the more aggressive a firm's response is, the earlier it tends to occur.

### Statement of Key Contributions

First, we contribute to the sanction literature by showing that firms' response strategies and response time significantly impact consumer attitudes. To our knowledge, it is the first to examine the effect of economic sanction from a consumer perspective, which sheds new lights on how consumer responses are affected by companies' actions during war crises. Second, our findings indicate that perceived morality of the firm is a key mechanism underlying the effects of firms' response strategies and response time on consumer attitudes towards the firm. As a result, our research enriches the signaling theory literature by going beyond traditional quality signals (e.g., warranty) to explore a novel context in which firms' response strategies and response time to the war can serve as moral signals to consumers. Finally, extensive research on crises has been carried out at the firm-level such as product recalls. Very limited research has looked at macro-

level crises (e.g., Covid 19), which are out of firms' control but still have significant effects on firm performances. Our research adds to the crisis management literature by examining another macro-level but rarely studied crisis—the war and sanction—and investigating how firms should respond to such a crisis.

References are available upon request.

**LINKING CONSUMER ANIMOSITY TO FOREIGN PRODUCTS, PERSONALITY TRAITS AND PRODUCT AVOIDANCE: THE MODERATING ROLE OF CULTURAL CHARACTERISTICS AND PERSONAL VALUES**

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*Keywords: consumer animosity to foreign products, personality traits, product avoidance, cultural characteristics, personal values*

**Description:** This is the study revealing the links among consumer animosity to foreign (Russian) products, personality traits, product avoidance, cultural characteristics, and personal values.

**EXTENDED ABSTRACT**

**Research Question**

Today's market offers a wide range of choices and availability of products, allowing consumers to choose products based on a wide range of different criteria, including products from different countries of origin. The large and varied offer has influenced the consumer's decision-making process and made it more complex as the product is evaluated based on many factors (Lee et al., 2020). The negative sentiments felt by consumers that linked to past conflicts of various types between the consumer's home country and a specific foreign country can be detrimental to a company's ability to achieve its goals (Leonidou et al., 2019). These negative sentiments referred to as the phenomenon of consumer animosity. As consumers have been rapidly globalizing, and economies have been growing, relationships between different countries are changing. When looking at recent world events such as the war in Ukraine, Brexit, the Eurozone crisis and others, it is clear that tensions in international relations are increasing. For this reason, the phenomenon of consumer animosity becomes crucial for companies and brands.

The consumer animosity towards foreign products has received considerable attention in marketing research due to its negative impact on the positioning of firms or brands in international markets. The literature analyzes the causes and consequences of this phenomenon for companies and the factors influencing the links between this phenomenon and consumer behavior. Researchers (Antonetti et al., 2019; De Nisco et al., 2020; Fernandez-Ferrin et al., 2012; Gineikienė et al., 2017; Huangh et al., 2008; Klein et al., 1998; Mrad et al., 2014) analyze historical events leading to this animosity. Other studies reveal the importance of such factors as personal values (Mrad et al., 2014; Wang et al., 2013) for consumer animosity. It should be noted that researchers have recently been paying increasing attention to consumers' cultural characteristics in this context (Han, 2017; Leonidou et al., 2019). The authors have also been interested in the consumers' personality traits and values in this context. However, the impact of personal values on consumer animosity has not sufficiently analyzed yet.

### **Method And Data**

We used an online questionnaire as a data collection instrument. The dataset comprises of 433 (22.2% males and 77.8% females) respondents (mean age = 35 years). The research was chosen to investigate the animosity of Lithuanian consumers towards Russian products by referring to the historical past of the two countries and the Russian invasion of Ukraine that started at the time of the research as the historical context. To measure the constructs, we used previously established and validated scales.

### **Summary of Findings**

The results showed that consumer animosity towards foreign products (CM) is positively related with product avoidance. In addition, it was found that both past and present events-based consumer animosity has a positive impact on product avoidance. Therefore, the respondents of the study are hostile and avoid Russian products based on both the historical conflicts between Lithuania and Russia and the ongoing conflicts in which Russia is named as the main aggressor. The influence of the demographic characteristics on consumer animosity towards foreign products and its dimensions is rather weak – only gender has a statistically significant effect on consumer animosity. Only two of the five examined personality traits have an impact on the individual dimensions of consumer animosity, and their influence does not always coincide with the relationships between these constructs that have already revealed in the scientific literature. Only the personality traits of agreeableness and openness found to have a statistically significant

~~influence on the individual dimensions of consumer animosity. In contrast, extraversion,~~ conscientiousness and neuroticism do not have a significant impact on the main variable of this study. Only two of the three cultural characteristics analyzed have a statistically significant moderating effect on the relationship between the dimensions of consumer animosity towards foreign products and its dimensions and product avoidance. Individualism was found to be a moderating cultural characteristic only for the relationship between the past events-based consumer animosity and product avoidance, while masculinity was found to be a moderating cultural characteristic for the relationship between the general and the past and the present events-based dimensions of consumer animosity and product avoidance. Meanwhile, uncertainty avoidance not confirmed as a moderator of the relationship between consumer animosity to foreign products and its dimensions and product avoidance. Only one of the two analyzed personal values has a statistically significant moderating effect on the relationship between consumer animosity to foreign products and its dimensions and product avoidance. Self-direction as a moderating personal value found only for the relationship between consumer animosity and product avoidance based on past events. In contrast, universalism not confirmed as a moderator of the relationship between consumer animosity to foreign products and its dimensions and product avoidance.

### **Statement of Key Contributions**

Research shows that consumer animosity has become a highly important research object. However, the traits of consumer personality and their impact on animosity have been considered only fragmentally. We are addressing the above research gap by exploring the links among consumer animosity, personality traits and product avoidance and the moderating role of cultural characteristics and personal values. Our research contributes to the literature by clarifying the links among consumer animosity, personality traits and product avoidance and the moderating role of cultural characteristics and personal values.

Companies and brands seeking to enter a hostile market must better understand their consumer and thus reduce the risk of failure. By understanding the reasons for consumer animosity in a given market, various marketing decisions can be made, such as masking the country of the origin of a product or localizing a brand. Marketing campaigns should highlight the personality traits, cultural characteristics and personal values of the target market in a way that is consistent with the attributes of the value proposition.



## **LOSS FRAMES HELP OVERCOME ENTITY THEORISTS' VACCINE AVOIDANCE**

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**Keywords:** COVID-19 vaccine; Entity theorist; Incremental theorist; Loss framing; Gain framing

**Description:** Entity theorists have a less favorable attitude toward vaccines (e.g., flu shots, COVID-19 vaccines, and vaccines for a hypothetical disease) than incremental theorists and framing not taking the vaccines as a loss increases entity theorists' vaccination intention.

## **EXTENDED ABSTRACT**

### **Research Question**

Vaccination is one of the effective ways to protect people and their communities once there is an outbreak of deadly contagious diseases. According to a survey in 19 countries, the willingness to accept the COVID-19 vaccine is insufficient to meet the requirements for community immunity (Lazarus et al., 2021). Besides COVID-19 vaccines, the flu shot rate is also low in many countries (OECD data, 2023). Therefore, it is important to understand what drives individuals to take vaccines for contagious diseases and what communication strategies can be employed to increase vaccination uptake. In this research, we address these critical questions in seven studies. We first show that entity theorists (vs. incremental theorists) hold a less positive attitude toward and are less likely to take vaccines for contagious diseases. Building on these findings, we explore if message framing can overcome the entity theorists' negative reactions. We show that entity theorists have a higher vaccination intention after reading a loss-framed (vs. gain-framed) vaccine message. In contrast, incremental theorists are relatively insensitive to message framing.

### **Method and Data**

Across seven studies with 2,989 participants, we demonstrate that entity theorists have a less favorable attitude toward vaccines (flu shots, COVID-19 vaccines, and vaccines for a hypothetical disease). Further, we show that framing not taking the vaccines as a loss increases entity theorists' vaccination intention.

Using a cross-country survey, Study 1A documents the basic effect by examining how

consumers' implicit theory orientation is related to their actual COVID-19 vaccine uptake. Study 1B replicates the finding in Study 1A and shows the causal evidence by manipulating consumers' implicit theory orientation. Studies 2A and 2B show that loss-framed (vs. gain-framed) COVID-19 vaccine messages increase non-adopters' intention to get vaccines by using different gain-loss framing manipulations. Study 3 demonstrates that general vaccine non-adopters behave more similarly to entity theorists and increase their vaccination intentions in the loss-framing (vs. gain-framing) condition. Study 4 replicates findings in Studies 2 and 3 in another disease context (i.e., flu shots). Finally, Study 5 generalizes the findings from existing vaccines (i.e., COVID-19 vaccines and flu shots) to vaccines for hypothetical diseases.

### **Summary of Findings**

In this research, we address these critical questions in seven studies. We first show that entity theorists (vs. incremental theorists) hold a less positive attitude toward and are less likely to take vaccines for contagious diseases. Building on these findings, we explore if message framing can overcome the entity theorists' negative reactions. We show that entity theorists have a higher vaccination intention after reading a loss-framed (vs. gain-framed) vaccine message. In contrast, incremental theorists are relatively insensitive to message framing. Further, across seven studies, our dependent variables include not only vaccine attitudes and likelihood of taking vaccines, but also real-world vaccination choices (Study 1A). Our findings are robust when examining vaccines for different contagious diseases (COVID-19, flu, a hypothetical disease) and applicable to various cultural backgrounds (U.S., U.K., India, and China).

## **Statement of Key Contributions**

This research has several theoretical contributions. First, this research shows a psychological antecedent that affects vaccine attitude other than demographic variables (e.g., age, gender, ethnicity, political orientation, etc.). Second, our work adds to Zhang et al. (2021) by revealing the causal effect of implicit theory orientation on health prevention behavior with the manipulation of implicit theory, while Zhang et al. (2021) only showed the correlation with measured variables. Our work also contributes to Zhang et al. (2021) by suggesting the strategy of loss-framed vaccine messages, which could effectively change the entity theorists' vaccine intention. Third, our work is different from previous research about framing in health communication. Previous research shows that gain framing works better than loss framing in health prevention behaviors. However, our findings reveal that loss framing is more effective than gain framing in vaccines for contagious diseases. Fourth, our conclusions shed light on the joint effect of implicit theory orientation and framing in health communication. Previous literature shows that for common health prevention behaviors, incremental theorists are frame sensitive while entity theorists are frame insensitive. Our findings are opposite to the previous results, which shows that entity theorists are frame sensitive while incremental theorists are frame insensitive.

**References are available upon request.**

**MARKETING IN TIMES OF UNCERTAINTY:  
BEYOND COVID-19 AND NEW ERA OF MARKET**

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Keywords: Beyond Covid-19, Uncertainty,  
Marketing Innovation, Digitalization, Value Co-creation

Description: Identifying the direction of marketing innovation to foster resilience in the age of uncertainty by understanding the reshaped markets and evolving customer needs.

**EXTENDED ABSTRACT**

**Research Question**

The Covid-19 pandemic has caused unprecedented challenges and disruptions across industries worldwide, resulting in significant shifts in people's lives and the emergence of new business models and competitors. These changes, along with regional conflicts, economic volatility, and supply chain disruptions have made the world 'the age of hyper uncertainty'. Those who swiftly adapted to these reshaped market made quantum jump, otherwise faced significant crisis

Therefore, this research aims to explore the challenges and opportunities in times of uncertainty, the era of beyond COVID-19. Worldwide, the pandemic is over, but it's hard to fully go back to pre-pandemic times. Having a new perspective on emerging markets is crucial for the validity of theories and the resilience of companies. By thoroughly understanding the major

changes in the real world, align with the re-shaped market dynamics and evolving customer behaviors, we can pursuit resilience, competitive advantages, and sustainability.

This study has reviewed existing literature about the impact of COVID-19, research priorities published by the Marketing Science Institute, and real-life phenomena to identify a conceptual framework of marketing innovation for marketing management and research ideas.

### **Summary of Findings**

This paper highlights the major transformations of market with the emergence of new dynamics, structures, and behaviors in the beyond Covid-19 era into five categories: Fundamental psychological changes in consumer behavior, Building resilience through hyper connected and personalized society, Evolution of customer experience and phygital cravings, Redirection in consumption value chain and global supply chain, and Value co-creation for sustainability.

These factors were then applied to the importance of accessing B2B2C customer experience. With the accelerated digitalization, companies strengthen their efforts to communicate directly with end consumers as well as participants in the value chain. A customer-centric marketing can provide more certain opportunities than any other strategy by reflecting the needs of not only primary customers but also the derived demands.

### **Key Contributions**

This study highlights the importance of understanding the fundamental market changes and incorporating these into marketing research in order to develop marketing strategies in times of uncertainty. Additionally, by presenting a unique analysis of beyond Covid-19 marketing strategies from a B2B2C perspective, this study contributes to the expansion of research.

## **Reactions to Covid-19: The Moderating Role of Innovation Strategy in New Product Development**

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Keywords: new product development, marketing in times of uncertainty, COVID-19, innovation strategy

This research investigates changes in new product development projects in response to the COVID-19 crisis.

### **EXTENDED ABSTRACT**

**Research Question.** In light of recent evidence of new product success and failures during a system shock such as the COVID-19 pandemic, there is a need to investigate (1) what changes transpired within a firm's new product development (NPD) processes and (2) what factors facilitated these outcomes. To this end, we explore the impact of consumer and competitor knowledge on a firm's decision to increase or decrease NPD projects. Additionally, we investigate whether these impacts are dependent on a firm's innovation strategy.

**Method and Data.** We use data from the PDMA's 2021 Global Best Practices Survey. Deployed at the height of the COVID-19 pandemic, the survey includes questions related to NPD changes specifically due to the pandemic. Our dataset consists of 465 respondents who completed items of interest to this study. Given the nature of the data, and the need to test for moderation effects, we employ a multi-step estimation process. The first step involves data summarization and data reduction using factor analysis. In this step, we identify the appropriate number of factors and the measures that load to these factors. Next, after identifying the appropriate measures, we calculate composite indices to represent the factors identified in the first step. Last, we conduct a path analysis in AMOS utilizing composite indices, innovation strategy dummy variables, and interactions wherever appropriate.

**Summary of Findings:** We find that customer knowledge and competitor knowledge significantly impact NPD portfolio changes at the time of COVID-19. Additionally, these impacts are greater among firms with dynamic capabilities inherent in their innovation strategies.

**Key Contributions.** We find that portfolio adjustments can include simultaneous retrenchment and expansionary activities. This in contrast to past research where retrenchment and expansionary strategies are considered mutually exclusive outcomes. We provide empirical evidence demonstrating that customer and competitor knowledge have different effects on NPD portfolios adjustments. Our model allows us to tease out the importance of innovation strategy types (prospector, defender, analyzer, or reactor) during system shocks. We find that the impact

of customer knowledge in decreasing the number of NPD projects is similar across firms, irrespective of strategy type. In contrast, its impact on increasing the number of NPD projects is greater among Prospectors, Imitators, and Defenders. We find a similar pattern among firms whose NPD projects are highly competitor focused. Their dynamic abilities may embolden them to decrease some projects in favor of accelerating or adding new ones. Thus, strategy type is critical in determining the ideal mixture of reduction and addition NPD strategies in times of crisis like the recent COVID-19 pandemic.



**SERVICE CO-CREATION IN THE PANDEMIC: MODERATING EFFECT OF SERVICE  
TYPE**

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**Keywords:**

Service co-creation, external uncertainty, internal uncertainty, perceived threat, service type

**Description:**

This paper investigates how service co-creation influences consumer attitude towards service when a threat is perceived.

## **EXTENDED ABSTRACT**

### **Research Question – 200 Words**

The service sector has experienced significant changes during the three and a half years of the pandemic. Due to the avoidance for social contacts in fear of infection, many services which rely on interpersonal interactions has been impacted significantly. In this research, we particularly focus on how the threat perceived during the pandemic influences service co-creation, a process in which customers are involved in the service provision steps. One of the main benefits of service co-creation is that consumers can have their needs satisfied more effectively by being directly involved and reducing the uncertainty inherent in service. Subsequently, this research focuses on the question of whether such benefits of service co-creation will still be present in the face of a threat, heightening the level of uncertainty perceived by consumers. To address this question, this research predicts that 1) consumers' attitude towards a co-created service is less positive when there is a threat; 2) such attenuating effect appears only when the threat is perceived from an external, uncontrollable uncertainty like the pandemic.

### **Method and Data– 200 Words**

Three experiments were conducted to test the hypothesized relationships between service co-creation, perceived threat and service type. All three experiments were designed as between-subjects designs, with perceived threat (all studies) and service type (Study 2 and 3) as

independent variables and attitude towards service as the dependent variable. All three studies used scenario-based questionnaires in which participants from MTurk (Study 1 - 195 participants; Study 2 – 195 participants; Study 3 – 370 participants) were first asked to read a short news article manipulating their perception of threat. Following this, they were asked to watch a short video (Study 1) or read a short writing (Study 2 and 3) about a service situation and answer questions asking their attitudes on the service. The service situations across studies differed (Study 1: personal training; Study 2: financial investment consulting; Study 3: tourism and medical services) to account for the moderating effect of service type.

#### **Summary of Findings – 200 words**

The findings of the three studies show that consumers form a less positive attitude towards the service when the threat is perceived (vs. no perceived threat) under the service co-creation condition (Study 1). However, such effect of perceived threat is diminished for a credence service which involves a controllable uncertainty that can be resolved through consumers' involvement in the service provision process, presenting a moderating effect of service type (Study 2 and 3).

#### **Statement of Key Contributions – 200 words**

The findings of this research extend previous literature on service co-creation by identifying a condition in which the benefits of service co-creation may not be significant. While prior studies have mainly focused on the positive outcomes of service co-creation, this research

suggests that such benefits will not be experienced when customers perceive threat from an external, uncontrollable uncertainty. We further show that the positive effects of service co-creation remain when the uncertainty is controllable (e.g., credence service) by examining the moderating effect of service type. Such findings are consistent with past studies on consumers' threat appraisal and coping tendencies.

This research also provides important implications for practitioners in the service sector. One of the key suggestions that we provide is that giving more authority to customers can enhance their evaluation of the service especially when the service is a credence service or has internal uncertainty. In other words, we suggest that giving more decision authority contributes to enhancing customer attitude not only by creating more emotional attachment with the customers or reflecting customer needs more effectively but also indirectly by resolving their uncertainty about their anticipated purchase of service.

## **The Road Not Taken:**

### **Using Mobile Mapping to Predict Shopping Behavior After COVID-19**

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Keywords: Mobile Mapping, GIS, COVID-19, shopping behaviors, Heatmap, Walmart, case study, Habitat Activities Theory, spatial marketing

Description: We utilized new methods in GIS and geomarketing through customer clustering analysis to help identify their market segmentation and target customers with a case study of local Walmart's consumers travel to the stores before and after COVID.

## **EXTENDED ABSTRACT**

### **Research Question**

The COVID-19 pandemic has changed the global interaction approach between consumers and businesses, especially in the U.S. For example, shopping and dining experiences have been fundamentally transformed. More specifically, restaurants, clothes shops, beauty salons, local fresh markets, theaters, bowling alleys, fitness centers, and art performance centers, among many others, were shut down in many major cities, such as Wuhan, Rio, New York, Washington DC, and Houston. Colorado was the latest state to close bars, eliminate dining in, and people were

asked not to any group gatherings. These industries struggled to maintain customers during the government-mandated closures.

Following the ongoing economic recovery of the U.S. after the COVID restriction release, businesses face the new challenge of increasing competition. How to retain old customers and attract customers, and how to serve customers more conveniently and effectively? Two roads diverged in front of marketers; which way should we take- back to the traditional way that we have been walking on before COVID, or take the road that was not taken - the innovative way? Did consumers change their travel distances limit for their favorite after the COVID-19 pandemic?

### **Method And Data**

We obtained the Walmart consumer data from Near, including customer daytime and nighttime locations, the transition movement, and intensity of spread inside and outside the stores. Near is a company that collects mobile location data from many different sources and aggregates them into location intelligence, consumer segment targeting, and intensity measurement. The highest quality mobile data solutions provided by Near has been trusted and used by many scholars and researchers, giving reliable salvations for profit and non-profit organizations.

We used the GIS data and ArcGIS Online platform to visualize which aisle customers stopped at and how long they stayed at different aisle of the stores during a period. Using data from the U.S. Census Bureau and ESRI's ArcGIS Online platform, we associated demographic information, economic data, and geographic cluster data. Combining these data, we conducted cluster analyses that show sequential patterns, for example workdays vs. weekends in consumption patterns and travel range (Freire, 2010).

### **Summary of Findings**

*GIS Help Identify Consumer Needs and Social Trend.* The COVID-19 pandemic has alternated customers' purchase behaviors. It forced retailers to find innovative methods to gain and retain customer satisfaction, thus increasing market share. The innovation changed the lifestyle of the households with store visitations, diminishing brand and store loyalty, as well as rising difficulty for stores/businesses to satisfy shoppers; for example, shoppers have limited time windows to pick up their orders; purchase items are out-of-stock; or substitute products disappoint consumers. These changes have led to a fundamental shift in how retailers and consumers interact.

*GIS Help Reposition Brand Image and Customize Promotion Strategy.* The precise information about customer location and the associated income level, education level, and population with the location provided by GIS is substantial for creating and repositioning branding and promotion strategy for the target market. GIS helps to identify the needs and desire of the target market. It can provide evidence support for marketers to position or reposition their product brands and outlet brands. GIS also records the period of how long a customer stays at each isle/location; therefore, it can help marketers focus on their target market by customizing promotion strategy on various platforms, e.g., advertisement on newspaper, radio station, and social media. The heatmap of the traveling location of a consumer to a store reveals a consumers' shopping clustering. The shopping clustering show that consumers with similar demographic characteristics may indicate homogenous neighborhoods, which create opportunities for local businesses and marketers to initiate cobranding and co-promotion strategies.

### **Statement of Key Contribution**

This research explored the interface of geography and marketing discipline, helping fill the gap between two disciplines with limited previous interaction. It utilized geo-fencing information on smart device to examine the Habitat Activities Theory, retain market share, and gain

competitive advantage in product, price, place, and promotion strategies. The research also provides managerial implications for businesses to adopt GIS technology to provide precise customer location. It helps businesses to focus on their target market and predict the future marketing trends. The heatmaps of travel locations that were created in this research illustrate how consumers' purchase behavior have slowly shifted from on-site to off-site; the continuous data suggested that the trend may not change even after COVID-19, as consumers have adopted a new way of shopping and recognized the benefit and convenience.

*“Two roads diverged in a wood and  
I took the one less traveled by,  
And that has made all the difference.” -----Robert Frost, 1951*

References are available upon request.



**Understanding Individual Charitable Giving in Natural Disasters:  
Substitution, Persistence, and Targeting**

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Key Words - Natural Disasters, Charitable Giving, Substitution Effect, Donor Targeting and Persistence

Description – We examine the impact of Natural Disasters on overall donations, donations' to disaster and non-disaster causes and its persistence with prolonged exposure to the disaster.

**EXTENDED ABSTRACT**

Research Questions –

RQ1) What is the impact of natural disasters on Total Donations (TD)?

RQ2) Do donors substitute donations from non-disaster causes to donate to disaster relief causes? Do they indulge in temporal substitution from future donations?

RQ3) What is the impact of prolonged exposure to disasters on TD and substitution effect?

RQ4) Which type of donors are more likely to donate to disaster relief causes?

Method and Data –

We rely on longitudinal donor data from 8684 donors on a crowd-funding platform, which consisted of actual charitable donations made between January 2019 and December 2021. We leverage COVID'19 and 2019 Floods in India as exogeneous shocks. We use Panel data analysis, and Difference-In-Difference method as or empirical strategy. We leverage logistic

regression to predict which kind of donors are more likely to donate to disaster relief efforts.

We use Lab experiments to establish our mechanism of Compassion.

#### Summary of Findings –

We find that Total Donation (TD), which is the total monthly donation of an individual to all causes, increases during natural disasters across both donors who donated and those who did not donate to disaster relief efforts. Interestingly, we observe that prolonged exposure to natural disasters does not lead to any reduction in TD. More importantly, we observe that donors do not substitute their donations from non-disaster causes for disaster relief causes but rather increase their donations to non-disaster causes during disasters. We also observe that TD increases in the post-disaster period compared to TD in the pre-disaster period, which indicates that donors are not substituting from their future donations. Thus, we can rule out substitution effects during natural disasters. Hence, we do not find any compelling reason for these managers to be concerned about fundraising activities during disasters and for disaster relief efforts in general. We show that donors who have previously donated to disasters, those who have donated recently, those who donate frequently and those who donate to multiple causes are more likely to donate to disaster relief causes.

#### Key Contribution –

Our findings suggest that the total donation increased during disasters both among donors who donated at least once and among donors who did not donate to disaster relief efforts at all. These findings contribute to the larger literature on charitable giving by providing empirical evidence that disasters (mortality salience) increase prosocial motives and that altruistic budgets are not fixed but rather malleable, based on the external environment. These findings are especially interesting, as we provide empirical evidence for an increase in prosocial motives because of natural disasters even in the resource-constrained environment

of developing countries. Our findings suggests that the pro-social motives that result from an exogenous shock (natural disasters) can spill over and manifest in causes that are unrelated to that shock (non-disaster causes). As substitution does not occur from future donations, we argue that an increase in prosocial motives induced by mortality salience extends beyond the disaster itself. Our findings suggests that the increase in prosocial motives due to natural disasters does not attenuate with prolonged exposure to natural disasters. Thus, our findings suggest that claims of compassion fatigue in the context of charitable giving might be unwarranted. These findings also suggest the moderating impact of psychological distance on the donor choice of whether to donate to disaster relief efforts. Our findings also provide not-for-profits wit managerially relevant variables for donor targeting for disaster relief efforts.

## **WHEN AND WHY DOES CORPORATE HYPOCRISY TRIGGER VINDICTIVE CUSTOMER BEHAVIORS? THE MODERATING ROLE OF SELF-CONSTRUAL**

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**Keywords:** aggressive customer behaviors, corporate hypocrisy, customer cynicism, desire for revenge, self-construal

**Description:** This research examines the psychological driver of vindictive customer behavior toward hypocritical firms by focusing on a moderating role of self-construal.

### **EXTENDED ABSTRACT**

#### **Research Question**

Although past research has unpacked various detrimental consequences of corporate hypocrisy (i.e., an inconsistency between a firm's words and behaviors; Wagner et al., 2009), scant research has directly investigated a psychological mechanism underlying the negative impact of corporate hypocrisy on customers' revengeful behavior. The current research examines how customer cynicism—a situation-driven negative attitude reflecting customer distrust in a firm's motives and actions (Chylinski & Chu, 2010)—can play a mediating role in explaining the relationship between corporate hypocrisy and two types of vindictive customer behaviors (i.e., desire for revenge and aggressive behavior; H<sub>1</sub> and H<sub>2</sub>). Corporate

hypocrisy evokes a host of negative customer responses (Antonetti et al., 2020; Zhang et al., 2022). However, customers may differentially perceive the same hypocritical firm behaviors and so they may not show the same degrees of revengeful behaviors to corporate hypocrisy. Corporate hypocrisy requires moral judgment, and it determines how individuals respond to hypocritical firms. It is possible that, depending on one's self-construal (i.e., independent vs. interdependent self-construal), corporate hypocrisy differently affects customers' cynical attitudes toward a hypocritical firm. We predict that the negative impact of corporate hypocrisy on customer behaviors would be moderated by how customers view themselves (H<sub>3</sub> and H<sub>4</sub>).

### **Method and Data**

We employed a two-wave online survey to reduce common method bias and spurious causality (Podsakoff et al., 2012). Our survey was conducted with a three-month time lag to reduce the risk of erroneous conclusions based on time-related effects. Using an online survey platform in South Korea, we invited 46,065 participants to take part in our survey. To ensure that only actual bank customers who had used one of the six South Korean banks participated, we asked a question regarding the transaction duration (e.g., more than one year or not). Of the 9,157 individuals who opened the invitation email, 731 eligible respondents participated in the T1 study. After excluding 122 participants with incomplete responses, the T1 had 609 participants (response rate = 83.3%). At T2, 346 out of the 609 participants completed the survey (final response rate = 47.3%; 56.1% women,  $M_{\text{age}} = 39.27$ ,  $SD_{\text{age}} = 11.14$ ).

In the T1 survey, we measured corporate hypocrisy ( $\alpha = .94$ ), customer cynicism ( $\alpha = .86$ ), desire for revenge ( $\alpha = .92$ ), aggressive customer behaviors ( $\alpha = .94$ ), independent ( $\alpha = .81$ ) and interdependent ( $\alpha = .83$ ) self-construal, and demographic variables. Three months later,

we assessed customer cynicism ( $\alpha = .84$ ), desire for revenge ( $\alpha = .96$ ), and aggressive customer behaviors ( $\alpha = .93$ ) again.

### **Summary of Findings**

The indirect effects of corporate hypocrisy on desire for revenge ( $b = .053$ , 95% CI [.016, .107]) and on aggressive customer behavior ( $b = .031$ , 95% CI [.009, .072]) were significant, respectively. Independent self-construal mitigated the positive relationship between T1 corporate hypocrisy and T2 customer cynicism ( $b = -.28$ ,  $p < .01$ ). A simple slope analysis showed that the positive relationship between T1 corporate hypocrisy and T2 customer cynicism was more pronounced among customers with low ( $b = .31$ ) and mean ( $b = .18$ ) levels of customers' independent self-construal ( $ps < .01$ ). However, T1 corporate hypocrisy did not affect T2 customer cynicism when customers used a high level of independent self-construal ( $b = .05$ ,  $p > .05$ ). The positive association between corporate hypocrisy and customer cynicism was also significantly increased by interdependent self-construal ( $b = .21$ ,  $p < .05$ ). Specifically, the positive effect of T1 corporate hypocrisy on T2 customer cynicism was significant for the high ( $b = .28$ ) and mean ( $b = .13$ ) levels of customers' interdependent self-construal ( $ps < .01$ ). Conversely, when customers' interdependent self-construal was low, the positive effect of T1 corporate hypocrisy on T2 customer cynicism was not significant (low:  $b = .07$ ,  $p > .05$ ).

### **Key Contributions**

Our findings contribute to the literature on corporate hypocrisy by identifying an important psychological mechanism that underlies the negative impact of corporate hypocrisy.

Moreover, we found that customers' dispositional characteristics, such as self-construal, can determine their attitudinal and behavioral responses toward the hypocritical firm. The present research also provides managerial implications for marketing practitioners. Our results

highlight that marketing managers should seamlessly communicate with customers to resolve inconsistency in the firm's behavior through various marketing communication channels.

Next, our research shows that detecting customer cynicism emanating from hypocrisy perceptions should be a primary job for marketers dealing with vindictive customer behaviors (e.g., monitoring customer complaints on social media). Alternatively, marketing managers can focus on resolving customers' hypocrisy perceptions by providing careful explanation about their inconsistent behaviors. Lastly, our findings suggest that marketing managers should pay close attention to the negative reactions of customers with interdependent self-construal. This might be particularly important for marketers targeting global consumers who are more susceptible to ethical inconsistency.

References are available upon request.

# **Marketing Strategy**



## **AN UNOPEN DOOR: CHINESE NATIONALISM AS A MARKETING STRATEGY**

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### **ABSTRACT**

This paper aims to illustrate the potential positive effects of Chinese nationalism on foreign countries. It manifests that nationalism might be used as a strategic tool: decreasing hostility from Chinese consumers and using the culture-mixing strategy to legitimize the Chinese market.

Keywords: Chinese nationalism; internationalization; strategic tool; culture-mixing strategy.

### **INTRODUCTION**

China's rise enhances the significance of comprehending Chinese nationalism. It is undoubted that China provides an excellent example of how rising nationalism may affect global companies (Gao 2012). China is a hotspot of nationalism; this country has the fastest-growing economy in the world and is a top priority for many global corporations (Gao, 2012). Additionally, it has been proposed that the Chinese consumer will replace the American consumer as the engine of global economic growth (Garner, 2005). Scholars have begun to approach the phenomenon of nationalism (Akhter, 2007; Baillargeon and Gélinas, 2010; Balabanis et al., 2001; Rawwas, Rajendran, and Wuehrer, 1996; Varman and Belk, 2009; Wang, 2005), but most management scholars are passionate about those growing nationalistic sentiments, can hinder the investment (Bi et al., 2012) and expansion of international businesses in China (Bi et al., 2012; Li, 2009;

Gao, 2012). Although some authors focused on the 'double-edged sword' function of nationalism in explaining the crucial role of nationalism in the Chinese market: nationalism can be used to mobilize public support but can also be used to unleash pent-up frustration and rage against the state if it fails to match nationalistic expectations (Qingguo\*, 2005). Taken as a whole, these works—whether focused on the positive and negative effects on domestic or foreign companies—have generated essential insights for future research.

As mentioned above, because China's significance for worldwide marketers is consequently indisputable, instead of focusing more on the negative effect of nationalism, the potential positive influence of nationalism on foreign companies might be worth to be analyzed.

Nevertheless, the analysis about the positive effect of Chinese nationalism on international companies remain very limited. Similarly, this topic still needs to be researched in marketing.

Little research is directed towards potential positive influence of Chinese nationalism on foreign companies that plan to start or expand businesses in the market.

This paper aims to argue the potential positive effect of Chinese nationalism on foreign firms already in or plan to enter the Chinese market. Put differently, Chinese nationalism might be used as a strategic tool for foreign companies to expand in Chinese market or enter the Chinese market. This paper starts with a mapping of literature examining the influence of nationalism on Chinese market; especially, nationalism presents barriers for foreign organizations. Furthermore, there is an acknowledgement that nationalism might be used as a strategic tool in two ways: showing respect to nationalism to decrease hostility from the Chinese consumers; using the culture-mixing strategy to obtain legitimization in the Chinese market. It concludes by briefly

reflecting on the main points and future implications.

## **LITERATURE REVIEW**

There has been a fragmented discussion on the topic, which has grown under several titles such as "economic nationalism," "nation branding," "commercial nationalism." (Castelló & Mihelj, 2018), and Consumer nationalism (Birkland, 1997). Scholars also examine the impact of Chinese grassroots nationalism on international companies from four perspectives, including political, cultural, economic, and consumer rights (Gao, 2012). It shows that, far from being a passing sentiment in established nations, nationalism is an endemic condition. It is worth noting that most works of literature present the same view that Chinese nationalism brings a serious challenge to international marketers. Therefore, nationalism is seen as a force that can slow down globalization's march (Akhter, 2007). Cross-countries businesses' failure might not only be influenced by financial distress (Charitou et al., 2004), corporate social responsibility (CSR) (Goergen et al., 2019), and the relationship between foreign experience and CEO compensation (Conyon et al., 2019). From a nationalist, this perspective, the importance of the country's characteristics should be highlighted. For Japanese products in the Chinese market, Consumer nationalism is a combination of the production and reproduction of Japanese imperial history, the construction of Chinese identity, and consumerist ethos in the context of globalization—all these places a unique historical burden on Japanese producers (Li, 2009).

Nationalism and globalization are antithetical forces that are used conjunctively in China (Bhattacharya, 2019). In 2011, the 60th anniversary of China-Pakistan relations was celebrated (Kayani, 2013). The friendship between China and Pakistan is everlasting and all-weather; the bond is as deep as the ocean and as high as the mountains (Kayani, 2013). The strengthening ties

between China and Pakistan have become a paradigm for the peaceful coexistence of emerging countries with their neighbors (Kayani, 2013). However, there has another exciting phenomenon in the Chinese market. Specifically, some Chinese might enjoy discussing patriotism. In contrast, they have no problem purchasing foreign items, watching foreign movies, sending their children to study abroad, or working for foreign corporations in real life. Some passionate nationalists even try to migrate to other countries or seek to become foreign nationals themselves. From another perspective, Chinese nationalism might open an avenue for international or multinational businesses to assimilate the Chinese market.

## **NATIONALISM AS A STRATEGIC TOOL**

### ***Chinese Nationalism and Respect***

Based on the theory of institution, nationalism is primarily a concept or term that externalizes from cultural elements, detaches from their immediate situations, and transcends from "here and now" problems to "permanent" (Colyvas & Jonsson, 2011; Li, 2017). According to Berger and Luckmann (1966), the institutional world is objectivated by human activity, and so is every single institution. To put it simply, the phenomenon – consumer preference for buying products that show their nationalism- is the externalization of consumers' ideology. Hence, the more biased foreign media coverage of China that the people feel, the more assertive Chinese nationalism becomes, and vice versa (Qingguo\*, 2005).

Consumer nationalism controversies are frequently precipitated and incorporated inside "focusing events" (Birkland, 1997) — occurrences that attract public attention and organize communities of interest to act and express themselves. For example, the Italian luxury fashion house Dolce& Gabbana in China can be interpreted under the broader context of nationalism. In

their promoting video, a Chinese woman wearing wealthy Dolce & Gabbana jewelry had no idea how to eat a pizza with chopsticks. Furthermore, as anger over the controversial video spread, a snowball effect ensued, compelling social media users to disseminate the content further.

Antagonism results in anti-consumption, most notably brand avoidance and brand rejection.

A nation's ideology is the simplest definition of nationalism and primarily manifests in hostility toward others (Bhattacharya, 2019). De facto, nationalism only takes shape through competition between "we" and "them" (Bhattacharya, 2019). Additionally, when the Chinese feel that foreigners have harmed their nationalism, they need to lash out to save face. Economic measures are viewed as the most effective form of retaliation (Gao, 2012). For example, internet allegations circulated that a board member of the French retailer Carrefour donated a significant sum of money to the Dalai Lama and that many French staunchly support Tibet's independence. Succeeding this, a call to boycott Carrefour outlets in China was made; thousands of demonstrators rallied in front of Carrefour stores in key cities, compelling the retailer to cancel its promotional plans for the May Day holiday season (Staff, 2008). Compared with boycott, which consists of consciously selecting services or brands of companies that adhere to morally responsible or otherwise positive policies (Castelló & Mihelj, 2018), Chinese consumers show their attitudes to punish a brand or product as guiding by nationalism. To pacify the protesters, Carrefour promptly published a statement opposing Tibet's independence and supporting the Beijing Olympic Games; the Chinese government commended Carrefour's position on Tibet, urged good patriotism, and briefly blocked the name "Carrefour" from search engines (Gao, 2012). Rather than getting negative influence by this, Carrefour's reaction to this event leaves good impression in Chinese consumers' mind, which attract more consumers to shop there. The

Carrefour case implies that Chinese consumers' attitudes toward a company or brand could be determined by companies' attitude (respectful/disrespectful) toward China. Chinese animosity will become less intense if foreign organizations respect Chinese nationalism. Based on the above, the following proposition is suggested:

***Proposition 1:***

Foreign companies that show respect to Chinese nationalism might be hindered less in Chinese markets.

***Chinese Nationalism and Culture Mixing***

It is true that to gain the legitimacy and resources needed to survive, organizations that exist in highly elaborated institutional environments should become isomorphic with these environments (Meyer & Rowan, 1977). To gain legitimacy with consumers and government agencies, foreign firms need to identify required product adjustments and create a strategy that positions products in the Chinese market to compete effectively against competitors. In recent years, a growing number of well-known Western multinational brands have sought to incorporate cultural elements of the host country into their marketing campaigns and product designs to gain as much support and recognition as possible from local consumers (Zhou et al., 2015). Coca-Cola's use of Chinese couplets and paper-cutting in Chinese New Year advertisements and McDonald's use of Chinese palace-themed animations to promote new products. Vacheron Constantin launched a limited edition watch with the Great Wall motif. The coexistence of two cultural elements simultaneously and in space is called "culture mixing" (Hao et al., 2016).

Based on social judgment theory, we might better understand culture mixing. Social Judgment Theory (SJT) proposes that individuals quickly evaluate its acceptability upon receiving a

persuasive message by comparing it with their current beliefs (Sherif & Hovland, 1961). Specifically, if the position in a message is closer to a subject's existing belief, the message will generate a high opportunity of acceptance and a low chance of rejection. When the stance in a communication is too far from a subject's current view, the message will result in a high rejection and a low chance of acceptance and commitment. Following the Social Judgment Theory (SJT), scholars have also examined the willingness of host country customers to purchase brands in light of global brand advertising campaigns (e.g., by mixing cultural elements of the host country in advertisements) (Xiong et al., 2018). For instance, Feng and Peng (2011) discovered that Chinese consumers are more likely to purchase and recommend a brand when exposed to "Pro-China" national emotion advertisements of multinational brands than when exposed to neutral advertisements of multinational brands. Cui et al. (2012) discovered that in a message congruence context (in which the content, claims, and other messages of an advertisement are consistent with the cultural traditions of the target market), the use of Chinese models by multinational brands led to stronger brand purchase intentions among host country consumers than the use of white models. Because joint ventures usually have a hybrid cultural value (Swierczek, 1994), broadly speaking, they are the successful outcomes of using a culture-mixing strategy on the firm level. Based on the above, the following proposition is suggested:

***Proposition 2:***

Foreign companies that use a culture-mixing strategy to incorporate Chinese cultural elements into their marketing campaigns might gain support and recognition from Chinese consumers and suffer less hinder in the Chinese market.

**IMPLICATIONS AND CONCLUSION**

Many limitations hinder their internationalization processes for SMEs (small to medium-sized enterprises). One of the reasons that SME marketing is haphazard stems from managers making most decisions by themselves (respond to current opportunities and circumstances); hence, decision-making occurs in a haphazard and seemingly chaotic manner: based on personal and business priorities at any given time (Scase and Goffee, 1980). This paper might give them insights into reducing the implicitly hidden costs of entering the Chinese market. This paper encourages SMEs to use integrated channel as a risk-reducing market entry mode to some extent. Apart from this, the importance of noticing the cultural differences between the home country and the target country is highlighted; institutional isomorphism could be used as a mechanism to guide companies' activities.

Chinese nationalism has been an embedded influence throughout the history of the country. Comparably, this phenomenon is not proclaimed to be stronger or weaker than nationalism in other countries, as over time, it has risen and waned. Less simple, linear, and unidimensional descriptions are required to convey the picture's complexity and diversity. As citizens, consumers have solid patriotic tendencies and consumption offers an additional channel for their collective expression, (re)activating their sense of belonging to a national community. In this paper, by illustrating business cases in the Chinese market, we utilize firms within the country of focus for this social phenomenon and its implications for corporate management. Instead of focusing on the negative influence caused by nationalism, this paper tends to challenge the perspective by finding the potential positive effect of nationalism. To acquire a comprehensive understanding of the phenomenon of nationalism in China, we recommend conducting an additional study to further examine the interplay of actors and discourses involved in utilizing Chinese nationalism as a strategy.



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## **BALANCING MARKETING TO CONSUMERS AND INVESTORS: FIRMS' ONLINE ENGAGEMENT AND CONSUMPTION MARKET PERFORMANCE**

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**Keywords:** online engagement; balanced marketing; consumption market; consumer; investor

**Description:** The present work examined the individual effects of firm-initiated online engagement with consumers and investors on the consumption market and how firms should best allocate their marketing resources between consumers and investors to maximize firm performance.

### **EXTENDED ABSTRACT**

#### **Research Question**

Marketing actions must create value for two key groups of stakeholders, namely consumers and investors (Mizik and Jacobson 2003; Rubera and Kirca 2017). Although studies have highlighted the benefits that firms can reap from engagement with consumers and investors in such online communication forums, two research issues remain unresolved.

The first issue concerns the effect of firm-initiated online engagement with investors on the consumer market. Although practical evidence has demonstrated that engagement with investors plays a critical role in reducing operational vulnerabilities and shaping successful sales strategies (McNabb, Charan, and Carey 2021), the issue of whether firms' online engagement with investors affects the consumption market has received little attention from a theoretical perspective. The second issue concerns how

firms balance their resources in their online engagement with consumers and investors. Firms face a dilemma in determining how to balance the two types of engagement strategies, given their limited resources and the inherent contradictions between consumers and investors. Our review of the literature reveals that there is little empirical research on whether a balanced or an imbalanced engagement strategy best benefits firm performance in the consumption market.

### **Method and Data**

For this study, we collate Chinese multi-source data from investor interaction platforms (i.e., EasyToInteract and E-interaction), social media platforms (i.e., Weibo), and financial databases (i.e., Wind and CSMAR database) in the consumer good sectors from 2015 to 2020. Using the data collated, we conduct the firm-level fixed effects panel regression with instrumental variables to minimize potential endogeneity (Wooldridge 2010). As to examine the effect of balanced vs. imbalanced engagement strategies, we apply a polynomial regression analysis (also known as the response surface approach), which utilizes nonlinear quadratic terms for family director and executive ratios in addition to their corresponding linear and interactive terms (Edwards and Cable 2009; Kim et al. 2022; Richard, Triana, and Li 2021).

### **Summary of Findings**

Drawing upon stakeholder salience theory, this study examines a positive correlation between the intensity of engagement with investors and consumption market performance, and it confirms the conclusion of the literature that engagement with consumers has a beneficial influence on product sales. In addition, in response to the balanced marketing literature, we experimentally demonstrate that firms are more (less) likely to succeed in the consumption market when they adopt a balanced (imbalanced) engagement strategy between consumers and investors. Moreover, when

industry munificence, a key environmental condition that affects firms' strategic choices, is at a low level, the relationship between a balanced engagement strategy and consumption market performance is significantly strengthened.

### **Key Contributions**

First, we contribute to stakeholder salience theory by highlighting the role of investors in the consumption market. Under stakeholder salience theory, it is consumers who have the greatest degree of legitimacy, authority, and urgency in the consumption market. However, our findings suggest that investors also play a critical role in firm success, and thus, balancing resources between consumers and investors will lead firms to achieve superior consumption market performance than if they focus only on consumers.

Second, we extend the firm engagement literature by providing foundations for the role of online engagement with consumers and investors in the online consumption market. By emphasizing investors' role in firm operations and the dual nature of consumers and investors, we reveal the mechanism of online engagement with investors and consumption market performance, enhancing the depth of knowledge regarding firm engagement.

Third, we contribute to the literature on how to balance marketing by shedding light on how and to what extent the pursuit of balanced online engagement strategies influences firms' consumption markets. Given limited resources, equal emphasis on engagement with consumers and investors can improve a firm's consumer market performance more than emphasizing one party over the other.

References are available upon request.

## **DIFFERENCES IN FACTORS CONTRIBUTING TO JOB SATISFACTION AND TURNOVER INTENTIONS: EVIDENCE FROM A SURVEY COVERING 10 INDUSTRIES IN JAPAN**

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**Key words:** *internal marketing, philosophy, purpose statements; artificial intelligence; corporate social responsibility*

**Description:** *This study clarified the differences between the factors behind job satisfaction and turnover intentions, focusing on 10 factors, including philosophy and advanced technology, in addition to the eight factors presented in the literature.*

### **EXTENDED ABSTRACT**

**Research Question:** Extensive literature has explained the factors behind job satisfaction and turnover intentions. However, the following viewpoints have not been sufficiently examined. 1) Philosophy: As this is an abstract concept, it has been downplayed owing to the difficulty in motivating employees to work toward a common goal. Recently, an increasing number of companies have focused on creating “purpose statements” to clearly demonstrate the reason for their existence. However, this factor’s effects on job satisfaction and turnover intentions are poorly understood. 2) Advanced technology: Businesses have increased their competitiveness by taking advantage of technologies that are evolving at a rapid speed. Few studies have assessed the impact of introducing technology from an employee’s perspective. 3) Comprehensive evaluation of the job satisfaction and turnover intention factors: The literature has demonstrated various factors, including rewarding work, acquiring skills, fair wages, work–life balance, flexible work, office equipment, relationship with the boss, and corporate social responsibility. However, these studies’ findings are fragmented. There is a concern that the effects of the factors are overestimated as the factors are considered individually in these studies. Surprisingly, few studies have



addressed these main factors and clarified the differences between job satisfaction and turnover intentions.

**Method and Data:** This study clarified the differences between the factors behind job satisfaction and turnover intentions, focusing on 10 factors, including philosophy and advanced technology, in addition to the eight factors presented in the literature. We conducted an online survey of 1,000 workers in 10 industries (automobiles, home appliances, clothing, cosmetics, food, IT, medical products, retail, banking, and the government sector) in Japan and applied structural equation modeling. Our study adds the philosophy and advanced technology perspectives to the previously fragmented knowledge of internal marketing and expands the theory in an integrated manner. Practitioners can effectively design personnel systems by clarifying the priorities of these factors. The analysis environment is Causal Analysis provided by NEC Corporation.

**Summary of Findings:** The results showed that these factors (in that order) have significant positive effects on job satisfaction: rewarding work, work–life balance, philosophy, and fair wages. However, flexible work has a negative effect on job satisfaction contrary to expectations. Regarding turnover intentions, acquiring skills and relationship with the boss have a negative effect, and advanced technology has a positive effect. Moreover, men place more emphasis on objective factors such as wages and skills, whereas women place more emphasis on psychological factors, such as human relationships and empathetic philosophy. This study provides some practical implications. The first is that factors contributing to job satisfaction and turnover intentions differ. Hence, if practitioners want to increase a woman’s job satisfaction, they need a system that improves her work–life balance, and if they want to lower her turnover intention, they need a system that improves her relationship with her superior. Second, the study's results show that managers should reaffirm the importance of philosophy. This concept may exert effects on job satisfaction that go beyond those of wages. Considering that philosophy is especially important for women, redefining the philosophy to improve workplaces that are overly biased toward men will be effective.

**Statement of Key Contributions:** This study contributes to the literature on the factors affecting job satisfaction and turnover intentions by providing the following new findings.

First, in Japan, where the seniority wage system has taken root, the positive effect of philosophy on job satisfaction can exceed that of wages. Philosophy has long been neglected by scholars because it is an abstract concept. Therefore, this study fills a research gap. Second, the introduction of an advanced technology increases employees' intentions to quit. This is especially true in cases where companies do not consider employees' perspectives when adopting advanced technology. Many workers may be anxious about losing their jobs if the use of artificial intelligence (AI) and robots is adopted. Third, the study clarified the difference in the factors behind job satisfaction and turnover intentions. Although job satisfaction and turnover intentions are closely related, their factors differ. This study showed that these factors (in that order) have significant positive effects on job satisfaction: rewarding work, work–life balance, philosophy, and fair wages. However, flexible work has a negative effect on job satisfaction contrary to expectations. Regarding turnover intentions, acquiring skills and relationship with the boss have a negative effect, and advanced technology has a positive effect.

## **EMPLOYING CONSUMER EXPERIENCE OF VALUE FOR CONSUMER LOYALTY**

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**Keywords:** Loyalty, Experience, Value

**Description:** The findings of this study benefit researchers and marketing practitioners who are interested in understanding consumer experience of value with essential conditions while finding solutions on how to build and retain the loyalty of consumers, and how to properly reconnect the consumers and reimagine the role of consumers in managers' decision on marketing strategy in shaping resilient business ecosystems.

### **EXTENDED ABSTRACT**

#### **Research Question**

This research focuses on exploring the conditions of employing consumers' experience of value to facilitate the generation and maintenance of consumer loyalty. This study addresses one focal question: What factors should be considered as conditions for employing consumer experience of value to build and retain the loyalty of consumers? An organization's long-term business success relies significantly on a large base of loyal consumers, the ultimate challenge to managers is thus how to manage consumer loyalty. Past studies suggest the significance of exploring consumer experience from a value perspective to better understand consumer loyalty in order to well manage it. Nevertheless, the issue of what conditions needs to employ consumer experience of value for loyalty remains.

## **Summary of Findings**

By an extensive review of literature on consumer loyalty, consumer experience and customer value, and the relation between them, this study identified some conditions of using consumers' experience of value to achieve loyalty generation and maintenance. These conditions are identified in this study as the factors of: the premise and source of consumers' experience of value, the triggers for consumers' experience of certain types of value, and the consumer's response to the competing experience of value. The findings of this study provide strategic views on managing consumer loyalty by means of consumer experience of value.

## **Statement of Key Contributions**

This study provides an alternative view on the study of consumer loyalty, linking it to consumer experience of value, and with the required conditions. This study answers the call for more conceptual and theoretical work for the knowledge development in the field of marketing, and contributes to the literature on consumer loyalty, experience, and value. The findings of this study have strategic managerial implications. This study encourages managers and frontline employees in profit- and non-profit organisations to include consumer experience of value with essential conditions while finding solutions on how to build and retain the loyalty of consumers. This study provides three suggestions. First, they should focus on understanding consumer experience of value from the perspective of real consumers and their actual consumption experience and demonstrate this understanding in practices. Second, they should pay attention to the impact of consumers' varied experience of value on their choice decision-making. Third and finally, they should be aware of the competing consumer experience of value from the

consumer perspective and response to the competing alternatives in time. This study also proposes directions for future studies.

**EXPLORING THE EFFECTS OF MARKET ORIENTATION ON ORGANIZATIONAL  
MEMORY LEVEL AND DISPERSION AND THE ORGANIZATION'S AGE AS A  
MODERATOR**

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**Keywords:** Market Orientation, Organizational Memory, Memory Dispersion, Organization's Age.

**Description:** The objective of this research study is to understand how to improve the level and dispersion of organizational memory by moderating the degree of market orientation within the organization.

**EXTENDED ABSTRACT**

**Research Question**

The concept of organizational memory has not received significant attention from researchers, either conceptually or empirically. Past conceptual work on organizational memory has been fragmented and inadequate (Walsh and Ungson, 1991). Research on organizational memory within the marketing context has also been scarce (e.g., Hult, 1998; Moorman and Miner, 1997, 1998; Sinkula, 1994). This study aims to explore the concept of organizational memory in the marketing context and identify market orientation as an important determinant of organizational memory.

This study serves as a guide to understanding how to improve the level and dispersion of

organizational memory by moderating the degree of market orientation within the organization. Additionally, it sheds light on how market intelligence should be processed and utilized to generate favorable organizational outcomes. The suggested framework aims to bridge the gap in the literature by testing these proposed links. Thus, testing these significant constructs with the moderating effects of the organization's age within a theoretical framework will make a substantial contribution to ongoing research efforts and the applied business field.

### **Summary of Findings**

A market-oriented organization, characterized by a high level of information acquisition and sharing, is likely to develop a robust organizational memory. According to Huber (1996), one way to enhance the ongoing effectiveness of organizational memory is by facilitating information distribution and promoting organizational interpretation of information. Similarly, Levitt and March (1988, 1996) argued that the diffusion or sharing of routines within the organization increases the experiential knowledge available to the organization. Information sharing plays a significant role in the development and enhancement of the level and dispersion of organizational memory, both in general and within specific domains.

These arguments suggest the presence of a positive linear relationship between market orientation and the level and dispersion of organizational memory. However, these relationships may be influenced by the age and/or size of the organization (Sinkula, 1994). In other words, organizational memory is linked to the age and growth of the organization. Within organizations, organizational memory functions as a filter for market information (Sinkula, 1994, p. 42). The age and size of an organization impact the extent of market information filtering it conducts (Sinkula, 1994).

## **Key Contributions**

In organizations, organizational memory functions as “a market information filter” (Sinkula, 1994, p. 42). The age and size of an organization influence the extent of market information filtering it conducts (Sinkula, 1994). As organizations grow and age, their organizational memories become stronger.

In light of the preceding arguments, it can be proposed that in the case of young organizations, the links between market orientation and the level and dispersion of organizational memory are strong and positive. However, it is reasonable to argue that the relationships between market orientation and the level and dispersion of organizational memory may still be positive, but not as strong, for older organizations due to the modifying effects of age. Based on the preceding discussions, the following hypotheses are suggested for testing:

H1: Market orientation will have a positive effect on organizational memory level pertinent to the new product’s domain.

H2: The effect of market orientation on organizational memory level will be greater for younger organizations than for older organizations.

H3: Market orientation will have a positive effect on organizational memory dispersion pertinent to the new product’s domain.

H4: The effect of market orientation on organizational memory dispersion will be greater for younger organizations than for older organizations.

References are available upon request.



**GLOCAL BRANDING FOR EMERGING MARKET BRANDS:  
A DUAL STRATEGY AND CUSTOMER-BASED BRAND EQUITY**

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**Key Words:** gloCal strategy, customer-based brand equity, categorization theory, global acceptance, local authenticity

**Description:** We use categorization theory to define global acceptance and local authenticity as a dual strategy in achieving gloCal brand positioning, for global acceptance and local authenticity both have positive influence on customer-based brand equity based on the theoretical model and empirical analysis.

## EXTENDED ABSTRACT

### Research Question

It asserts that the distinction between global brand and local brand is becoming fuzzier (Liu et al. 2021; Özsomer, 2012). With the rise of nationalism and anti-globalization movements (Mandler, Bartsch, and Han 2020), consumers are purchasing in digitally connected and culturally diverse markets (Steenkamp 2020). A growing segment of consumers identify with both global and local culture, and prefer brands that embody a combination of global elements and local elements (Strizhakova and Coulter 2019).

Based on an interpretive analysis, Schmidt-Devlin, Özsomer, and Newmeyer (2022) integrated global acceptance and local authenticity into a bidimensional conceptualization from a brand's version to establish a gloCal brand. We consider that building gloCal brands is timely and important, current research seeks answers to the following questions: (1) What is the theoretical foundation of global acceptance and local authenticity? (2) For emerging market brands, what mechanisms explain the global acceptance/local authenticity effects on brand-related outcomes? (3) What are the boundary conditions of global acceptance's/local authenticity's effects on brand-related outcomes? Consumers' perceptions of brands, such as customer-based brand equity are directly related to marketing strategies and are commonly used to assess brand-related outcomes (Keller 1993), that can be assessed from a firm's perspective (Katsikeas et al. 2016).

### Method and Data

To answer the questions, we conducted a survey study using the sampling data of indigenous Chinese exporters. We undertook a systematic random sampling of 1200 firms, based on a list of (1) Alibaba.com, the largest business-to-business e-commerce website in China and (2) the Directory of Foreign Economic and Trade Enterprises of China. The firms were chosen based two criteria: (1) the firm is owned by an indigenous Chinese firm, the joint ventures and foreign owned firms were excluded from the list, and (2) the firm exports to international markets.

We conducted a questionnaire survey to collect the data and adapted scales from prior

studies for construct measurement. For each firm, we chose senior managers responsible for brand internationalization as key informants (Sichtmann and von Selasinsky 2010). After we pretested the survey and modified several items, full model results of second-order confirmatory factor analysis show that the measures have both convergent validity and discriminant validity. Then, we used the polynomial regression to test the hypotheses, and our findings answer the research questions. As suggested by Dalal and Zickar (2012), we used mean-centering to increase interpretability of the results.

### **Summary of Findings**

Firstly, recent research includes global acceptance and local authenticity as a dual strategy to achieve both global positioning in the superordinate level and local positioning in the subordinate level based on the categorization theory.

Secondly, our findings suggest that for emerging market brands, though the positive effect of local authenticity on customer-based brand equity, global acceptance remains an important driver of increasing the value consumer associate with the brand. The finding seems to verify that emerging market brands are in the second stage of the “gloCal success cycle”.

Thirdly, we find two boundary conditions. The moderating effect of brand geographic scope verifies the dynamic nature of gloCal branding (Douglas et al. 2001; Talay, Townsend, and Yenyurt 2015). For regional brands and multiregional brands, increasing expertise and success in the overseas market brings the signaling effect (Mandler, Bartsch, and Han 2021). As brands expand to global scale, global brands allow resources to be freed up to build connection with local community to achieve higher market penetration. In terms of external environment, global acceptance shows a greater influence on brand equity when the host country’s rule of law is stronger, and local authenticity vice versa.

### **Key Contributions**

From a theoretical perspective, our research contributes to global/local branding literature. (1) Our research adds to an emerging stream of literature that pertains to the backlashes against globalization (Mandler, Bartsh, and Han 2020). It validates the work of Schmidt-Devlin, Özsomer, and Newmeyer (2022), who theoretically propose that omni-brand framework plays a central role in the current global market. Our research is the first to empirically investigate the consequences of gloCal branding strategy. (2) It also extend theory of hierarchically categorization (Merz, He, and Alden 2008). As the dual strategy fulfills consumers' needs in superordinate and subordinate level, we demonstrate a novel mechanism for explaining the effects of gloCal branding strategy on brand equity.

From a managerial perspective, global acceptance and local authenticity exist separately but are combined to varying degrees. (1) Strategic priorities vary with a brand's geographic scope. Regional brands and multiregional brands are suggested to focus on implementing global acceptance. As brands expand to global scale, marketers can demonstrate the brands' connection with local cultures. (2) In terms of the host country's institutional environment, the stronger the host country's rule of law, the greater positive effect of global acceptance on customer-based brand equity, and local authenticity vice versa.

**“HOW NEGATIVE CELEBRITY ENDORSER HAVE EFFECTS ON COMPETITORS’  
STOCK PRICES? A CONCEPTUAL MODEL”**

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**Keywords:** Marketing Strategy, Celebrity Endorsement, Ambush Marketing, Sponsorship Marketing.

### **Extended Abstract**

This paper proposes a conceptual framework for better understanding of sponsorship marketing. It puts forward the main effect of how involvement of a firm's celebrity in a negative event can have effects on competitors' firm value. Moreover, it studies the moderating role of different kinds of sponsor firm's action, competitors' ambush marketing strategies, and competitor's market share.

### **Research Questions**

Brands spend big money on celebrities in the hope of not only reaching out to the celebrities' wide audience and fans to promote their products but also to create a positive brand image. Sometimes these celebrities are engaged and involved in negative events and bad situations that cause the image of the brand to be negatively affected. Meanwhile, the main brand might adopt different actions to tackle this situation. But how can these different actions influence competitors' firm values? Competitors also might adopt some ambush marketing strategies to leverage the negative conditions created by celebrities, but are these strategies going to affect their firm's value? Is the effect of negative celebrity endorsements on competitors' firm values the same for different competitor firms with different market shares?

### **Method**

For estimating whether negative celebrity endorsements of a focal brand have effects on competitors' firm values, we would leverage a sample of the events. The sample should consist of brands that sponsor celebrities involved in negative events and their rival brands. We will focus on the brands that are publicly traded in the US market. The events by which the rival is affected by several negative celebrity endorsements from different focal sponsors are going to be excluded. This exclusion will help control the occurrence of just one event in the period.

**Key Contributions**

Answers to our research questions can be placed in the marketing strategy domain for several reasons. According to Menon et al.'s paper, it emphasizes leveraging celebrity endorsement as a firm's marketing assets and capabilities, and how in negative publicity the firms should process situation analysis. Consequently, by figuring out (formulation) and taking appropriate action (implementation), its and the competitors' market performance, like stock price, can be affected. The results of our study will help managers know how they can maintain or even increase their firm's value with a proper and accurate plan when a negative event occurs from their competitors' celebrities. More precisely, they will be able to implement marketing strategies according to their market share and the sponsor firm's reaction to benefit their own value.

**References**

References are available upon request.

## **MANAGING CUSTOMER RELATIONSHIPS WHILE PROVIDING FOR CUSTOMER WELLBEING**

### **Abstract**

Physical activity contributes to overall health and well-being. Despite the growth of the fitness industry, customer retention is a concern for fitness clubs. What creates challenges for churn prediction, is the fact that customer-firm relationships can be contractual or non-contractual. Using a dataset containing customer's purchases and attendance to the fitness club, we show that customer well-being and revenues are interrelated. We examine the dynamics of customer-firm relationships, assuming that customer latent commitment states are manifested through customer purchases, as well as usage levels. To this end, we estimate a hidden Markov model incorporating the dependency between the revenues and usage.

*Keywords: Customer Relationship Management, Customer Wellbeing, Contractual and Non-contractual Relationships*

*Track: Marketing Strategy*



## **Statement of Key Contributions**

The objective of this study is to uncover how contractual and non-contractual transactions impact customers' participation in physical exercise and firm revenues. To study these effects in the short and long term, we adopt a customer relationship management lens (CRM) and model the customer-firm relationships with a Hidden Markov Model (HMM).

Academic contributions. We contribute to the CRM literature by modeling the impact of contractual and non-contractual transactions on customer's revenues and service usage. Previous CRM literature has focused either on the contractual (Fader and Hardie 2009; Verhoef 2003; Thomas, Blattberg, and Fox 2004) or non-contractual setting (Reinartz and Kumar 2000; Venkatesan and Kumar 2004; Fader, Hardie, and Lee 2005). Garbarino and Johnson (1999) have compared the profitability of non-contractual and contractual customers, while Polo and Sese (2013) have studied the drivers for the customer to move from non-contractual to the contractual relationship. To the best of our knowledge, prior literature has not explicitly considered that customers can simultaneously make contractual and non-contractual purchases, or switch back and forth between them.

Our study also contributes to customer well-being literature, which is now a priority in service research (Ostrom et al. 2021). Here, previous literature in behavioral economics has studied the impact of either incentives or rewards on fitness club attendance (Garon, Masse, and Michaud 2015; Charness and Gneezy 2009), but did not look at the firm's revenues. Several studies have looked at customer loyalty in the fitness club industry using survey data (Daryanto et al. 2010). To our knowledge, this is the first study to calculate the customer lifetime value in the fitness industry.

Our study also has practical implications for managers in the well-being industry who offer contractual and non-contractual services, and need to balance revenue objectives with customer well-being objectives.

## ***INTRODUCTION***

Regular physical activity is one of the best preventive measures to improve physical and mental health, and contributes to overall well-being<sup>1</sup> Therefore, the modern approach to healthcare and well-being emphasizes that individuals and customers proactively take a bigger responsibility for their health, they become prosumers and value co-creators and not merely passive recipients of healthcare (Ostrom et al. 2021). Since the health and fitness clubs commonly offer flexible access options (memberships, bundles or single passes), it is relevant for customers to understand how the contractual and non-contractual impact the participation in the physical exercises.

At the same time, service providers develop and manage relationships with customers, and are faced with customer retention issues, as any other business. Therefore, managers need to manage customers who buy contractual purchases, non-contractual purchases or both. Therefore, the fitness and health industry is a unique market, where actors provide services that contribute to consumer wellbeing and manage contractual and/or non-contractual customers simultaneously to realize own profitability and retention objectives.

The aim of this paper is to gain insight into customer relationships in the health and fitness industry and study the intertwined nature of consumer wellbeing and firm revenue. To this end, we adopt a customer relationship management lens, and jointly model service usage and revenues from customers who are purchasing contractual and/or non-contractual services. Specifically, this paper seeks to answer the following research questions:

1. How do contractual and non-contractual purchases influence customer revenue and use behaviour?
2. How are the firm profitability and customer wellbeing related?

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<sup>1</sup>[About Physical Activity | Physical Activity | CDC](#)

3. How do latent relationship commitment states influence customers' purchase and use behavior?

To answer the above questions, this paper builds on the CRM literature, and study whether customer's purchase patterns (contractual vs. non-contractual) are indicative of their profitability and wellbeing. This paper makes several contributions. First, we contribute to the healthcare and consumer wellbeing literature by using microdata. Therefore, the unique contribution of this study is that we capture both the revenue and consumer wellbeing from individual customers. Second, we contribute to the CRM literature by simultaneously modelling contractual and non-contractual relationships. To our knowledge this is the first study which models the mixed relationship setting, where customers can simultaneously purchase subscriptions and non-subscription services. Finally, the unique contribution of this study is that we capture both the revenue and consumer wellbeing from individual customers.

### ***RELEVANT LITERATURE***

#### ***Contractual and non-contractual relationships***

Building on trust and commitment theory (Morgan and Hunt 1994), CRM literature considered that customers-firm relationships are on a continuum from transactional to highly-relational bonds. As customers gain familiarity with the firm offerings and accumulate positive (or negative) experiences, they increase (or decrease) their levels of trust and commitment to the firm, which manifests in the patterns of purchase behavior.

Many CRM applications focus on industries which primarily offer contractual (e.g., Fader and Hardie 2007; Thomas, Blattberg, and Fox 2004; Kumar, Leszkiewicz and Herbst 2018) or non-contractual purchases (e.g., Reinartz and Kumar 2003; Venkatesan and Kumar 2004)<sup>2</sup>. For the former, the research focus lies on predicting either customer retention (as the

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<sup>2</sup> We use the terms contractual and noncontractual interchangeably with subscriptions and non-subscriptions purchases.

duration of the contract) or churn (as the time of contract termination). For the latter, the research aims to predict either customers' interpurchase time (as the duration between two consecutive purchases) or their purchase probability (as the probability to make a purchase within a certain time period).

To our knowledge this is the first study which considers a mixed relationship setting, where throughout the entire relationship with the firm customers have the option of purchasing contractual and/or non-contractual services. Therefore, they may have a subscription to some services, one-time access to other services, or both *at the same time*. The two types of purchases express customer's preference for either more or less structure in their relationship with the firm. A contract provides a higher level of structure, while standalone access purchases provide a lower level of structure, as such services are more flexible in nature. Previous studies have also considered the industries where contractual and non-contractual relationships are possible, seeing the contractual purchases as an evidence of the stronger customer-firm relationship. Garbarino and Johnson (1999) have found that purchase behaviors of transactional customers (single ticket buyers and occasional subscribers to theatre performances) are driven mainly by customer satisfaction, while those of relational customers exhibit trust and commitment. Polo and Sese (2013) model customer's utility from moving from a non-contractual to contractual relationship, as a function of expected future use and the prices. More recently, Belavina, Girota and Kabra (2017) compare the financial and environmental impact of the pay-per-order and subscription revenue models for an online grocery shopping business. To our knowledge, this is the first study which considers a mixed relationship setting, where a customer can simultaneously have contractual and non-contractual purchases.

In this study, we do not a priori assume that contractual purchases are indicative of strong relationship, but. customers can exhibit varying levels of relationship commitment for each of

the purchase type. Some customers prefer buying standalone services, others opt for a subscriptions, while others purchase both to varying degrees. In other words, each of the purchase types – contractual and non-contractual – is associated with varied levels of commitment, as expressed by the purchase volume – short or long contract, few or many access passes – but they still show distinct types of commitment – high and low structure. For example, a customer may have low levels of high-structure commitment (i.e. short-term contract) and high levels of low-structure commitment (i.e. large bundle purchases).

### ***Hidden Markov model***

Since a customer's dynamic relationship commitment is not directly observed, a hidden Markov model (HMM) is appropriate. A HMM is a stochastic model that can be applied to time-series observations, which in this case are the purchase behaviors. It captures the relationship commitment levels as latent states, the transition between these latent states, and their connection to the observed purchase behaviors. HMMs have been used regularly in recent literature (e.g., Netzer et al. 2008, Kumar et al. 2011, Ascarza and Hardie 2013) to study the customer-firm relationship.

Customers in each state are different, and thus their purchases will follow different patterns, which may be best represented by different distributions. HMM accommodates this by supporting a different distribution for each state, known as state-dependent distributions. Thus, the choice of the applicable distribution for each customer is determined by their state membership. Additionally, customers can move to different states over time, according to the changes in their purchase patterns, and this is also accommodated by the HMM structure.

### ***Empirical Setting***

Our dataset comes from a health and fitness company, which owns several health clubs in the east coast metropolitan areas in the United States. The focal company is a network of small independent clubs, therefore access is purchased to one club only. We have

data from 4 health clubs, comprising of all customers acquired between June 2013 and June 2016, for whom we observe all of their purchase transactions and club attendance until the end of observation window. The purchase information includes the date of the purchase, transaction revenue, as well as the name of the service or product bought. Club usage was recorded by the automated check-in system, which gives us the exact date and name of the class that visitors attended. We aggregated this data at the monthly level, leading to an unbalanced panel of 18,740 customers and 124,935 observations. Finally, we additionally have the information about the number of emails that a studio sent out to each of the customers every month.

We have coded each of the transactions in three categories: contractual transactions, non-contractual transactions and miscellaneous transactions. Contractual purchases provide continuous (unlimited) access to the gym for a specific period of time, therefore they have a defined beginning and an end. Because customers' expectations about future use are high, contractual purchases are likely to be renewed automatically or paid upfront for a longer period, up to a year. Non-contractual purchases provide discrete access to the gym for a limited number of entries. Furthermore, non-contractual purchases are not renewed automatically. The studios offer a flexible access scheme: a membership or a contract is not required to access the club; there are customers who have only purchased non-contractual services only. Furthermore, customers with contracts can add on additional bundle, and vice versa. Therefore, contractual and non-contractual services can be used both as substitutes and complements by different customers. Purchases that are not a core service and are not related to physical activity have been classified into miscellaneous purchases (eg. food, drinks, merchandise). In the final sample, 17.7% of all purchases have been classified as contractual, 37.9% as non-contractual, and 44.4% as miscellaneous.

In the available data the two variables of interests are 1) total revenue, defined as the dollar value of all purchases made by the customer in a month; and 2) usage, defined as the number of activities a customer attended monthly. Using the transaction records, we have obtained additional predictors of customer behavior such as contractual and non-contractual cross-buy, first transaction value, and tenure. To gain insights into customer behavior patterns we create a dummy variable “acquisition type” to capture the impact of customer being acquired as contractual or non-contractual on total revenue and usage. Finally, in our analyses we add the studio-specific fixed effects, and we control for seasonality and time-effects by adding quarter and year dummies.

There is large variability in our dependent variables, with mean revenue of 100.20 USD and standard deviation 274.59. Average club attendance was 3.09 times monthly (SD 5.26), with a maximum of 95 visits in a month. The main drivers of consumer behavior predictors are cross-buy and marketing communications (emails). On average, the number of different monthly contractual purchases was .44 (SD .65). Regarding non-contractual cross-buy, on average customers purchased .41 services monthly (SD .59) reaching a maximum of 7. Customers received on average 2.6 company-initiated emails (SD 1.8). Finally, among control variables 26% of customers made a contractual purchase on their first transaction; the average value thereof was 59.89 USD (SD 158.15), with a maximum of 2,040 USD. Average tenure was 481.73 days (SD 342.75) with a maximum of 1096 days.

### ***Model free evidence***

The aim of this study is to investigate how the dynamics in customer’s contractual and non-contractual purchases impact revenues and usage. First, we are interested in whether a customer has started the relationship with a contractual or a non-contractual purchase, since the acquisition moment is an important signal about customer’s future behavior. Second, the dynamics in customer contractual and non-contractual purchases is also relevant. Does a



customer expand their relationship by adding new contractual and/or non-contractual purchases next to ones that they already have? Does a customer substitute contractual services with non-contractual ones, and vice versa? Finally, does a customer contract their relationship by dropping some services?

We illustrate the dynamics in contractual and non-contractual purchases for a cohort acquired in January 2014 (Figure 1) by analyzing their monthly purchases until the end of the observation window. To this end, we compare the proportion of customers who only buy contractual or non-contractual services, those who buy them together, and those who do not make any purchases. Among customers acquired as contractual, most have also purchased a non-contractual service in the first month. However, from the second month onwards most of buying customers purchased only contractual services, with only a small share of customers adding additionally a non-contractual service. The proportion of customers buying only non-contractual services is negligible. Over time, we also see a steadily increasing share of customers who do not make any purchases. For customers acquired as non-contractual, we see a different pattern. Here, the majority of purchases in the first month were only non-contractual, with about 25% customers buying additionally a contractual service. From the second month onwards the majority of buying customers buy a contractual service, standalone or next to a non-contractual service, and the proportion of customers buying only a non-contractual service is lower. In terms of churn patterns, more than 60% of customers do not make a repeat purchase in the second month, and this proportion is slowly increasing over time.

## ***RESULTS***

### ***Estimation of the revenue and usage model***

We estimate the 3 state HMM with joint distribution for revenue and use behavior to allow for dependence between two processes. The estimate for the correlation coefficient is  $\rho=.23$  and is statistically significant. Customers in the low, medium and high state differ in terms of revenue and use; these differences are statistically significant and captured in Table 1 by the intercept, and the additional intercept values. Our model specification implies that the state-dependent intercepts are ordered so that the values are ascending as customers go to higher relationship states. Specifically, if values of all covariates are set to 0, customers monthly revenue in the low state would amount to .14 USD, in the medium state 12.06 USD, and in the high state 19.89 . Similarly, customers in the low state would attend the club on average 1.23 times per month, those in the medium state – 1.72 times, and those in the high state – 4.3 times (if all other covariates are set to 0).

Since DVs are log-transformed, the response parameters can be interpreted as % change in revenue and use. First, we capture the persistence in usage: each additional visit to the club in the previous period, yields 10% usage increase in the current period ( $\beta_{2,1}= 0.1$  (0)\*\*\*). Furthermore, the higher customer club attendance in the previous period, the higher will be their spending in the current period, as evidenced by positive and significant coefficient ( $\beta_{1,1}= 0.01$  (0)\*\*\*). Interestingly, we find that both contractual and non-contractual crossbuying are positively related to the revenue spend ( $\beta_{1,2} = 2.36$  (0.02)\*\*\* and  $\beta_{1,3} =1.41$  (0.02)\*\*\*) and use ( $\beta_{2,2} = .23$  (0)\*\*\* and  $\beta_{2,3} = .39$  (0)\*\*\*). This means that as customers expand relationship with the focal firm by adding contractual AND non-contractual products, they tend to spend more and use the club more. This finding is intuitive and in line with prior research (e.g., Reinartz, Thomas, and Kumar 2005, Venkatesan and Kumar 2004) that has documented this effect. Interestingly, adding another non-contractual service yields a stronger response in usage than adding a contractual service (3.9% vs. 2.3%). The effect of marketing communications on total revenue spend is positive, which is also consistent with

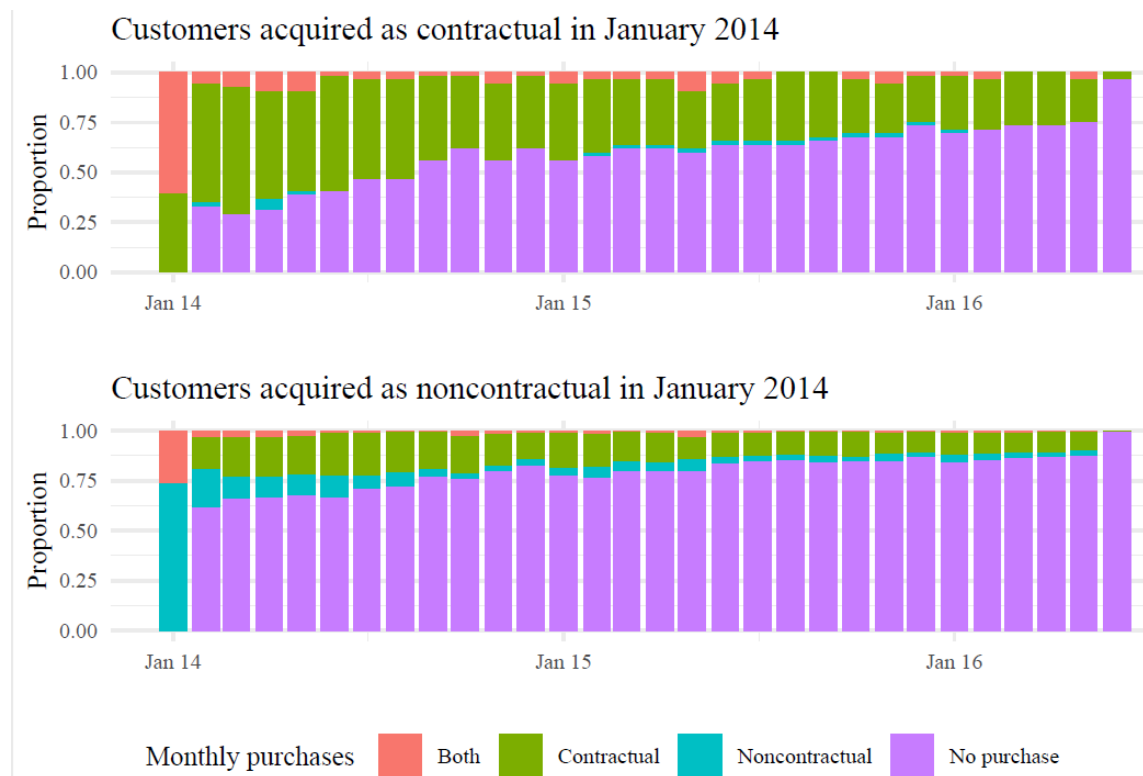
previous literature (Luo and Kumar 2013; Reinartz, Thomas and Kumar 2005). However, email communications have a negative effect on usage. We also note that customers who are acquired as contractual spend every month 4% more on average than a customer acquired as non-contractual. However, the opposite holds for their usage behavior: contractual customers use the club on average 9% less frequently than non-contractual customers. Therefore a profit-maximizing company that provides also for consumer wellbeing, needs to take an account that two outcomes of its acquisition strategy are misaligned. Marketing contractual services to newly acquired customers might bring additional revenues, but is unlikely to increase overall usage and customer wellbeing. Our control variables, first value amount and tenure are positive and significant in both equations. The added term for correction of endogeneity in the marketing contacts is also significant in both equations.

***The estimation of the transition matrix and covariance matrix estimates***

The third column of Table 3 reports the estimates the transition equation. The intrinsic value of transitions are represented by the corresponding intercepts. If all covariates are set to zero, we see that the intrinsic value of transitions from low to medium state and from low to high state ( $\alpha_{12} = -4.34 (0.03)^{***}$ , and  $\alpha_{13} = -4.44 (0.04)^{***}$ , respectively) are significantly and substantially low for customers in the sample, compared to staying in the low state. This signals that the low state is “sticky”, meaning that it is difficult for a customer with a low relationship commitment to shift to medium or high commitment, without an additional incentive. Customers in the medium relationship state are more likely to stay in the medium state or move to the high state, compared to reverting to the low state, as seen from large positive and significant intercept estimates ( $\alpha_{22} = 21.22 (0.86)^{***}$ , and  $\alpha_{23} = 19.58 (0.87)^{***}$ , respectively). Finally, once in the high state, this state is not sticky, since customers have a higher propensity to go to the low state, than staying in the high ( $\alpha_{32} = -4.73 (0.11)^{***}$ ) or even moving to medium state ( $\alpha_{33} = -3.4 (0.1)^{***}$ ). The results presented in Table 2, also

capture the impact of marketing commutations and past customer behavior on transition probabilities. Recall that this model specification assumes that the effect of covariates transition probabilities are the constant for each transition. Therefore, the positive estimates for email communications suggest that receiving more emails will have a positive effect on all transition probabilities. Similarly, having a contractual and/or non-contractual purchase in the previous period, will have a positive impact on all transition probabilities.

**Figure 1**



**Table 1. Results of the 3 state Hidden Markov Revenue-Wellbeing Model**

	DV: Total revenue	DV: Usage	Transition equation
	b(SE)	b(SE)	b(SE)
Intercept	-1.98 (0.05)***	0.21 (0.02)***	
Intercept (med state, exp)	4.47 (0)***	.33 (0.08)***	
Intercept (high state, exp)	.5 (.04)***	0.92 (0.01)***	

Lag usage	0.01 (0)***	0.1 (0)***	
Cross-buy contractual	2.36 (0.02)***	0.23 (0)***	
Cross-buy noncontractual	1.41 (0.02)***	0.39 (0)***	
Email	0.25 (0.03)***	-0.1 (0.01)***	
Acquired as contractual	0.04 (0.02)**	-0.09 (0.01)***	
First amount value	0 (0)***	0 (0)***	
Tenure	0 (0)***	0 (0)***	
Endogeneity correction	-0.1 (0.03)***	0.19 (0.01)***	
Year dummies	Included	Included	
Quarter dummies	Included	Included	
Studio dummies	Included	Included	
Intercept low->medium state			-4.34 (0.03)***
Intercept low->high state			-4.44 (0.04)***
Intercept medium ->medium state			21.22 (0.86)***
Intercept medium ->high state			19.58 (0.87)***
Intercept high -> medium state			-4.73 (0.11)***
Intercept high -> high state			-3.4 (0.1)***
Email (lag)			0.12 (0.01)***
Contractual dummy (lag)			5.42 (0.08)***
Noncontractual dummy (lag)			0.69 (0.03)***
sigma	0.81 (0.02)***	0.57 (0.02)***	
ro	0.15 (0.05)***		
Num.Obs.	106196		
Log.Lik.	-255800		
#param	52		

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## **TOO SOON, TOO LATE: OPTIMIZING THE DURATION OF ADVERTISING CAMPAIGNS FOR ENTERTAINMENT PRODUCTS**

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Keywords: Advertising, Entertainment product, Optimal campaign length, Pre-release  
advertising

Description: This study examines how pre-release advertising campaign length for  
entertainment products impact their performance upon release.

### **EXTENDED ABSTRACT**

#### **RESEARCH QUESTION**

The movie industry invests heavily in advertising campaigns before the release of movies to increase the probability of success upon release. Thus, managing the pre-release advertising campaign effectively can have a considerable impact on a movie's success. The primary and most widely used pre-release method of advertisement for a movie is the trailer (Kernan 2004; Hixson 2006); a short, one-to-three-minute cinematic experience that displays scenes from a movie, often released well in advance of the movie release date (Kernan 2004). However, the duration of pre-release advertising campaigns varies significantly across movies, which can impact their performance upon release. Hence, an important question arises; what is the optimal pre-release advertising campaign length (i.e., hereafter campaign length) in relation to movie performance; and how do consumer reactions to movies trailers and the star appeal of actors featured in the movies (star power) moderate the campaign length – performance relationship?



We propose that two opposite forces are at play in driving how campaign length influences movie performance. Shorter campaigns are beneficial due to recency effects, whereby audiences are more likely to remember the trailer when deciding which movie to watch in theaters, while longer campaign yield benefits due to savoring effects, according to which the appetite for consuming the movie grows as the sampled experience occurs earlier.

#### METHOD AND DATA

We collected data for this study from five sources: YouTube.com, Internet Movie database, Box Office Mojo, WayBack machine, and Kantar. The final sample consists of the 629 movies widely released in U.S. theaters between 2015 and 2018. The dependent variable is the box-office sales generated by a movie on the first weekend of its release. The main independent variable, time, is based on the duration between the official trailer release date on YouTube and the official movie's theatrical release date. The main moderators comprise of three variables: trailer views and likes, as a proxy for consumer reactions to the trailers and star power. To test our hypotheses, we used multiple regression with box-office sale as a main dependent variable and time, time squared, views, likes and star power as independent variables along with control variables based on the extant movie marketing literature.

#### SUMMARY OF FINDINGS

The results show that the relationship between a movie's campaign length and movie success follows an inverted U-shape, confirming the effects of two opposite forces, such as recency and savoring. These findings suggest that movies that are released too soon or too late garner less box-office sales than those released after a moderate length campaign. Furthermore, the findings confirm that how campaign length impacts box-officer sales is contingent on consumers' views and likes for the trailer, as well as star power. Trailers that are viewed by more consumers and that are better liked pushes the turning point of the curve further from the

release date such that longer campaigns are more beneficial for box-office performance. By contrast, movies with high star power pull the turning point of the curve closer to the release date, suggesting more benefits from shorter pre-release advertising campaign.

### KEY CONTRIBUTIONS

Our study provides managerial insights for the entertainment industry and contributes to several streams of literature. First, we find that there is an optimal pre-release advertising campaign length, which contributes to movie success. Thus, if a movie is released too soon, or too late, after the trailer release, it underperforms at the box-office. Second, most of the observed campaign lengths in our sample are shorter than the optimal, suggesting that most movies could benefit from longer campaigns in terms of short-term box-office performance. Third, depending on the number of views and likes of the trailer, as well as the movie star power, marketers better predict and adjust the optimal campaign length to avoid releasing too soon or too late and miss out on recency or savoring effects. Moreover, our study contributes to the literature on the advertising of entertainment products. We offer insights about the effectiveness of trailers and their timing, while up to now research has overlooked trailers and issues related to timing of promotion efforts and mostly investigated the effect of direct advertisement expenditure on performance (Schondeling et al. 2022). In addition, by studying the duration of campaigns and finding an inverted U-shaped relationship with movie box-office performance, we confirm the effects of two opposite forces, such as recency and savoring. This further contributes to the movie marketing literature by examining the influence of campaign length on a movie's box-office performance as a function of consumers' reactions to the trailer and movie star power.

## **PERFORMANCE FEEDBACK AND MARKETING AMBIDEXTERITY**

### **STRATEGY: THE MODERATING ROLE OF CEO TURNOVER**

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**Keywords:** marketing ambidexterity strategy, performance feedback, CEO turnover, marketing exploitation, marketing exploration

**Description:** This paper investigates the main effect of performance feedback on marketing ambidexterity strategy and the moderating effect of CEO turnover.

### **EXTENDED ABSTRACT**

#### **Research Question**

In marketing decisions context, firms need to combine different resources to develop optimal marketing strategies. And firms are often faced with two choices: one is *marketing exploitation strategy*, which is based on existing resources and capabilities to further derive value from existing market opportunities; and the other is *marketing exploration strategy*, which requires firms to learn new capabilities, skills and technologies to explore new markets and businesses (March, 1991; Kyriakopoulos & Moorman, 2004). Marketing ambidexterity strategy, referring to strategy that enable firms to exploit and explore simultaneously, has been proposed from the perspective of

marketing strategy (Josephson et al., 2016). Although prior research have laid foundation for the development of ambidexterity theory, there are still research gaps remained unexplored especially in the determinants of marketing ambidexterity strategy. Therefore, in this study, we combine marketing ambidexterity theory with behavioral theory of firm and prospect theory to explore the gap between firms' performance aspirations and actual performance as an intrinsic driver of marketing ambidexterity strategy decisions. In addition, in this research, we discuss how CEOs make decisions about marketing ambidexterity strategy in a CEO turnover scenario according to firm's performance conditions.

### **Method and Data**

We obtained 1373 China's firms in manufacturing industry listed on the Shanghai and Shenzhen stock exchanges from 2007 to 2016 as the research sample. In this study, we followed Josephson et al. (2016) to consider marketing ambidexterity strategy (*MAS*) as a single dimensional variable. This implies a high focus on one side of exploitation or exploration implies a relatively low focus on the other side (Josephson et al., 2016). Followed Chen(2008), we obtained performance feedback. We used dummy to represent the variable of CEO turnover. Also, we controlled firm-level and industry-level variables. After obtaining variables, we established our regression model. To test main effect, we used linear regression and used Fisher's Permutation Test to test the differences in coefficients between groups (Efron & Tibshirani, 1994; Cleary, 1999).

### **Summary of Findings**

The main conclusions of this study are summarized as follows. First, firms' performance feedback affects the dominance of the marketing ambidexterity strategy. Specifically, for those with positive performance feedback, marketing exploitation dominates in the marketing ambidexterity strategy while for those with negative performance feedback, marketing exploration dominates. By introducing behavioural theory of the firm and prospect theory, our findings illustrate that competitive performance feedback is taken into account in the decision process of marketing strategy. Second, the context of firms' CEO turnover can have impact on the relationship between firms' marketing ambidexterity strategy decisions and performance feedback. Specifically, in firms with positive performance feedback and CEO turnover, there is a shift from marketing exploitation toward marketing exploration, and in firms with negative performance feedback and CEO turnover, marketing exploration dominates.

### **Statement of Key Contributions**

First, academically, the findings in this paper extends the antecedents of marketing ambidexterity strategy. Although prior studies have investigated the antecedents of ambidexterity (e.g. Josephson et al., 2016; Asif, 2017; Khan & Mir, 2019), few has considered performance feedback as an antecedent. This study derived knowledge regarding how performance feedback influences the dominance of marketing exploitation and exploration in marketing ambidexterity strategy. Besides, our research

enriches existing literature by introducing the moderating role of CEO turnover. In our study, we consider that CEO turnover moderates the effect of performance feedback on marketing ambidexterity strategy. In addition, this study also contributes methodologically by using text mining to measure marketing ambidexterity. Most of previous research have measured marketing exploitation and exploration by questionnaires (He & Wong, 2004, Hoang & Rothaermel, 2010; Ho & Lu, 2015; Raisch et al., 2009), thus making it difficult to obtain large-scale panel data. This study introduces text analysis and extracts the marketing exploitation and exploration variables by analyzing the annual reports of China's listed firms.

Second, practically, we provide meaningfully managerial suggestion for firms to optimize their marketing strategy especially marketing ambidexterity strategy according to their performance feedback situations and CEO turnover context.

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## PRICE CONCEALMENT AND CONSUMER LEARNING

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**Keywords:** retail price concealment, product assortment, consumer deliberation.

**Description:** Retail price concealment dampens consumer deliberation and results in a retailer serving narrow assortments to a population of uninformed consumers, which prevents the retailer from abandoning low-demand consumers for screening reasons, thereby fulfilling the first-best trade efficiency in a wide range of marketing environments.

### EXTENDED ABSTRACT

**Research Question:** We ask how retail price concealment, which is prevalent among online marketplaces and service providers (e.g., airlines, hotels, demand-sharing systems), may affect consumer learning and a retailer's assortment, pricing, and targeting decisions. We consider a scenario where a consumer must engage in costly learning about his own preferences before making any purchase, and where a retailer can freely modify prices until consumers reach the checkout stage so that in response consumers never take early price announcements seriously unless the retailer expends a cost

to make announced retail prices credible. We investigate whether a retailer would benefit from price concealment and how price concealment may impact marketing strategies and trade efficiency.

**Summary of Findings:** We show that retail price concealment discourages consumers from learning their true preferences, thus resulting in the retailer facing a highly homogeneous population of uninformed consumers, and inducing the retailer to optimally choose narrow assortments. In a wide range of marketing environments, where consumer deliberation is sufficiently costly, retail price concealment plays a role similar to advance selling, in that it prevents the retailer from abandoning low-demand consumers for screening reasons when serving all consumers appears to be ex-ante optimal. Consequently, retail price concealment fulfills the first-best efficiency in these environments.

**Statement of Key Contributions:** Service providers have adopted dynamic/surge pricing, and online sellers like Amazon have regularly adjusted their prices for an individual item every several minutes. The actual price that an online-shopper may encounter at the checkout stage cannot be perfectly foreseen. One wonders whether in this context retailers can really benefit from shrouding prices from consumers till the last moment, and whether price concealment would alter consumer behavior in a manner that benefits the marketers.

This paper conducts a formal analysis of retail price concealment, and



it generates insights that are useful to marketing professionals interested in performing price concealment. It shows that in a wide range of marketing environments, either price concealment allows the retailer to attain the first-best outcome, or it does not but the retailer cannot further improve on its profits by giving up price concealment.

## **REGAINING CONTROL: BRAND'S INSTITUTIONAL WORK IN AN ATTEMPT TO CHANGE**

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**Key words:** brand activism, legitimacy, children, entertainment brands

**Description:** Established brands are transforming in response to the ever-changing political, cultural, and social norms.

### **EXTENDED ABSTRACT**

#### **Research Question**

The literature has focused on unveiling the antecedents of brands' authentic support for political and social causes (Mirzaei, Wilkie, and Siuki 2022). The focus has been on brands that were activists from inception (e.g., Patagonia and their sustainability initiatives) and on improving the perceived authenticity of their advocacy. With the growing literature on brand activism, less is known about why and how established brands within the marketplace are getting involved with activist claims.

Our paper answers these questions through an investigation of 24 entertainment brands, within 18 mother companies, targeting generation alpha and their millennial parents. We focus on this generation as there is scarce research aiming to understand children's engagement with brands from a cultural perspective (Hémar-Nicolas and Rodhain 2017).

### **Method and Data**

We used an automatic script in Python to scrape the first 45 pages of Google News from the years 2017 to 2021 with the terms “cancel culture” and “brands” in the headlines or the descriptions of the articles. After filtration, we ended up with 295 unique headlines related to the subject. From these news articles, we pinpointed the most common brands within the entertainment industry that moved from confirming social stereotypes to supporting progressive norms to varying degrees (Sibai et al. 2021).

We additionally collected and analyzed an archival data set composed of press releases, newspaper articles, websites, and reports. This amounted to 35 press releases, 495 articles, 128 diversity and inclusion reports published by the firms, and 18 web pages embedded within the companies' websites on diversity and inclusion. These resources enabled us to understand the reaction of these brands to social movements. Finally, to understand the target market of these brands, we conducted a netnographic analysis of parenting blogs. Our data analysis was undertaken concomitantly with the data collection. We moved back and forth between data collection, analysis, and theorization.

### **Summary of Findings**

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Our involvement in parenting forums reveals that parents rely on the entertainment industry to entertain as well as educate their children. Movements against racism, sexism, and other forms of social injustices pressure the children's entertainment industry to become more reflexive in its role in falsely normalizing systemic biases. The logics in the market expand to include values of diversity, equality and inclusiveness (DEI). Subscribed by the new changes, entertainment brands became scrutinized for their divergence. Our data show that children's entertainment brands were criticized for violating values of the changed logics related to DEI.

Our data shows that social injustices and brands' roles in such injustices require deeper and more drastic solutions than previously identified in the literature (Alhouti, Johnson, and Holloway 2016; Bhagwat et al. 2020). Rather than merely donating to a cause such as in CSR initiatives, or choosing a specific social and political movement to pledge their allegiance such as brand activism initiatives, our brands' institutional work involve structural modifications on multiple fronts. The strategies, as part of the brands' institutional work, ensure the continued legitimacy of the brands.

### **Statement of Intended Contribution**

Our paper provides both theoretical and managerial contributions to brands that seek to become activist. From a theoretical perspective, we contribute to literature on brand activism and legitimacy. First, we unveil how the changed institutional logics are reshaping the marketplace's assessment of other actors' behaviors. Second, we pinpoint the brands' institutional work to manage the situation.

Finally, we show the resistance of market actors to de(legitimacy) claims which further foreshadows the dynamic process of market creation and market change.

From a managerial perspective, our paper demonstrates that to transform brands, companies need interactive strategies targeting their diverse stakeholders. On the consumer front, brands need to ensure actual changes in the market offerings if they are to sustain their position in the marketplace. On the employee front, brands need to align their hiring and training strategies with the values and beliefs they seek to convey to their consumers. Finally, on the community front, pushing beyond simple sponsorship toward partnership allows brands to adjust their practices and showcase their civic responsibility.

# **Product Development and Innovation**



# A STUDY ON WEARABLE WIRELESS-SENSOR-BASED TEXTILES FOR CIRCULARITY MONITORING ACROSS THE INDIAN HEALTHCARE SECTOR



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## Abstract

Advancements in India's healthcare industry have been accompanied by ecological health hazards from improper disposal of medical textile waste. A critical research gap exists for using IoT waste monitoring in hospitals, despite advances in IoT healthcare technology. This study aims to investigate types of textile waste generated in Indian hospitals, propose a circular IoT-based waste monitoring system, and promote circular end-of-life options for medical textile waste. Based on insights acquired through the triangulation approach, this study proposes an IoT-based wearable textile framework for recording the life cycle analysis of hospital textiles and integrating it with an intelligent sensor network to trace the textile value chain. The proposed framework utilizes wireless sensor networks to replace the take-make-waste approach of hospital textiles, enabling real-time remote monitoring and improving implementation best practices by transmitting textile products' real-time performance and quality state. A remote textile monitoring system using wearable textile-based sensors and actuators can facilitate efficient textile circular economy recall practices in hospitals, promoting sustainability and aiding Circular Economy transition.

## Introduction

The healthcare industry is shifting towards a patient-oriented and self-managed approach. Intelligent technologies like IoT and blockchain have been used to improve service quality and patient management. However, there is a lack of attention to minimizing environmental risks, particularly in managing textile waste generated by hospitals. India faces a major challenge with textile waste, as it ranks third in municipal solid waste production. Medical textile waste from hospitals either ends up in landfills or is incinerated, leading to environmental damage. There is a need for innovative approaches to manage hospital textile waste, such as IoT-based textile waste monitoring systems. This study aims to fill the research gap by conducting a life cycle analysis of hospital textile waste and evaluating the environmental impact. The study also explores the potential benefits of implementing a circular IoT-based textile waste monitoring system. By addressing these issues, the study aims to contribute to the implementation of sustainable practices and overcome challenges related to the circular economy in healthcare.

## Methodology

A triangulation approach was employed to gather data for this study, involving multiple data sources:

- A literature review was conducted, analyzing 12 articles to gain insights into the current state of textile waste management in hospitals.
- Direct and unstructured observations were made of the facilities management team in a healthcare center to understand their current practices and behaviors.
- One-on-one interviews were conducted with professionals to obtain their perspectives on current practices and their expectations for the future.

The researchers obtained a comprehensive and holistic understanding of textile waste management in hospitals by employing this triangulation approach. The collected information was then used to develop a framework for implementing efficient circular textile economy practices within a hospital environment.

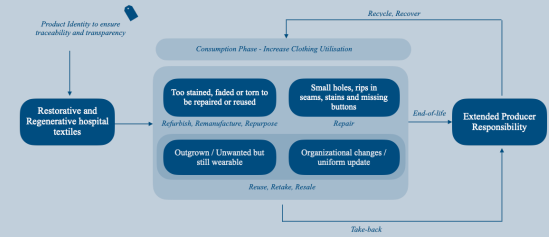


Figure 2. Conceptual framework for circularity monitoring across the Healthcare sector

## Objective

- Address lack of attention to textile waste management in hospitals.
- Analyse the potential benefits of IoT-based textile waste monitoring systems.
- Fill the research gap and contribute to the implementation of sustainable practices in healthcare.

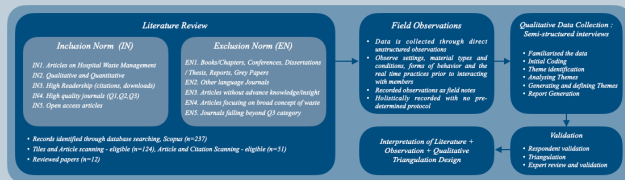


Figure 1. Research Methodology Framework - Triangulation Approach

## Analysis

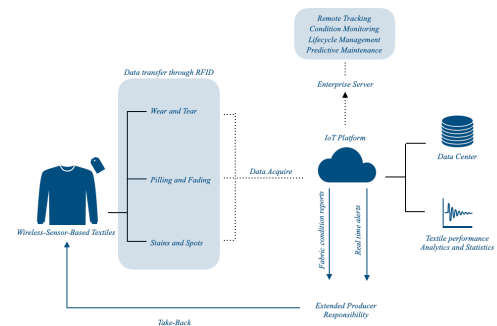
- The study identified eight key components that can act as drivers or inhibitors in the adoption of circular end-of-life textiles in hospitals.
- The study found that these components are all interconnected, and that addressing one challenge will often require addressing others. For example, improving resource management will help to reduce costs, and improving product lifecycle management will help to facilitate reuse and recycling.
- The study also found that the Internet of Things (IoT) can be a valuable tool for addressing these challenges. IoT sensors can be used to track the life cycle of textiles, which can help to improve resource utilization, enhance quality materials procurement, and implement innovative end-of-life disposal.
- The study concludes that the adoption of circular end-of-life textiles in hospitals is feasible, but that it will require a concerted effort from all stakeholders. The study recommends that hospitals, governments, and industry work together to develop and implement best practices for textile waste management.

## Results/Findings

- Eight key drivers and inhibitors of circular end-of-life textiles in hospitals were identified. These themes include:
- Lack of sustainable resource management and quality materials procurement: Use of low-quality textiles leading to premature disposal.
  - End-of-life disposal challenges: Lack of infrastructure for proper disposal, leading to landfills or incineration.
  - Quest for cost reduction: Pressure to reduce costs, leading to the use of cheaper textiles that are not sustainable.
  - Poor product lifecycle management: Lack of systems to track textile lifecycle, making reuse and recycling difficult.
  - Lack of comprehensive guidelines and standards for textile reuse and recycling: Lack of clear guidelines or standards for textile reuse and recycling in the healthcare industry.
  - Need for resilient hospital textile waste management system.
  - Need for triple helix collaborations: Hospitals, government agencies, and business need to collaborate to develop and implement circular end-of-life textiles in hospitals.
  - The need for disruptive technologies: Disruptive technologies can help to track the condition of textiles, notify manufacturers of performance conditions, and enable maintenance services.

## Conclusion

- The study proposes a circularity monitoring waste management system using Wearable Wireless-Sensor-Based Textiles (WWSBT) to track condition of textiles throughout their lifecycle which could be used to optimize repair and replacement, reduce waste, and promote sustainability.
- The system would have three phases: **Restorative and Regenerative Hospital Textiles, Sustainable Consumption Phase, and Extended Producer Responsibility.**
- Restorative and Regenerative Hospital Textiles : Designing and manufacturing sustainable textile products that can be recycled, repaired, refurbished, or remanufactured.
- Sustainable Consumption Phase : Use IoT-enabled textiles to notify manufacturers of performance conditions, enabling maintenance services and zero-waste approach.
- Extended Producer Responsibility : High-quality materials for products to long-lasting, and for closed-loop material flow.
- The study argues that implementing this system with sophisticated technology would optimize economic and social returns on medical textile waste management, improving productivity and supporting circular business models in the healthcare industry.
- The study is the first attempt to research the application of WWSBT for circularity monitoring.



**JOB INSECURITY AND WORK-LIFE IMBALANCE AS MOTIVATION TO START A  
NEW BUSINESS: ESCAPE THEORY PERSPECTIVE**

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**Keywords:** *job insecurity, work-life imbalance, entrepreneurial orientation, entrepreneurial intention, escape theory*

**Description:** We investigated the positive effects of job insecurity and work-life imbalance on entrepreneurial intention, based on escape theory.

**EXTENDED ABSTRACT**

**Research Objectives**

The authors investigate an intention to start a new business of salaried workers in the context of South Korea. We attempt to examine the effect of salaried employees' job insecurity and work-life imbalance on their entrepreneurial intention. These two variables are push factors, as job insecurity and work-life imbalance may contribute to the salaried employees' stress, uncertainty, anxiety and self-doubt. As motives to escape from the physical and mental distress and look for



an alternative, these critical variables are inspected for their impacts on entrepreneurial intention. We introduce escape theory to understand the focal relationships, while we acknowledge widely applied Shapero's Entrepreneurial Event (SEE) model (Shapero & Sokol, 1982) in literature. Escape theory may suggest psychological explanations of the relevant phenomena.

### **Method and Data**

Proportional quota sampling was used to collect data based on the 2020 Labor Force Statistics published by Statistics Korea in order to replicate the true composition of the population of interest. We contacted salaried employees in major metropolitan areas such as Seoul, Korea through email. The initial number of contacts was 12,330, and 830 respondents showed their interests in participating in the survey. The final sample consists of 388 (response rate: 3.1%). IBM SPSS Statistics V22.0 was used for hypothesis testing. Measures were all adopted from the previous research. Throughout the survey, a 7-point Likert-type scale was used. The test results assure all the hypothesized relationships.

### **Summary of Findings**

The test results confirmed all the predicted relationships. The positive relationship between the reported level of perceived job insecurity of the respondents and their entrepreneurial intention was found ( $\beta = .150$ ,  $p < .05$ ,  $F = 15.467$ ). The positive association between the reported level of perceived work-life imbalance of the respondents and their entrepreneurial intention was also found ( $\beta = .230$ ,  $p < .01$ ). All three dimensions of entrepreneurial orientation were found to be linked to entrepreneurial intention as well ( $\beta = .330$ ,  $p < .001$ : innovativeness;  $\beta = .195$ ,  $p < .05$ : proactiveness;  $\beta = .350$ ,  $p < .001$ : risk-taking). None of the control variables including gender, age, marital status, employment condition, salary level, and work years was significantly connected to entrepreneurial intention.

### **Key Contributions**

As motivation to start a new business, salaried employees' job insecurity and work-life imbalance are examined. Escape theory is proposed to understand psychological background of the relevant phenomena with the well-known Shapero's Entrepreneurial Event (SEE) model.

Salaried workers' positive escape behaviors such as entrepreneurial intention can help them avoid reverse self-awareness and turn their focus on the idea of being their own boss.

Entrepreneurial activities empower people, generate employment, and contribute to economic growth and thus are considered one of the most effective means to alleviate poverty in less-developed countries. This study suggests that policy makers and government agencies offer services to help struggling salaried employees engage in healthy escape behavior and succeed in the alternative path.

*References are available upon request.*

## **METaverse FOR PHYSICALLY IMPAIRED**

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**Keywords:** metaverse, physically impaired, rehabilitation, exploratory, qualitative research

**Description:** To explore the motivations and affordances of physically impaired individuals in their usage of metaverse for rehabilitation.

## **EXTENDED ABSTRACT**

### **Research Question**

Metaverse has rapidly emerged as the next big revolution on the internet, popularly known as the symbiotic web. It is a combination of physical, augmented, and virtual reality. It has significant potential for the healthcare industry to strengthen the patient-physician relationship and to overcome a variety of challenges, such as logistical barriers, adaptability, and psychological health, etc. Almost everyone will temporarily or permanently experience disability at some point in their life either as the affected or as a care provider. An estimated 1.3 billion people – about 16% of the global population – currently experience significant disabilities. In the context of individuals with motor function impairments or disabilities, the metaverse acts both as a tool and

as a target of accessibility, inclusivity, and equitability. This number is increasing due in part to population ageing and an increase in the prevalence of non-communicable diseases. Therefore, this study addresses the gap in the literature regarding the motivations and affordances of individuals with motor function impairments in the metaverse in their rehabilitation.

RQ1. What are the motivations and affordances of metaverse for physically impaired individuals?

RQ2. What are the considerations and concerns regarding the usage of metaverse for the rehabilitation process?

### **Method and Data**

This study used a semi-structured interview guide to interview 22 physically handicapped people and 7 orthopaedic and physiotherapy HCPs. Purposive sampling selected 18-year-olds with physical handicap (wheelchair, prosthetic leg, multiple sclerosis, etc.) and sound mental health. To broaden the perspective, patients were selected from metro and non-metro Indian cities of various ages. Between August and December 2022, research participants had regular follow-ups. Interview data was analyzed using qualitative thematic analysis. Transcribed interviews were divided into numerous content areas, meaning units were located and added to each area, meaning codes were extracted and added, codes were sorted by similarities and differences, and themes were constructed to connect the underlying meanings in the categories. Nine transcripts initially identified themes. After comparing and merging commonalities and discrepancies, we synthesized the themes till theoretical saturation. The results were triangulated between two sources of data, including qualitative data from the interview and non-modifiable information like sociodemographic (i.e., age, marital status, occupation, children) and clinical (i.e., physical status)

data, by all members of the research team, including the author and doctors. By the time we had finished 22 interviews, we had achieved saturation with the interview data.

**Summary of findings:**

The main themes which evolved from the analysis of the interviews are (1) enhanced virtual mobility, (2) self-normalization, (3) body ownership illusion, (4) ameliorating social competence, and (5) expediting rehabilitation. Living with physical limitations can often affect the independence and self-reliance of an individual not just physically and emotionally but also socially. As per the findings, the metaverse can be a safe environment for people to convey their identities away from physical repercussions, thereby causing Proteus effect to occur leading to improved social competence and self-perception. Healthcare service providers and health technology companies can work on the above-mentioned aspects to ensure better outcomes in rehabilitation. Furthermore, it can be useful for metaverse developers while designing use cases for physically impaired individuals.

**Key contributions:**

This study is the first to provide a thorough comprehension of the perceptions of physically disabled people regarding the role that the Metaverse plays in their daily lives and how it affects them as consumers with physical disabilities. In addition, it offers an understanding of marketers'

viewpoints regarding the inclusivity of physically disabled people on the Metaverse and what marketing approaches should be implemented in their strategies.

References are available upon request.

## **VERNACULAR MEDIA: CASE FOR NARRATIVE OBJECTS**

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**Keywords:** Narrative objects; Vernacular Media; Epistemic Consumption Objects; Bourdieu; News.

**Description:** This paper explores the rise of vernacular media against the traditional hegemony of English as the predominant language for media production and consumption.

### **EXTENDED ABSTRACT**

#### **Research Question**

Since 2016, India has witnessed a tremendous surge in vernacular media consumers owing to an increasing mobile penetration and cheap access to the internet. The news delivery has changed significantly too; from a formal, poised, and polished presentation, much of the new media journalism became informal, casual, and colloquial. In this study, we try to understand how the existing linguistic hierarchical arrangement in Indian society (English being at the top, followed by Hindi and other regional languages) plays a role in journalistic content creation on digital platforms. Using Bourdieu’s (2010a) theory of distinction, we make two significant contributions; first, we highlight the concept of

epistemic-consumption-object (Zwick and Dholakia 2006). Except for serial brands (Parmentier and Fischer 2015), it has hardly been applied to other contexts. We conceptualize news as a specific type of epistemic-consumption-object whose narrative ontology facilitates their participation in the attention economy, connecting the concept to both circulating objects (Figueiredo and Scaraboto 2016) and heirloom consumption (Türe and Ger 2016) literature. Further, we explore the shift from news-as-product from mainstream (TV, print) journalism to news-as-object in digital media, as careers/carriers of cultural capital and the plausible reproduction of existing linguistic hierarchical arrangements in the guise of entrepreneurial differentiation.

### **Method and Data**

As the study focused on digital platforms hosting journalistic content, we adopted Netnography (Gambetti 2020; Kozinets, Ferreira and Chimenti 2021) as the primary method. The idea was to interact with the channels like any regular consumer. We also followed the interactions about these channels on social media (Twitter, Instagram, Reddit, Quora, and Facebook).

In addition to the reflexive element (Bourdieu and Wacquant 2007; Wacquant 2004), our account also involves a significant amount of autoethnographic and individualized experiences (Hine 2015, 81) of the first author (Giesler 2008, 742). As suggested by Hine (2015, 85), we ensured that instead of being idiosyncratic, the experiences remain a critical representation of the vernacular consumers this study tries to explore. This also helped in our hermeneutic approach, where all the practices are deeply embedded socioculturally and historically (Türe and Ger 2016). Thus, we looked at ongoing news creation and consumption on each channel and its social media as a continuously unfolding story where every interaction between platforms, its hosted objects, and the users enacted one ‘scene.’



The data collection spanned three years, between August 2019 to November 2022. It involved a daily minimum of 2 hours of news consumption on YouTube, Facebook, Twitter, and Instagram.

### **Summary of Findings**

News on mainstream media got associated with complex jargon, which the vernacular media unlocked in the form of ‘*Qisse*’ (or, Tales). They adopt a traditional storytelling style; using regional proverbs, idioms, story-within-a-story format, sprinkling with mythological contexts.

#### ***News that is स्पष्ट, सरल, सरस (Spashta, Saral, Saras) [Clear, Easy, Enriched]***

Unlike English newsmakers, almost all vernacular content creators claim to adopt this 3S strategy of differentiation. Digital vernacular channels curate the news presented in mainstream media adding explanations (making it *Saral*) and comments to the existing news (cutting the clutter and making it contextual, *Spashta*). It is made possible due to the epistemic nature of the news objects (Raetzsch and Bødker 2016), where each added narrative element furnishes it a fresh ontology (*Saras*). It allows the weaving of multiple narratives from the same news.

We find that changing news format to storytelling is a deliberate strategy as it results from their vernacular habitus. Embracing digital as a medium “free from institutional (TV and print) journalistic norms”, they experiment. The habitus becomes visible in the spontaneous moments of newsreading. Another Marathi<sup>1</sup> () journalist, a self-proclaimed political analyst, he narrates by “[*ranjak goshti*],” i.e., “interesting stories.” Here, the language as a cultural resource plays a crucial role.

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<sup>1</sup> An official, regional language in India.

### **Statement of Key Contributions**

Media has remained as an understudied area in marketing and has received scant attention.

We also add to the literature on epistemic consumption objects by exploring news as epistemic narrative objects, which according to our understanding is the first study. In our study, we explore how the vernacular media in India has managed to dislodge the extant linguistic hierarchies by creating a differentiated positioning for their news as contextual, more interesting, easier to comprehend compared to the traditional English focused, elitist media. This has implications for product development ideas for products, where we observe “liquid consumption”, making them more consumer friendly.

While we surely make a definitive academic contribution in the area of epistemic objects, our study has interesting implications for the emerging media industry specifically, as well as for other products and services, which follow the principles of “liquid consumption” where offerings “interact” with consumers; movies, serial brands, etc; can greatly enhance their accessibility to their target consumers following similar principles that we present as our findings in this study.

“References are available upon request”

**WHICH CAME FIRST, PRODUCT OR PROCESS? THE SYNERGISTIC  
RELATIONSHIP AMONG DIFFERENT TYPES OF INNOVATIONS**

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Keywords: Interactive and Synergistic Relationships, Firm Performance, Product Innovation, Process Innovation.

Description: The paper investigates the interactive and synergistic relationships among different types of innovations and their impact on firm performance, comparing the manufacturing and service industries from a long-term perspective.

**EXTENDED ABSTRACT**

**Research Question**

Due to the widespread lack of understanding regarding the link between accelerated product and process innovation and their synergistic impact, research examining the relationship among various types of accelerated innovation activities remains insufficient. For instance, what emerged first: product or process innovation? Do diverse types of innovations have a synergistic effect? Do these relationships differ depending on the industry (manufacturing or services)? Therefore, based on the assumption that product and process innovation share long-term relationships and that an alliance exists among innovation industries, this study investigates the controversial relationship between product and process innovation.

Additionally, based on the definitions provided in the OECD Oslo Manual (2018), this study examines how different types of innovation affect firm performance.

### **Method and Data**

The data used in this study was obtained from the most recent five-year dataset of the Korean Innovation Survey (KIS) across the manufacturing and service industries. Samples were filtered to include firms with complete data for all five years of the KIS. From the manufacturing industries, this study excluded the consumer goods sector such as food, beverages, and paper products because of their product characteristics. Accordingly, 312 manufacturing firms and 416 firms in service industries were selected to examine the proposed relationships. Panel logistic regressions were conducted to examine the interrelationships between product and process innovation. Moreover, this study employed panel regression with a firm fixed-effect estimation to investigate how the synergistic effect among various innovation activities affect the firm's financial performance.

### **Summary of Findings**

Contrary to previous research, the findings suggest that product and process innovations share a two-way feedback interrelationship rather than a one-way sequential relationship in both manufacturing and service industries. Furthermore, the four different innovation activities have synergistic effects on the firm's financial performance.

### **Statement of Key Contributions**

This study contributes to academia and the industry by examining the interrelationship between product and process innovation, considering the interdependency among the four types of innovations. Firstly, it challenges previous research that focused on a one-way sequential relationship between product and process innovation. The findings of this study reveal a two-way interrelationship between product and process innovation across the manufacturing and service industries. Secondly, research has also shown that both radical and incremental product innovation interact strongly with marketing innovation, while process innovation interacts strongly with organizational innovation, leading to higher performance.

These findings show that different types of innovations complement each other. A firm's ability to manage or implement non-technological innovation is also important for achieving better technological innovation. Therefore, firms should consider multiple innovation activities simultaneously rather than a single type to achieve better performance.

# **Retailing, Services and Entertainment**

## **AN EMPIRICAL EXAMINATION OF THE ATTRIBUTION OF SERVICE FAILURE ON ONLINE RETAIL-BASED MULTI-SIDED PLATFORMS**

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**Keywords:** Multi-sided platforms; service failure; service recovery, attribution, mental accounting

**Description:** This research empirically examines the factors contributing to the attribution of service failures on multi-side platforms such as Amazon.

### **EXTENDED ABSTRACT**

#### **Research Question**

This study examines customers' attribution of service failures to MSPs. We explore the role of three critical variables on failure attribution to MSPs and repurchase intention: Governance type, failure type, and frequency of failure. We conduct exploratory analysis and scenario-based experiments on MTurk to demonstrate the effect of the governance structure, failure frequency, and failure attribution on repurchase intention by failure type.

#### **Summary of Findings**

The results show that customers blame MSPs more in centralized governance than in diffused governance while facing both process and product failures. Nevertheless, if the MSP makes a successful recovery, customers show higher repurchase intention towards the MSP in both process and product failures. As the attribution to the MSP increases, repurchase intention decreases for both failure types in diffused governance structures. However, repurchase intention

increases as the attribution to the MSP increases in the centralized governance structure (confirming the recovery paradox). Finally, customers decrease their repurchase intention towards the MSPs if the failure repeats. Especially as the failure attribution to the MSP increases in centralized governance while facing product failure. On the contrary, customers while facing multiple failures show increase in repurchase intention as the failure attribution increases towards the MSP with diffused governance.

### **Key Contributions**

MSPs' popularity in the marketplace has propelled much academic research. However, significant research opportunities remain, including limited studies on adverse outcomes such as service failures. This gap is surprising because, unlike traditional service firms, MSPs involve multiple stakeholders with competing objectives. In some cases, customers exhibit different tendencies toward forgiving retailers and the associated platforms. This research aims to address this gap and help MSPs improve experiences and outcomes for both customers and retailers.

While most prior studies exploring service failure and recovery are rooted in attribution theory, we build and expand on that research by integrating mental accounting theory and concepts. More specifically, consistent with mental accounting, individuals who encounter a product failure will categorize it in the tangible loss account and attribute it to the retailer. In contrast, individuals who experience a process failure will categorize it in the intangible loss account and attribute it to the MSP.

Further, we demonstrate that customers' attribution and repurchase intention after service failure differs for MSPs with centralized versus diffused governance structures. Thus, the governance structure is important for MSPs when determining their business models. This study



also compares single and multiple failures and finds that customers are more likely to repurchase in specific scenarios, depending on the governance structure, failure type, and frequency.

From a managerial perspective, MSPs frequently handle service failure efforts without involving retailers or identifying the party responsible for the failure, which can strain their limited resources. This study reveals that customers take notice of the governance structure of the MSP, whether centralized or diffused and adjust their expectations accordingly from both the MSP and the retailer. MSP-initiated recovery efforts may increase repurchase intention, depending on the customer's attribution and repurchase intention. However, a lack of retailer involvement may decrease repurchase intention in other scenarios.

**CHOOSING THE PERFECT COACH: REAL PERSON, AVATAR,  
HUMANOID ROBOT OR ROBOT DOG? EMPIRICAL STUDIES OF PARA-  
SOCIAL RELATIONSHIP FORMATION IN EXERCISE EXPERIENCE**

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**Keywords:** Digital Agents; Para-social Relationship (PSR), Humanoid, Digital Communication, Sport Marketing

**Description:** This paper explores the effects of digital agents in the online fitness context, examining psychological perceptions, para-social relationships (PSR), and the impact of different agent types on para-social interaction and continued usage intention, providing conclusions and implications for optimizing agent usage.

**EXTENDED ABSTRACT**

**Research Question**

As digital communication (e.g., human-computer interaction (HCI) and computer-mediated communication (CMC) become ubiquitous, increasingly digital agents (i.e., robots controlled by algorithms; avatars controlled by people) are embedded in the process of online service, there is growing evidence that service providers are deploying digital agents to manage customer relationships. Online fitness is becoming a popular leisure activity emphasizing health and lifestyle changes in the past few

years, especially with the pandemic outbreak. While previous research has investigated online health communities and health behavior, less attention has focused on the interactive process of online fitness.

The concept of PSR was initially established to explain the illusionary connection that audiences form with TV characters, celebrities, fictional characters, or organizations. In recent years, the accelerated use of digitalization has also led to the expansion of PSR concepts. However, the psychological process of establishing the para-social relationship between people and digital agents has rarely been discussed in previous studies.

While researchers have made efforts from different perspectives to understand digital agents, including appearances and functions, little is known about how consumers perceive the identity of digital agents, and what kind of relationships they have with agents. Which characteristics of digital agents impact the users' psychology and relationship-building in a digital communication environment? Do digital agents' types and humanoid appearance level affect human-agent interaction?

### **Method And Data**

A pilot test was first conducted to ensure the stimuli of the digital agency types and humanoid features. Eleven participants were invited to confirm the effective manipulation of the experimental scenarios and video stimulus. Then, a web-based quasi-experiment was conducted to collect data. Three studies were set up: study 1 tested the structural model of this study, Study 2 explored the role of digital agency types, and Study 3 examined the role of humanoid features of digital agency. 1148, 901, and 1194 samples were collected to test the research model in Study 1, Study 2,

and Study 3, respectively. Respondents were recruited from Credamo, a Chinese professional platform for online psychological experiments with a sample pool of 3 million participants. Data was collected nationwide with a wide variety of demographic characteristics that accurately represent the public, and the following settings were made to ensure data quality:

- 1) Participants could only use the computer-based webpage for the experiment to ensure that the video of the experiment was viewed.
- 2) The response area was limited to one participant within 1km by IP address, and each IP address could only be attended to once.
- 3) Samples with fewer than 400 seconds of response time will be classified as ineligible.

### **Summary of Findings**

This study significantly contributes to understanding the psychological mechanism and PSR formation in digital interactions. It deconstructs the process of psychological perceptions and explores their impact on consumers' continued usage intention.

In Study 1, a new research model is developed to reveal the mechanism of psychological perception and its influence on the establishment of PSR and consumers' continued usage intention. The study identifies that interactivity, authenticity, and companionship of a digital coach positively impact consumers' perceived warmth and competence. These psychological perceptions, in turn, foster the development of PSR and increase consumers' intention to continue using the service.

Study 2 shows that consumers interacting with avatars or robot coaches rely more on the coach's authenticity and perceived competence compared to human coaches. This finding highlights the significant impact of digital agent types (avatar and robot) during interactions.

Study 3 demonstrates the positive effect of humanoid design in enhancing warmth perception and increasing the authenticity of avatars and robots, leading to higher levels of consumers' continued usage intention. This study finds that humanoid design effectively moderates the role of robot coaches' interactivity in building PSR, while the impact of companionship in establishing PSR is stronger in non-humanoid robots.

### **Statement of Key Contributions**

The digital fitness and well-being sector market continues to expand in growing consumer awareness of physical health and the development of digital technologies. The first contribution of this research is the construction of a new conceptual model to explain the psychological processes involved in establishing PSR with digital agents. The study introduces the theory of PSR to explain the emergence and outcomes of consumers' relationships with digital coaches, exploring the psychological mechanisms and causal factors of human-agent interactions, and filling a gap in the existing theoretical exploration of human-agent relationships in consumer psychology. In addition, the study distinguishes between the differences in consumers' psychological perceptions of different agents as avatars, robots, and real people, while demonstrating the critical role of anthropomorphism during the interaction.

The second contribution of this study is to provide insights into the form (e.g., humanization or dehumanization) and interaction design (e.g., authenticity,

companionship) of digital coaches to help the digital sports industry better position its digital offerings, enhance user experiences, and nurture consumer loyalty. It also provides theoretical support for practitioners in choosing different types of digital fitness agents.

## **Consumers' Exercise and Diet in the Time of COVID-19: A MOA Perspective**

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### **Key Contributions to Academe and Practitioners**

COVID-19 has brought unprecedented impact on daily life, especially on sports or fitness that somewhat require space and equipment. In fitness training, exercise and diet are considered closely related (Staten, 1991). Unfortunately, diet control (e.g., on Mediterranean diet) is less likely during COVID-19 when people are trapped by a lockdown. How individuals can exert or maintain a lifestyle with adequate exercise and healthy diet during the pandemic becomes a vital wellness issue that demands consumers' potent motivation, opportunity and ability. Therefore, this study facilitates the understanding about how fitness motivation, opportunity and ability may determine choices of exercise and the Mediterranean diet during COVID-19.

The study's results have evidenced that fitness motivation, fitness opportunities, and fitness metacognition must be achieved simultaneously just so the individual is able to take actions. Contrast to the past research that seldom classifies the fitness environments to different categories (e.g., Hoehner et al., 2005; Renalds et al., 2010), this study fills such void by exploring the types of exercise that individuals might take under different environmental conditions, e.g., physical environments versus non-environments. We found that during the pandemic, non-environments such as fitness apps prompted individuals to pursue more aerobic exercises than resistance training. It implicates that with the absence of equipment from built environments, individuals might not have enough opportunities for resistance exercises. Hence, the fitness industry will need to find ways to facilitate those who seek resistance training at home. Finally, this study investigates the indispensable relationship between exercise and the dietary choices. Based on the MOA theory (MacInnis et al., 1991), this study has contributions in linking between the fields of consumer behavior and nutrition, supplementing with the effects of consumer motivation, opportunity, ability on choices of exercise type and dietary pattern in the wake of COVID-19.

### **Extended Abstract**

#### **Introduction**

COVID-19 has dramatically changed the way of life. Fitness as part of lifestyles often involves socially-shared space when exercises are carried out in gyms or parks,

and thus encounters difficulties of practice for people under quarantines or psychologically intimidated by social contact. Considering that exercise habits and healthy diet help reduce peril of COVID-19 syndemic (Chesnut et al., 2021), how to encourage people maintain exercise routines and diet control becomes very meaningful.

Motivation is one of the vital factors that drive people exercise (Sibley & Bergman, 2017). Knowledge and awareness are another set of factors that evoke exercise intention (Abula et al., 2018; Vaara et al., 2019). Exercise opportunity also greatly affects exercise behaviors. With the ease to access recreational facilities, people have more opportunities to do exercise (Lee et al., 2016; Sallis et al., 1997). During COVID-19, fitness app provides an alternative venue of accessing exercise opportunity for those who are forced to stay home (Zhang & Xu, 2020).

In addition to exercise, food consumption or diet coupling with exercises are considered pivotal for wellness development and disease defense (Chesnut et al., 2021; Nieman and Wentz, 2019). The Mediterranean diet has been recognized as the number one diet for years and is widely used in clinical treatment and disease prevention (Panagiotakos et al., 2006). Therefore, the present study aims to understand the influences of consumer's fitness motivation, fitness opportunity, and fitness metacognitive ability on the tendency to choose exercise type and the Mediterranean diet in the COVID-19 era.

### **Hypotheses**

A personal goal is a key determinant that leads individuals to engage in different exercises such as aerobic exercises and resistance exercises. According to exercise efficacy and body response, these two exercise types will result in different consequences (Swift et al., 2018). Individuals' awareness of these differential consequences may affect their decision-making and participation in different fitness programs (Teixeira et al., 2012). Therefore, it is proposed that fitness motivation will positively influence the choices of aerobic exercise and resistance exercise.

Metacognition contains multiple components such as mental structure, belief, and control. Individuals with metacognitive abilities are good at controlling and adjusting their action and behaviors (Baker & Brown, 1984). The importance of "how to" exercise knowledge is more crucial than the "benefit" knowledge (Sallis et al., 1992). With a better knowledge of exercise, people may obtain greater performance (Abula et al., 2018). Different levels of knowledge also change the behaviors of doing exercise; individuals with higher awareness and knowledge may have the flexibility to adjust and strategize the exercise plan for meeting personal needs (Fredriksson et al., 2018). As fitness is a goal-oriented physical activity, people may follow their personal goals to adjust or use different approaches to ensure that exercise works for them. Hence, it is



hypothesized that fitness metacognition will positively influence the choices of aerobic exercise and resistance exercise.

Exercise requires built-environments for physical movement. The environment is highly associated with greater access to recreational facilities, greater opportunities to exercise, and increasing time to engage in exercise (Popkin et al., 2005). In the case of COVID-19, the reliance on the fitness apps has greatly increased (Kaur et al., 2020). The presence of fitness apps as non-environments enhances chances of accessing the exercise that requires less equipment (Zhang & Xu, 2020). Therefore, it is postulated that accessing physical environments will have positive influence on aerobic exercise and resistance exercise choices; whereas accessing non-environments will have positive influence on aerobic exercise but negative on resistance exercise.

An exercise-and-diet combined method shows positive effects on treating overfat and obese symptoms (Clark, 2015), and therefore promotes health outcomes (Elliot & Hamlin, 2018). The Mediterranean diet has been highly recommended for its dramatic advantages (Bach-Faig et al., 2011), mainly because it can satisfy the energy consumed after fitness and have positive influences on body conditions. Thus, it is proposed that people who choose to do either aerobic or resistance exercises are likely to intake the Mediterranean diet.

## **Method**

This research adapted the goal content for exercise (Sebire et al., 2008) to measure both the intrinsic and extrinsic motivation to exercise. Based on the MOA (Motivation, Opportunity, Ability) model, this study defined ability as fitness metacognition, and modified the metacognition scale proposed by Panaoura & Philippou (2003). For both the physical environments and non-environments as the opportunity to exercise, we used Hoehner et al. (2005) and Zhang & Xu (2020) respectively to develop the measurement for accessing physical environments and non-environments. For type of exercise, Recent Physical Activity Questionnaire (RPAQ) (Golubic, et al., 2014) was used for measuring aerobic exercise and Suchomel et al. (2018) for measuring resistance exercise. Finally, based on Bach-Faig et al. (2011) and de Lorgeril et al. (2002), measurement of the Mediterranean diet consumption was developed. All the above items were assessed on a five-point Likert scale.

By using convenience sampling, a total of 346 questionnaires were collected from respondents who work out regularly. After deducting 36 invalid questionnaires, a total valid sample of 310 (89.5%) were obtained. Hypotheses were verified through structural equation modeling.

## **Results**

The results (see Table 1) showed that intrinsic rather than extrinsic motivation positively induces the choices for both aerobic and resistance exercises. Exercisers equipped with fitness metacognition exhibited to understand how to perform fitness training, thus affecting choices of resistance exercises rather than aerobic exercises. Regarding fitness opportunities, individuals who can access physical environments prefer resistance exercises whereas those who access non-environments tend to choose aerobic exercises. Finally, only people who engage in resistance exercises such as weight training are more inclined to adopt the Mediterranean diet.

The study's findings shed light on the importance of intrinsic motivation in reinforcing consumers' intention to exercise. Online social networks seem to serve as an effective source for such motivation in the COVID-19 era (Areiza-Padilla et al., 2021). Finally, consumers who pursue resistance exercises still prefer built-environments over non-environments. How to make non-environments more friendly to the resistance exercisers, the design and offering of home fitness equipment will be the key.

Table 1. Results of Path Analyses and Hypotheses Testing

Hypotheses path	$\beta$	C.R.	p-value	Result
H1a: Fitness intrinsic motivation→ Aerobic exercise	0.31	2.923	0.003**	Valid
H1b: Fitness intrinsic motivation→ Resistance exercise	0.22	2.869	0.004**	Valid
H2a: Fitness extrinsic motivation→ Aerobic exercise	0.054	1.031	0.302	Invalid
H2b: Fitness extrinsic motivation→ Resistance exercise	0.039	1.027	0.304	Invalid
H3a: Fitness Metacognition→ Aerobic exercise	-0.108	-1.208	0.227	Invalid
H3b: Fitness Metacognition→ Resistance exercise	0.264	4.076	0.001***	Valid
H4a: Accessing physical environments →Aerobic exercise	0.071	1.495	0.135	Invalid
H4b: Accessing physical environments →resistance exercise	0.078	2.269	0.023*	Valid
H5a: Accessing non-environments →Aerobic exercise	0.18	3.173	0.002**	Valid
H5b: Accessing non-environments →Resistance exercise	-0.093	-2.261	0.024*	Valid
H6: Aerobic exercise →Mediterranean diet	0.01	0.247	0.805	Invalid
H7: Resistance exercise →Mediterranean diet	0.296	5.647	0.001***	Valid

Note :  $p < 0.05^*$  ,  $p < 0.01^{**}$  ,  $p < 0.001^{***}$

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**DISTRIBUTION INTENSITY, RETAILER COMPETITION, AND  
CHANNEL COORDINATION: A SALOP CIRCLE APPROACH**

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**Keywords:** Distribution intensity, channel coordination, retailer competition, Salop circle.

**Brief Description:** We present an analytical framework to examine distribution intensity using a new model of retailer competition and show that distribution intensity should be lower for a product of higher quality.

## EXTENDED ABSTRACT

### Research Question

A major component of a manufacturer's distribution strategy is its distribution intensity, that is, how widely its product should be made available. We develop an analytical framework to determine the factors that determine distribution intensity. A channel consisting of one profit maximizing manufacturer and one or more retailers is examined where the manufacturer, as channel leader, selects distribution intensity and wholesale price, and the retailers select price in response. Retailer competition is examined using a new model that combines the Salop model of a circular market with equidistant retailers and customers uniformly distributed on the circle with a linear demand at each location on the circle. This model can incorporate any number of retailers and any retailer wholesale price and gives a unique Nash equilibrium in closed form. At its limits, the model gives the results of the Salop model with constant demand and of the spatial monopoly. Our contribution lies between these two extremes.

### Summary of Findings

We show that the manufacturer can use its decision variables, distribution intensity and wholesale price, to dictate whether the retailers are local monopolies or in competition, and the extent of market served. We also show that the manufacturer can use retailer competition to suppress retailer mark-ups, and thus reduce double marginalization and approximately coordinate the channel. We show that at any level of distribution intensity, the manufacturer can coordinate the channel using a discounted wholesale price that is higher than the manufacturer's marginal cost with two or more retailers. Also, in the absence of any other considerations, channel coordination is not optimal for the manufacturer. Under the condition that a retailer requires a minimum profit to participate in the channel, we show that the manufacturer finds it optimal to coordinate the channel using a two-part tariff system that imposes a fixed fee on the retailer. Finally, we identify an exclusivity parameter that captures product quality, and show that optimal distribution intensity should be lower for a product of higher quality.

### Key Contributions

We present an analytical framework to identify the factors that determine the optimal

distribution intensity of a profit maximizing manufacturer. To examine retailer competition, we present a new model that combines the Salop model of a circular market and equidistant retailers with linear demand at each market location. This model gives the Salop model of perfect competition and constant demand with the spatial monopoly model with linear demand at its limits, bridging the two classes of models. We extend the literature on channel coordination by including any number of retailers and show that the channel coordinating wholesale price may be higher than the manufacturer's marginal cost. If the retailer requires a minimum profit to participate, we show that the manufacturer finds it optimal to coordinate the channel with a two-part tariff system that imposes a fixed fee on the retailer. Finally, we identify an exclusivity parameter that captures product quality and show that the optimal distribution intensity is lower for a product of higher quality. To our knowledge, our model of retailer competition, the analytical model of distribution intensity, and results on channel coordination with any number of competing retailers are all new to the academic literature.



## **EXPLORING VALUE CO-CREATION EXPERIENCES IN THE DIGITAL MUSIC ENTREPRENEURIAL ECOSYSTEM**

### **Statement of Key Contributions**

Digitalization has caused significant changes in the music industry – from artists becoming enabled to self-build their careers by only using digital tools to the growing significance and impact of music listeners' roles and artist-listener relationships. Together with a shift in the way artists build their careers, digitalization also changed the music industry business model from product-dominant logic (PDL) to services-dominant logic (SDL), where the consumer becomes a co-creator of value (Lin & Chien, 2015). This resulted in the shift in value determination and creation – the actors of the digital music entrepreneurial ecosystem are now more focused on understanding consumers and communicating with them, as well as are increasing their spending on marketing content production and development, to create a direct relationship between the artist and the consumer (Ali et al., 2021).

This research explores value co-creation experiences in the digital music entrepreneurial ecosystem and its contribution is two-fold. First, this research contributes to the current state of value co-creation research by investigating the concept of artist entrepreneurship in the digital music ecosystem. Also, the findings of this study show that the value co-creation experiences in the digital music ecosystem most of the time are a consequence of the implementation of marketing trends in the digital music ecosystem rather than the outcome of strategically planned activities based on the knowledge of the ecosystem.

From the managerial point of view, this research suggests that value co-creation experiences in the digital music ecosystem are most of the time based on the emotional value that they bring to the artist and listener. It suggests that artists and their labels should focus on creating emotional value for the listeners to foster their experience in the context of value co-creation. Also, the findings imply that independent artists need more education regarding understanding the digital music industry and how its actors and their connections could advance their careers.

### **Extended Abstract**

**Introduction.** The past thirty years, with the rise of the internet and digitalization, might be named as one of the most significant periods in the music industry. Digitalization has enabled artists to self-record, self-release, self-distribute, and self-promote their music only by using digital technologies and digital platforms, which has led to a shift in value determination and creation – the artists are now more focused on understanding consumers and communicating with them (Ali et al., 2021). The music business is said to implement the concept of multi-actor interaction for co-creation (Saragih, 2019). Most of the recent studies describe music artists as the central figures of the digital music entrepreneurial ecosystem who usually use the services, tools and practical industry knowledge of other ecosystem actors or so-called intermediaries who act between the producer (artist) and consumer (music listener).

As the entrepreneurial ecosystem and value co-creation experiences rely not only on internal operations (such as artist’s music production and marketing operations performed with a help of digital platforms) but also on the community around it (Autio et al., 2018) and as the relationship between actors who co-create value extends far beyond the supplier-customer connection (Kelleher et al., 2019), this study addresses the intermediaries of the digital music ecosystem – service providers, platforms or tools that are helping artists to increase the efficiency of their planned digital marketing and career development processes. This research also evaluates the relationship between the intermediaries, artists as digital music entrepreneurs, and music consumers and how they build the entrepreneurial ecosystem of digital music through value co-creation experiences.

The future belongs to those that can co-create successful unique experiences with customers (Prahalad and Ramaswamy, 2014) and the digital music ecosystem is no exception. But even though value co-creation experiences of the digital music ecosystem are being described in academic literature (Chaney 2012; Negus 2018; Tang & Lyons 2016; Haynes & Marshall 2017), the services and tools that are being used by the artists (sometimes with the help of industry professionals) in order to co-create successful value experiences in the digital music ecosystem, the research is very limited and does not involve different stakeholders in the ecosystem of digital music.

Therefore, the following **research question** is raised: how and what value experiences are being co-created by multi-actor interaction within the entrepreneurial ecosystem of digital music?

**Methodology.** The question of this research was addressed by choosing a qualitative research method with a holistic approach to the phenomenon, which aims to discuss the interactive and dialogue between actors in the music industry and is in line with the current trends in the literature on value co-creation experiences in the music scene (Saragih, 2019; Ali et al., 2021). A purposive sampling technique was chosen and in total, 11 semi-structured interviews were conducted with independent artists and listeners from the Baltic states and music industry experts in the areas of digital music distribution and digital music marketing. The interviews lasted from 35 to 107 minutes and were conducted between March 20<sup>th</sup> to April 10<sup>th</sup>, 2022. All the interviewees gave their permission for recording the interviews and were assured of confidentiality. All the interviews were conducted online due to COVID-19 restrictions.

For the purpose of this research study, the authors created a theoretical model based on based on previous research by Saarijärvi et al. (2013 ) and Toscher (2021) that suggested the key elements that contribute to the value co-creation experiences. Given that the interviews were conducted with three types of digital music ecosystem actors, the interview guide was adjusted for each group. The interviewees were inquired about their experience or connection to the music industry, their entrepreneurial experience, their understanding of the music industry, the usage of digital marketing channels, and how they contribute to building a connection with the consumer, artists-listeners relationships, consumers involvement with artists' career and many more. The results were analysed using content analysis (Creswell, 2003).

## **Results.**

The findings of this research suggest that digitalization has significantly changed independent artists' role in the music industry by making them 'content providers' and enabling them to self-develop their careers which is in line with the previous research of Negus (2018) and Peltz (2011). The study also shows that independent music artists take on many managerial activities such as networking, social media marketing, ad buying, pitching, exploration of opportunities in local and foreign markets, long-term strategy and release planning and others, content creation, branding, PR, and bookings and tour management. These empirical findings correlate with a list of entrepreneurial activities defined by Haynes and Marshall (2017), who suggest that the role of an artistic entrepreneur became key to success in the

music industry, which is in line with Haynes and Marshall (2017). However, the research also suggests that the knowledge of artists in implementing entrepreneurial activities is often limited and is not considered a consequence of entrepreneurial thinking which is needed for artists to develop their careers (Speers, 2016) but rather something that artists do themselves because they lack trust in other actors of the music industry.

Regarding value co-creation, the findings of this research suggest that listeners take on a variety of roles such as being data sources to the ecosystem, community members, (non)financial supporters, ego boosters and ambassadors of an artist, as well as content creators. These insights are in line with the theoretical description of listeners as ‘stakeholders, sponsors, investors, value filters and co-creators’ (Edlom & Karlsson, 2021) who are present in music or ‘product usage, service and peer-to-peer interaction’ (Saragih, 2019). Drawing on theoretical insights about several types of value gained by different actors of the digital music ecosystem – attentional, monetary, brand awareness, neurobiological, commercial, social-relational and motivational, emotional (Toscher, 2021) – this research presents a list of different value co-creation experiences in the digital music ecosystem (see Table 1).

### **Conclusions.**

This research at hand is valuable for closing a gap in the current research by providing insights into value co-creation experiences in the digital music ecosystem. Some of the key findings of this study suggest that the common thing among the artists is that their ideas and messages are based on digital marketing tools and offerings, and they are not likely to develop their marketing strategies another way round – to find digital marketing tools and its combinations that would be used as a platform to convey their message best. The most common value co-creation experiences and artist-listener relationships are based on the emotional, motivational, and social-relationship values that they bring to both sides. More extensive research with a larger sample of actors from different groups of the digital music ecosystem should be conducted in the future to provide additional theoretical and managerial insights.

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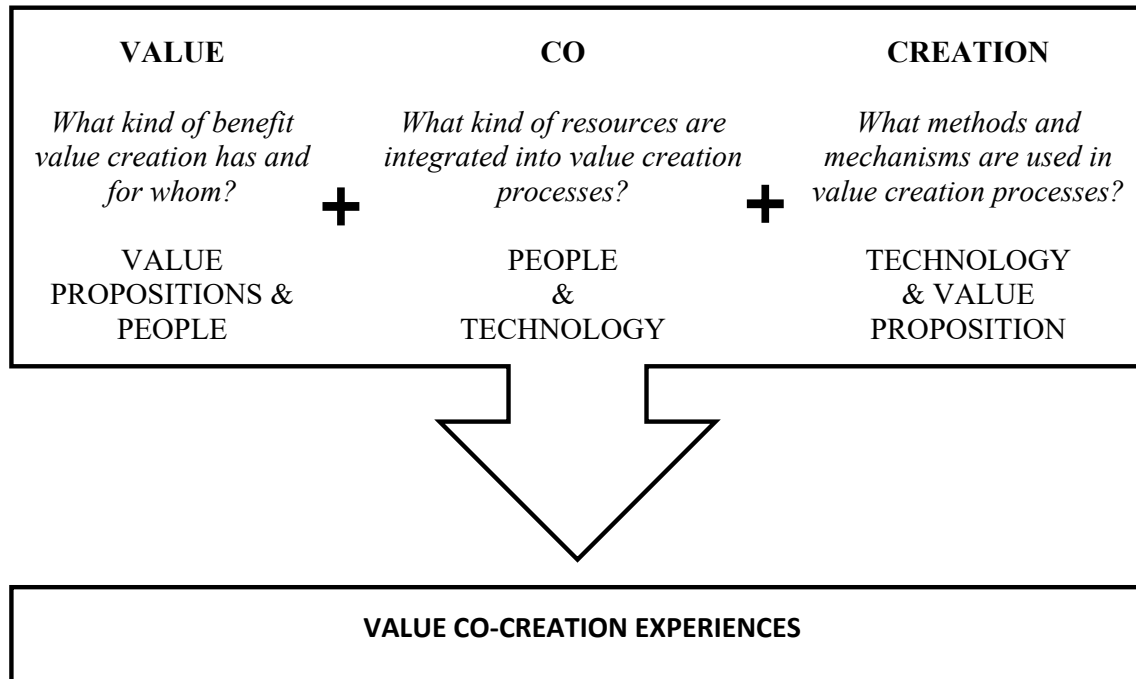
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**Figure 1.**

The theoretical model for researching value co-creation experienced in the digital music entrepreneurial ecosystem (based on Saarijärvi et al. (2013) and Toscher (2021)).



**Table 1.**

The summary of research findings based on service science approach to value co-creation (Saarijärvi et al., 2013).

Value	Co	Creation
<i>What kind of benefit value-creation has and for whom?</i>	<i>What kind of resources are integrated into value creation processes?</i>	<i>What methods and mechanisms are used in value creation processes?</i>
Value types & Actors of the digital music entrepreneurial ecosystem	Actors of the digital music entrepreneurial ecosystem and their roles	Digital marketing channels and methods
<b>Findings Of the Digital Music Entrepreneurial Ecosystem</b>		
<p><b>Value types:</b></p> <ul style="list-style-type: none"> <li>- Motivational/emotional</li> <li>- Social-relational</li> <li>- Content exchange value</li> <li>- Neurobiological value</li> <li>- Educational value</li> <li>- <i>Interconnected value experiences</i></li> </ul>	<p><b>Entrepreneurial artist:</b></p> <ul style="list-style-type: none"> <li>- Networking</li> <li>- Social media marketing and ad buying</li> <li>- Pitching</li> <li>- Exploring opportunities in local and foreign markets</li> <li>- Long-term strategy and release planning</li> <li>- Content creation</li> <li>- Branding</li> <li>- PR</li> <li>- Bookings and tour management</li> </ul> <p><b>Digital distributor:</b></p> <ul style="list-style-type: none"> <li>- Providing platform and technology for music delivery to streaming services</li> <li>- Managing rights and licensing management</li> <li>- Developing marketing and creativity strategies</li> </ul>	<p><b>Top five digital marketing channels:</b></p> <ul style="list-style-type: none"> <li>- Instagram</li> <li>- Facebook</li> <li>- Spotify</li> <li>- TikTok</li> <li>- YouTube</li> </ul> <p><b>Methods used to create value by using digital marketing channels:</b></p> <ul style="list-style-type: none"> <li>- Music integration to visual posts</li> <li>- Daily communication</li> <li>- Storytelling</li> <li>- Community building</li> <li>- Collaborations</li> <li>- Music visualisation</li> </ul>



	<ul style="list-style-type: none"> <li>- Developing analytics-based strategies</li> </ul> <p><b>Digital marketing manager:</b></p> <ul style="list-style-type: none"> <li>- Online presence building and management</li> <li>- Connecting artist and the right audiences</li> </ul> <p><b>Listener:</b></p> <ul style="list-style-type: none"> <li>- Data source</li> <li>- Community members</li> <li>- (Non)financial Supporters</li> <li>- Ego boosters</li> <li>- Ambassadors</li> <li>- Content creators</li> </ul>	
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### Value Co-Creation Experiences

<p><b>Motivational/emotional</b></p> <ul style="list-style-type: none"> <li>- Listeners sharing their motivational thoughts with the artists after concerts</li> <li>- Listeners listening to music that you can relate to emotionally</li> <li>- Listeners listening to music to overcome bad periods in life</li> <li>- Listeners relating to artists inner qualities and values</li> </ul> <p><b>Social-relational</b></p> <ul style="list-style-type: none"> <li>- Having exclusive artist-listener meetings</li> <li>- Listener becoming part of the performance</li> <li>- Artists socialising with listeners after concerts</li> <li>- Artists inviting fans to create something together</li> <li>- Artist and listener becoming friends</li> <li>- Artists doing Q&amp;A sessions with listeners</li> <li>- Artists replying to listeners' emails</li> </ul> <p><b>Neurobiological</b></p> <ul style="list-style-type: none"> <li>- Listeners sharing artists' music with others and receiving approval</li> </ul>	<p><b>Content exchange</b></p> <ul style="list-style-type: none"> <li>- Listeners posting photos and videos from the concerts, artists reposting them on their profiles</li> <li>- Artists asking fans to send in some material for their next project</li> </ul> <p><b>Educational</b></p> <ul style="list-style-type: none"> <li>- Listeners learning about music production from the artist</li> <li>- Artists getting to know about new music from their fans</li> <li>- Listeners learning a new language by translating lyrics</li> </ul> <p><b>Interconnected</b></p> <ul style="list-style-type: none"> <li>- Listeners buying physical records not for listening but to take photo and share that on social media</li> <li>- Artists' track ending up on theatre play because listener shared their music with a director</li> </ul>
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## **INDUCING SERENDIPITY IN CONTENT-BASED RECOMMENDATION SYSTEMS: A CONCEPTUAL OVERVIEW**

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**Keywords:** content recommendation, recommendation systems, serendipity, personalization

**Description:** The present research contributes to the nascent literature on serendipity in marketing by indicating that serendipity has an important influence on consumer responses within an otherwise highly predictive context.

### **EXTENDED ABSTRACT**

#### **Research Question**

Content-based recommendation systems try to recommend items similar to those a given user has liked in the past. Despite their growth and increasing adoption in various contexts and industries, the persuasive communication quality of these recommendation systems is worrying, as in a variety of fields, consumers tend to reject AI recommendation even though it outperforms their human counterpart – a phenomenon called AI aversion (Castelo et al., 2019). Further, there are concerns that recommenders may imprison consumers in a “filter bubble” by recommending items predominantly known to them. Finally, content-based recommenders have no inherent method for finding something unexpected. The system suggests items whose matching scores are high when matched against the user profile, so the user will be recommended items similar to those already rated.

The present research focuses on introducing some degree of serendipity in content-based recommendation systems. Drawing on prior literature on content recommendation, serendipity, and choice behavior, we focus on ways to achieve induced serendipity in recommendation systems. We recognize that consumers’ curiosity (or appetite for novelty) and desire for control are not the same and offer theory-driven propositions and avenues for future research to introduce different degrees of serendipitous encounters into the recommendation systems.

#### **Summary of Findings**

De Gemmis et al. (2015) define serendipity in recommender systems as those suggestions that are both attractive (or joyful) and unexpected. Content-based systems have no inherent method for generating serendipitous recommendations due to over-specialization. High personalization would reduce consumers’ perceptions of serendipity as a highly personalized set of recommendations would be unsurprising. Thus:

**P1:** Perceived serendipity will be higher for lower (vs. higher) personalization of recommendations.

<sup>930</sup>**P2:** Perceived serendipity increases downstream consumer responses due to increased enjoyment.

If the recommended content is rated/categorized externally, and if that content is rated highly by those external users, then it could be perceived to be more serendipitous. Thus:

**P3:** Perceived serendipity will be higher for content with high external (vs. internal) ratings.

Learning about new content as well as personal preferences would further enhance enjoyment. Thus:

**P4:** Perceived serendipity increases a) elaboration and b) learning, which subsequently increase enjoyment.

Curiosity and desire for control may affect consumers' responses to serendipitous vs. predicted content recommendations. Thus:

**P5:** Curiosity moderates the effects of personalization of recommendations, such that the effects will be attenuated (vs. strengthened) for consumers lower (vs. higher) in curiosity.

**P6:** Desire for control moderates the effects of personalization of recommendations, such that a higher desire for control will lead to reduced consumer responses.

### **Key Contributions**

The present research contributes to the nascent literature on serendipity in marketing by indicating that serendipity has an important influence on consumer responses within an otherwise highly predictive context. Through six propositions, the research argues that while content-based recommendation systems for streaming services have become more sophisticated in personalizing recommendations to users, not all consumers respond more positively to recommendations that are personalized. Rather, consumers may favor contents that appear to contain some level of randomness. This is due to higher perceived serendipity, which could lead to positive cognitive (i.e., learning/self-development) and affective (i.e., enjoyment) responses that fuel downstream consumer responses (patronage intentions, attitudes, etc.).

Further, the present research identifies the role of consumer characteristics in their responses to recommendation systems and argues that consumer's level of curiosity and desire for control would affect their responses to serendipitous vs. predicted content recommendations. As such, we connect serendipity to important individual difference factors, arguing that not all consumers perceive or respond to randomness in recommendations in the same way. Whereas more curious consumers would view randomness as a mechanism for the positively unexpected, less curious consumers may find more value in less random recommendations, as would those with higher desire for control.

### **References Available Upon Request**

## **INTEGRATIVE FRAMEWORK OF THE ECOSYSTEM OF ONGOING SERVICES IN SHARED USE FOR CUSTOMER LOYALTY**

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Keywords: Ongoing services in shared use; Cogenetic triadic relationships; Customer loyalty; Service marketing

Description: This paper presents an integrative framework that explores the ecosystem of ongoing services in shared use (OSSU) and its impact on customer loyalty, focusing on the role of tangible elements, the services themselves, and the dimensions of human relationships. The study employs a quantitative approach, using a survey (n=233) and structural equation modeling to examine the influence of these elements on user motivation, co-creation experiences, and value within the services. The findings highlight the importance of cogenetic triadic relationships and demonstrate how the quality of these relationships enhances consumers' desire to be actional in co-creating value, ultimately impacting customer loyalty.

### **EXTENDED ABSTRACT**

**RESEARCH QUESTION:** How do self-others-culture cogenetic triadic relationships impact the consumer's desire to be actional (actional self) and co-create value in their experiences of use in ongoing services in shared use? How does the actional self impacts consumer loyalty for ongoing services in shared use?

**METHOD AND DATA:** A quantitative approach using a survey (n=233) and structural equation modeling (SEM) was employed. Validated scales and adapted items were used in the questionnaire, administered to participants in the context of two different ecosystems of OSSU: colleges and gyms/health centers. The applied scale works adequately on both *loci*. Multivariate

data analysis involving techniques such as variance inflation factor (VIF) assessment, confirmatory (Cronbach's alpha, average variance extracted, and composite reliability), and exploratory factor analyses were used.

**SUMMARY OF FINDINGS:** This study investigated the role of triadic cogenetic relationships and the importance of the actional self concerning customer loyalty within the context of OSSU. The results supported previous literature and highlighted the significance of infrastructure, particularly equipment, for perceived quality. Consistent service delivery positively influenced the perception of service quality, with staff competence, flexibility, and speed playing significant roles in enhancing service consistency. Customers valued the opportunity to co-create their experiences, emphasizing the importance of provider flexibility and timely responses to meet their specific needs. The study developed an integrative framework consisting of 68 items, including novel ones, which was validated. These findings contribute to service marketing by presenting triadic cogenetic relationships as essential for understanding consumer behavior in co-creating experiences and value. Furthermore, the study revealed that companies need to cultivate a welcoming environment through their staff's actions and foster positive customer relationships to motivate active participation in co-creation. The results also confirmed the negative impacts of exclusionary tribes on acceptance and worthiness, highlighting the importance of service quality and the actional self from cogenetic triadic relationships on loyalty.

**KEY CONTRIBUTIONS:** This research contributes to understanding the role of self-others-culture cogenetic triadic relationships in shaping the consumer's desire to be actional and co-create value. The study emphasizes the impact of the actional self on consumer loyalty within the context of OSSU. We introduced a reliable 68-item scale, improving the measurement of self-others-culture triadic relationships, actional self behavior ( $R^2=65.7\%$ ), and consumer loyalty ( $R^2 = 63.6\%$ ) in OSSU.

# INVESTIGATION THE ACCEPTANCE OF INSTANT SHOPPING ON STREAMING PLATFORMS WITH TECHNOLOGY ACCEPTANCE MODEL (TAM)

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**Keywords:** Instant Shopping, Streaming Platforms, Technology Acceptance Model, E-Commerce

**Description:** This study investigates consumers' acceptance of instant shopping on streaming platforms by examining the impact of perceived usefulness and perceived ease of use on consumers' behavioral intention to use instant shopping on streaming platforms.

## EXTENDED ABSTRACT

**Research Question:** Streaming platforms have revolutionized the way we consume media, from movies and television shows to live events and podcasts. These platforms have also begun to integrate new innovative features that allow users to purchase products directly from within the platform, a process known as "instant shopping". While instant shopping in the area of social commerce on social media platforms such as Instagram is a relatively recent phenomenon but already common practice it is quite new on video-based and purely entertainment-oriented streaming platforms such as Netflix. Hereby, we refer to Technology Acceptance Model (TAM) to investigate the acceptance of instant shopping on streaming platforms. The present study extends the findings of previous studies in e-commerce in the area of instant shopping by analyzing how instant shopping on a streaming platform is perceived in terms of 1) usefulness, 2) ease of use and 3) how it finally affects consumers acceptance of instant shopping.

**Method and Data:** Based on Technology Acceptance Model (TAM) which was adapted and operationalized for the current context, an online survey (N=237) was conducted, investigating the influence of consumers' perceived usefulness and ease of use on the acceptance and use of the instant shopping in the context of streaming platforms.

**Summary of Findings:** Result show that consumers' perceived usefulness has a positive influence on consumers' behavioral intention regarding instant shopping, whereas we found controversial results for consumers' perceived ease of use, as findings do not confirm a significant influence of perceived ease of use on consumers' behavioral intention. This is surprising as perceived ease of use is accordingly to Davis (1986) one of TAM's fundamental

factors whose influence has been demonstrated in a wide variety of studies. Furthermore, results confirm consumers' enjoyment as a decisive factor for consumers' perceived usefulness and intention to use instant shopping on streaming platforms.

**Key Contribution:** Several contributions can be derived to academe and practice. The basic assumption of technology acceptance model, that consumers' perceived usefulness of a particular information system is a decisive factor for consumers' acceptance and use of an information system could be demonstrated in the context of instant shopping on streaming platforms. While findings show that consumers' perceived ease of use has no influence on consumers' acceptance and use of instant shopping, evidence was found that hedonic motivation regarding consumers' perceived enjoyment influence perceived usefulness and ease of use as well as the behavioral intention to use instant shopping on streaming platforms. From a practical point of view instant shopping eliminates the need for users to navigate away from the platform to go through the process of searching for the product on a separate website and it allows users to easily discover new products and thus should meet with a high level of acceptance among users and make online shopping even more attractive. As consumers' behavioral intention can be seen as a predictor of the actual usage behavior regarding the purchase of the presented products instant shopping on streaming platforms can clearly be regarded as another promising innovation in online shopping.



## **Nike or Goddess of Victory in Social Commerce**

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**Keywords:** Nike, Social Commerce, Customer Experience, SmartPLS4, Brand Love

**Description:** Understanding how Nike has leveraged social commerce platforms to enhance customer-brand experience, brand equity and profitability.

**Keywords:** Nike, COBRAs, Motivations, SmartPLS4, Brand Love

### **Research Question**

Nike has gained a reputation for its adeptness in digitalisation and innovation of its commerce processes, encompassing T-Mobile direct-to-consumer sales and social commerce (SC). Nike manages over 300 brand pages across various SC platforms, including Facebook, Instagram, and TikTok. The efficacy of Nike's supply chain strategy is incontrovertible. The objective of this research is to investigate how Nike has utilised SC platforms to augment the experience of customers with the brand, elevate brand equity, and increase profitability. In this study, we analysed various determinants that impact the overall shopping behaviour of customers, including bookmarking, impulse buying, cross-buying, and willingness to pay (WTP) a premium price. These factors were evaluated as outcomes. Consequently, the research questions encompass three aspects:

**RQ1:** What are the dimensions of customer-brand experience on Nike’s SC brand page?

**RQ2:** What drives customers’ overall shopping behaviour on Nike’s SC brand page?

**RQ3:** What is the role of brand identification and habit between customer-brand experience and overall shopping behaviour on Nike's SC brand page?

### **Method And Data**

Using mixed methodology in two studies involving Instagram users in the United States, this research conceptualises (Study 1). It operationalises (Study 2) the customer-brand experience in the SC brand page' as a hierarchical construct that drives customer overall shopping behaviour. By synthesising the literature review and Study 1 (netnography findings), this study develops hypotheses for the proposed dimensions to address research questions. To validate the proposed theoretical model and hypothesised links developed in the last phase, quantitative research via an online survey was deemed appropriate to confirm the research model and corroborate the results of Study 1. This section aims to answer the second and third research questions by testing the proposed model and hypothesised relationships. To ensure a diverse range of participants, consisting of both youthful and non-youthful audiences, a screening process was implemented. A total of 235 participants were selected based on the following criteria: being at least 18 years of age, following Nike on Instagram, and having made a purchase from Nike within the past 12 months. This approach aimed to capture insights from individuals who actively engage with the brand and have recent purchasing experiences. Respondents were drawn from the Qualtrics consumer online panel in the U.S. market, the world's largest economy. The justification for this approach is to screen participants who are owners of the brand's product as well as active consumers of the brand page on Instagram.

### **Summary of Findings**

The structural model was evaluated using PLS-SEM using SmartPLS4 because it produces more precise estimates for a complex path model that combines reflective and formative measurement models (Sarstedt et al., 2016). As our model necessitates the analysis of complex structural models involving mediation, moderation, and conditional mediation effects (CoMe), PLS-SEM is the most appropriate analysis methodology, and SmartPLS can carry out necessary condition analysis (NCA) to provide additional insights (Richter et al., 2020). The customer-brand experience on the SC brand page has three dimensions: brand love, intimacy, and involvement. To determine the most important first-order customer-brand experience dimension on the SC brand page, we conducted an importance-performance map analysis (IPMA) in SmartPLS4. According to the IPMA results, it is crucial to estimate brand identification, habit, and customer overall shopping behaviours like bookmarking, impulse buying, cross-buying, and willingness-to-pay (WTP) a price premium in order to predict customer brand experience on the SC brand page accurately. The research also emphasises the importance of brand identification and habit as aspects of brand equity connected to consumers' general shopping behaviours. The results also supported the role of brand identifications and habits in mediating between the customer-brand experience and the customer's overall shopping behaviours on the SC brand page. The path coefficients between male and female, young (18-34 years old) and old (35 years of age and older) groups were compared using a permutation test (1000 permutations at a significance level of 0.05). The findings demonstrate no difference in the path model for male, female, young, or older respondents because all paths have permutation p-values above 0.05 and their confidence intervals (CIs) contain zero. As a result, the data set does not indicate that model estimates differ based on pre-defined groups like gender and age.

### **Statement of Key Contributions**

Our study offers several significant contributions. First, to our knowledge, the current study adds to the body of literature by illustrating aspects of the customer-brand experience in the context of SC. This study emphasises the value relevance influencing factors related to customers' overall shopping behaviours by focusing on customer-brand experience dimensions. As a result of the consumer brand experience, we particularly note customer overall shopping behaviours like bookmarking, impulse buying, cross-buying, and willingness to pay (WTP) a price premium. This study adds to existing research on factors shaping consumer shopping patterns, which are vital for establishing brand equity. By examining and expanding on this topic, our study enhances understanding of consumer behaviors and their impact on brand equity. Second, brand identification and habit are theoretically defined and empirically evaluated as factors influencing customers' general shopping behaviours. We have made a contribution by shedding light on variables that affect how well a price premium strategy works and by improving our capacity to model potential brand value. Finally, given that businesses are increasingly interested in leveraging SC platforms to improve customer-brand experience, brand equity, and profitability, the study's findings offer practical managerial insights. Superior features and functions alone are not enough to differentiate a brand, managers are realising, and "how" a brand delivers has become more important than "what" it delivers. Our research identifies a crucial area in which businesses should invest in an era of constricting marketing budgets, and as a result, it is advised that businesses increase their use of experiential marketing.

### **Reference List**

References are available upon request.

**ONLINE VR STORES AS SUSTAINABLE FASHION RETAIL SPACES:  
COMPARISON BETWEEN 3D VR STORES AND 2D WEBSITES**

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**Keywords:** Sustainable retail space, VR fashion store, Information system quality, Immersion, Sustainable fashion

**Description:** This study applied the information system success model (ISSM) to investigate the influence of information system qualities (ISQs) on consumer responses related to sustainable fashion consumption in the context of comparing 3D VR store and 2D website.

**EXTENDED ABSTRACT**

**Research Question** – This research uses the ISSM, which outlines the performance of e-commerce, as a framework to investigate the influence of ISQs on immersion in sustainable fashion message (SFM) and purchase intention. Within the information quality (INFQ), useful information in VR content increases immersion and VR environments enable users to immerse themselves in content through depth and breadth of information. Convenience, system quality (SYSQ) of IS, enhances user experience, increases immersion in the provided content, and results in positive evaluations. In terms of reliability and tangibility in service quality (SERQ), online shopping with high SERQ are more preferred by consumers, and can effectively assist consumers at each stage of the purchasing process. Therefore we suggested

“*H1*: Online fashion store's ISQ [usefulness, diversity, convenience, reliability, tangibility] increases the immersion in SFM.” and “*H2*: The immersion in SFM increases the purchase intention for sustainable fashion products.” Meanwhile, in the context of brand messaging, 3D VR experiences provide more customer-centric experiences and have a more positive effect on consumers than static 2D images. So we suggested “*H3*: The effect of the online fashion store's ISQ on the immersion in SFM is higher in 3D VR stores than in 2D.”

**Method And Data** – To exclude the influence of prior attitudes toward existing fashion brands, a new online fashion store was created. One online VR store and one 2D web store were created. These two stores deal with sustainable fashion products of the same contents (e.g., items, information, messages, mood, etc.). Participants either experienced a 3D VR store or a 2D website randomly for at least 4 minutes. Then, they responded to the online questionnaire to measure the variables, which was developed by reviewing prior studies. This study designed a questionnaire to measure five ISQs (usefulness, diversity, convenience, reliability and tangibility), immersion in messages and purchase intention. Since the survey will be conducted based on two different groups (VR / 2D), we used a 2-sample t-test of the G\*Power program to calculate the number of target participants: at least 210 in total. We recruited female consumers in their 20s and 30s, who are regarded as the main focus of fashion brands and familiar to technology. Final 274 data (VR=138, 2D=136) were collected using Macromill Embrain, which is a large research firm in South Korea. Multi regression and process macro model 7 with SPSS 26 were used for analysis.

**Summary of Findings** – In multi regression analysis, usefulness and diversity, INFQ of online fashion stores, had positive effects on immersion in SFM ( $\beta=.378$ ,  $p<.000$ ;  $\beta=.106$ ,  $p<.05$ ). Convenience of SYSQ ( $\beta=.161$ ,  $p<.01$ ), reliability and tangibility, SERQ were also

positively significant for immersion in SFM ( $\beta=.210, p<.000$ ;  $\beta=.133, p<.01$ ). Information usefulness had the strongest influence on immersion among the ISQs, showing the importance of the contents aspects in online shopping sites. These results support H1. Immersion in SFM shows a positive and significant relationship with the purchase intention of sustainable fashion products ( $\beta=.600, p<.000$ ), so H2 was supported. As the relationships in the analytical model were identified, we tested whether the website technology (3D VR / 2D) acts as a moderator in the relationship between ISQ and a mediator, immersion in SFM. Using Model 7 of the SPSS PROCESS macro (Preacher and Hayes, 2004), we found that the effect of all ISQs on purchase intention mediated by immersion in SFM was amplified in the VR shopping environment, and found a moderated mediation. Therefore, this study suggested the relevance of ISQs in evoking immersion in SFM and stimulating the purchase intention. In the moderation, the effects of ISQs were stronger in 3D VR.

**Statement of Key Contributions** – This study is meaningful as an initial study that identified the ISQs of online fashion stores by dividing the types of online store technologies into 2D and 3D VR. As the usefulness of information showed the greatest effect on the immersion in messages, fashion brands and retailers need to be more concerned with providing useful information. The results presented the research context for the online VR store as a retail space that can effectively communicate sustainable fashion contents and lead sustainable consumption behavior. It is an early study that showed the potential of a VR store as an environmentally sustainable fashion retail space. The positive environmental potential of VR stores can amplify the effect if a VR retail environment has a high level of information and attractive visuals. Our study suggested to the business academia and industry a new way of the communicating information messages and consequently increasing purchase intentions. Lastly, the participants responded after having enjoyed shopping by directly exploring 3D VR

and 2D online stores. Therefore, this study has the significance of being differentiated from previous research, which has compared 2D and 3D using limited contents of existing brands or being based on participants' recall.



## **RETAILING IN THE METAVERSE: TRENDS, SCENARIOS AND A CLASSIFICATION FRAMEWORK FOR SETTING UP A SHOP IN THE METAVERSE**

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**Keywords:** Metaverse, Retail, Virtual-worlds, Lifelogging, Immersive technologies

**Description:** This non-empirical study reviews the evolution of retail in the metaverse and suggests a classification framework to understand the core aspects of setting up a store in the metaverse.

### **EXTENDED ABSTRACT**

#### **Research Questions**

As technology advances, the number of retailing channels has also increased. One such channel that has been rapidly gaining popularity is the Metaverse. Consumers these days look for immersive shopping experiences apart from product attributes. Keeping in line with this trend, the study begins by reviewing literature to understand the evolution of retail from traditional channels to the metaverse. It later looks into how brands are trying to leverage technology to delight their customers by providing the best of immersive shopping experiences. A classification framework is built based on the literature review. And the study concludes by outlining the opportunities and challenges in this field under the classification framework. In summary, the study attempts to answer the following research questions:

Q1: What are the current retail trends seen in the metaverse?

Q2: What are the retail themes found in the literature related to the metaverse?

Q3: What are the building blocks for metaverse retailing?

Q4: What are the opportunities and challenges (research gaps) in metaverse retailing?

### **Summary Of Findings**

The purpose of this study was to take stock of all existing literature in the field of “retail” and “metaverse” and understand core themes. Four main scenarios in the metaverse are identified and retail trends in each of these scenarios are explored. Based on the immersive experiences that various metaverse technologies provide, six building blocks were identified: Customer experience, marketing, analytics, supply chain and logistics, privacy policy and regulations, and transactions and payments. The entailing research gaps are understood and documented for further study.

### **Key Contributions**

The outcome of the study provides many insights for researchers and retailers. A range of research gaps has been identified in core aspects of metaverse retail. The six building blocks can further be extended to understand the practical challenges of retailing in the metaverse. The classification framework reveals many pressing concerns such as data privacy and regulatory issues that have implications for government bodies and retailers. Finally, a myriad of ethical questions arises that needs to be answered to maintain a safe and secure shopping environment in the metaverse.

### **References**

References are available on request

## **SERVICE RECOVERY OPTIONS**

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**Keywords:** Service recovery, recovery options, customer empowerment, customer satisfaction

**Description:** This paper investigates how the level of satisfaction with service recovery efforts can be improved by empowering customers with service recovery options.

### **EXTENDED ABSTRACT**

#### **Research Question**

Firms and researchers have long recognized the critical role of service recovery, defined as “actions an organization takes in response to a service failure” (Smith et al. 1999, p. 356) in the firm’s customer service strategy. Following Smith et al.’s (1999) seminal work, a lot of research on service recovery has been grounded in justice theory, focusing on the three dimensions of perceived justice which influence how people evaluate social exchanges. This perspective suggests that to reestablish equilibrium in the relationship, a customer’s loss (e.g., service delay, canceled flight, dirty hotel room) should be offset with an effective customer service response, which should be swift (i.e., procedural justice), demonstrate empathy (i.e., interactional justice), and offer fair compensation (i.e., distributive justice) (Roschk and Gelbrich 2017). Yet, despite all efforts, service failures abound, and service recovery effort often miss the mark. In the 2020 National Customer Rage survey, 66% of all participants reported experiencing service failures in the past 12 months and less than half of all complaints were handled

satisfactorily (Customer Care Measurement and Consulting 2020). Thus, the objective of this article is to examine an alternative theoretical perspective to better understand service recovery and offer guidance to managers as they aim to enhance their customer service strategy. Our focal research question asks whether service recovery efforts that enhance the customer's perceived empowerment can improve post-recovery intentions and behaviors.

### **Method and Data**

In Study 1, we created three service recovery conditions: offering a \$500 cash credit as compensation for the service failure, installing additional fans valued at approximately \$500, and providing a choice between the two. We recruited 125 participants from MTurk and randomly assigned them to the three conditions. The Net Promoter Score (NPS) was used as the dependent variable for our study. The NPS asked participants to rate the company on a scale from 0 to 10 in terms of how likely they would be to recommend the company to their friends and family.

In Study 2, we aimed to enhance generalizability by examining the effect in a new context with participants from the marketing department student subject pool of a large US university. The scenario involved service recovery efforts of a credit card company. The conditions include an offer to increase the credit limit, an offer to lower the interest rate, and a choice between the two. We also investigated the mediating effect of customer empowerment on service recovery options and customer mindset performance. In Study 3, we explored potential moderators (age, gender, income) on the relationship between service recovery options and recovery effectiveness.

Additionally, we examined the impact of service recovery options on perceived justice.

### **Summary of Findings**

Study 1 established initial support for the idea that providing customers with multiple options to redress service failure may lead to stronger service recovery, as indicated by a higher

NPS. Study 2 replicated the findings of study 1 but in a different service recovery context and with a different sample type. The results were consistent with Study 1, highlighting that offering service recovery options leads to superior brand outcomes (measured by NPS). The study also revealed the mediating effect of customer empowerment on the relationship between service recovery options and NPS. In study 3, the authors explored the moderating effects of gender, age, and income on the relationship between service recovery options and brand outcomes. The authors revealed that gender has a significant moderating effect, indicating that offering customers options is more important for men than for women. Similarly, income demonstrated significant moderating effect, suggesting that offering service recovery options is more effective for higher-income customers. Age did not demonstrate a significant moderating effect. Additionally, the authors found that none of the three justice scales (i.e., distributive, interactional, and procedural justice) have a significant mediating effect between service recovery options and better brand performance.

### **Key Contributions to Academe and Practitioners**

Service recovery constitutes an integral part of a firm's customer service strategy, as it aims to address and resolve customers' negative experiences with their products or services. With provision of effective service recovery, firms hope to restore customer satisfaction, increase customer loyalty, and strengthen their reputation. However, research has shown that in more than fifty percent of cases firms fail to deliver effective service recovery, eliciting customers' rage and dissatisfaction. This indicates that traditional means of service recovery provision, based on procedural, interactive, and distributive justice, are not as effective as traditionally believed, and there is a dearth of knowledge in this area. In our study, we address this gap by providing an alternative avenue to restore an equilibrium in the customer-firm relationship.

By introducing consumer empowerment to the context of service recovery, we enrich the academic literature involving customer service recovery process and highlight the necessity for the alternative research directions in this area distinct from those guided by justice theory. We also offer implications for practitioners who seek to improve the service recovery process and enhance their customer service strategy.

**References are available upon request.**

**SIMILARITY MATTERS: THE EFFECT OF ONLINE CUSTOMER REVIEWERS ON  
PRODUCT PERFORMANCE**

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**Keywords:** online customer reviews, reviewer characteristics, perceived similarity, perceived risk

**Description:** This research contributes to online customer review (OCR) literature by uncovering a new value of OCR, specifically, OCR reviewers who can signal the similarity between existing and potential customers, which alters perceived risk and purchase intentions.

## **EXTENDED ABSTRACT**

### **Research Question**

Whether a value of online customer review (OCR) reviewers can be to signal the similarity between existing customers and potential customers? If so, what reviewer characteristics can offer inferences about the similarity to potential customers, in turn altering product sales?

### **Method and Data**

This research leverages various data sources and employs multiple research methods. Study 1 relies on daily marketing and sales data for a number of fashion products and their corresponding OCR and employs product-level fixed-effect Poisson models to examine the research questions. In Study 2, we use an experiment to manipulate reviewer body size (average size vs. small size) and connect it to purchase intentions while testing proposed mechanisms. Study 3 examines a prominent reviewer characteristic, skin type using skincare product category data and aims to replicate the mediation model in Study 2.

### **Summary of Findings**

In Study 1, we find that a reviewer's body size signifies similarity to potential customers. An average body size, compared with a small one, connotes more similarities, thus reducing perceived risk and leading to more product sales. This effect is strengthened for poorly reviewed products and high-status brands. Study 2 not only replicates the above findings but also supports a serial mediation model first through perceived similarity and then by perceived risk directly. Study 3 demonstrates the above effects are generalizable beyond the fashion category.

### **Key Contributions**

This research contributes to OCR literature by uncovering a new value of OCR, specifically, OCR reviewers who can signal the similarity between existing and potential customers, which



alters perceived risk and purchase intentions. This value is above and beyond other frequently studied OCR and reviewer qualities. We also bring a nuanced insight into fashion research. This stream of research primarily focuses on the role of models featuring the product and their body size's impacts on consumer decisions. Our research demonstrates that besides models, reviewer body size also shapes potential customers' purchase decisions. Given that the implications drawn from our findings are not constrained to one product category, we also provide a general course of action for companies on how to leverage reviewer characteristics and perceived similarity in website and review platform design to increase product sales.

## THE EFFECTS AND MECHANISM OF DISCOUNTING UNIT PRICE

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**Keywords:** Unit price; shelf labels; sales promotions; dual processing; heuristic cues

This study shows that supermarket shelf labels that display both the regular and discounted unit-price, are more effective in influencing consumers than labels with just the discounted unit-price.

### EXTENDED ABSTRACT

#### Research Question

When promoting a product, supermarket shelf-labels would normally highlight the value or extent of the discount by displaying the regular selling-price together with the discounted selling-price. Meanwhile, unit price is another effective retail pricing tool (Bogomolova et al. 2020; Yao et al. 2020). However, *standard* shelf labels would normally display the discounted unit-price alone, without the regular (i.e., before discount) unit-price. If the regular selling-price acts as a reference anchor (Chandrashekar 2004; Lichtenstein et al. 1991; Urbany et al. 1988; Yun and Suk 2022) to heighten the discount deal, then why isn't the same approach used with the unit price? Although consumers can still calculate the regular unit price, given the regular price and the packaging size, studies have shown consumers may not find this calculation easy and often get the calculation wrong (Tan and Bogomolova 2016;

Yao et al. 2020). Besides, outside of lab studies, consumers often shop under time pressure and have little motivation to carry out this effortful processing (Hoyer 1984; Yao and Oppewal 2016). This study investigated the effectiveness of a *new* label that contains both the regular and discounted unit-price, and what underpins its efficacy in enhancing promotion attractiveness.

### **Method and Data**

Via four experiments in this research, we examined the potential merits of a *new* unit-price label that contains both the regular and discounted unit price. First, to provide externally valid evidence of the efficacy and practical feasibility of the new label, Study 1 was an in-situ natural experiment with the assistance of a mid-size privately-owned supermarket in the Pakistani city of Lahore. We recorded the daily sales of two perishable product categories with short shelf-life (fresh milk and bread), with four brands each, over a 4-week period. A Latin-square design rotated the products with either new or standard label. Study 2 examined the efficacy of the new label using products with small versus large pack size. Study 3 extended this research with a new manipulation of cognitive load, larger assortment size (Oppewal and Koelemeijer 2005), to test whether cognitive load enhances preference for products with the new label. Both Study 2 and 3 were conducted as hypothetical shopping experience via an online convenience surveys with consumers in Pakistan. Finally, Study 4 ran an implicit association test (IAT) to determine whether, and under what circumstances, the new label provides additional information or merely serves as a heuristic cue.

### **Summary of Findings**

The results of Study 1 supported our conjecture that the new label would lead to greater sales than a standard label. That is, products promoted with the new labels sold more than products promoted using the regular labels. Study 2 found that consumers perceived greatest value with the large pack-size/new label, compared to the other three labels: small

pack-size/new label, large-size/standard label, small pack-size/standard label. Study 3 showed that as the assortment size increased, consumers chose products with new labels disproportionately more often. Finally, an IAT experiment in Study 4 revealed that consumers tended to evaluate a deal heuristically rather than cognitively, and a new label signaled a good deal to consumers better than a standard label did.

### **Key Contributions**

Unlike previous studies that primarily treated unit price labels as providing utilitarian information to allow consumers to compare products, our results support that a dual processing mechanism explains the effects of these new labels. Providing both the discounted and the regular unit prices eliminated the need for this calculation and made this information available to less motivated consumers, who were similarly interested in identifying the most economical option. Our findings suggest that showing both unit prices also served as a heuristic cue for consumers processing sales promotions unconsciously.

More broadly, the finding also aligns with research asserting that consumers often process information affectively rather than rationally (Ehrenberg et al. 2000; Zajonc 1980). These results imply that the effectiveness of the new label is broad based as it appeals to consumers, regardless of their processing preference. A key managerial implication is that this new label offers managers another strategic tool for promoting their brands. An advantage of this strategy is that it is virtually free and takes little effort to implement. Yet, academic research and managerial practice had ignored this approach previously.

References are available upon request.

## **THE IMPACT OF IN-STORE AUGMENTED REALITY ON PATRONAGE INTENTIONS AND STORE PURCHASE**

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**Keywords:** Augmented reality, Customer value, Patronage intention, Store purchase.

**Description:** Our research investigates the impact of in-store augmented reality (AR) technologies on customer value dimensions (utilitarian, hedonic, and ethical), patronage intentions, and actual purchases, while also examining the moderating role of consumer innovativeness, to provide insights on leveraging AR to create an experiential edge and transform the physical retail environment.

### **EXTENDED ABSTRACT**

#### **Research Question**

The integration of digital capabilities into the physical retail environment and an increased focus on creating an experiential edge are increasingly becoming differentiators in brick-and-mortar retail. One technology, that has the potential to transform the retail experience is augmented reality (AR). This paper aims to investigate whether in-store AR technologies can motivate patronage intentions and incentivize customers to return to the store. Additionally, this research seeks to understand the role of utilitarian, hedonic, and ethical values in shaping customers' perceptions of in-store AR. The study also examines the moderating influence of consumer innovativeness on the relationship between in-store AR and value perceptions.

Overall, the research aims to provide insights into how retailers can effectively leverage AR to create an experiential edge and transform the physical retail environment.

### **Method And Data**

A field study was conducted in which customers of a cosmetic retailer were asked about their perception after their in-store visit. A total of 126 visitors to the store were surveyed, with 59 participants in the treatment group who had used the in-store AR try-on mirror and 67 participants in the control group who had not used AR. The participants' perceptions of utilitarian, hedonic, and ethical values were measured as well as their satisfaction with the retailer, and their patronage intentions. To test the direct and indirect effects, a seemingly unrelated regression with bootstrapping (10,000 samples, drawing on Zellner, 1962) is used.

### **Summary of Findings**

The study found that in-store AR had a positive effect on utilitarian and hedonic value perceptions. Customers who used the AR technology perceived greater utilitarian value, such as time savings and efficiency in the shopping experience. They also reported higher levels of hedonic value, including enjoyment and entertainment. However, the presence of in-store AR had a negative effect on ethical value perceptions, primarily due to concerns about privacy, trustworthiness, and potential physical risks associated with the technology. The study also revealed that consumer innovativeness played a moderating role. Customers with higher levels of innovativeness experienced stronger positive effects of in-store AR on utilitarian and hedonic value perceptions and were better able to mitigate the negative impact on ethical value perceptions. We were also able to show that the presence of in-store AR is increasing actual purchases, not only for consumers who pursue specific shopping tasks but also for consumers who visit the store more leisurely.

### **Statement of Key Contributions**

This research makes three key contributions. Firstly, it adds to the limited existing research on AR in physical retail by examining the impact of in-store AR on patronage intentions, actual purchases, and recommendations. It sheds light on whether in-store AR primarily motivates

task-oriented customers or those seeking recreational experiences. Secondly, the study provides insights into the interplay between in-store AR and customers' value dimensions, including utilitarian, hedonic, and ethical values. It highlights the potential negative effects of AR on ethical value perceptions, expanding the understanding of customer value assessment in the context of retail technologies. Thirdly, the research explores the role of consumer innovativeness as a pertinent consumer characteristic. By examining the moderating influence of innovativeness, the study offers valuable knowledge for retailers to effectively leverage AR and target the right customers. Overall, this research provides guidance for retailers on how to use in-store AR to appeal to digital customers, create an experiential edge, and transform the physical retail environment.

References are available upon request.

**THE ROLE OF DELIVERY PACKAGING CUES AND CONSUMER SHOPPING VALUES:  
A SYSTEMATIC LITERATURE REVIEW**

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**Keywords:** Online shopping; Delivery packaging; Systematic literature review; Post-purchase  
phase; Perceived consumer shopping values

**Description:** This research provides a holistic view on delivery packaging from a consumer's  
perspective by conducting a systematic literature review.



## EXTENDED ABSTRACT

### Research Question

Online shopping has become a crucial retail channel, comprising over 20% of the sector. The surge in online shopping has led to a significant increase in delivery packages with 159 billion parcels shipped worldwide in 2021. However, the negative effects of delivery packaging receive limited attention in marketing and consumer research. Common consumer concerns include delayed deliveries, lost packages, and unsatisfactory packaging. These issues can be particularly detrimental to online retailers as they represent the first tangible interaction between consumers and the brand. Existing research has focused on sustainability, transportation, and logistics aspects of delivery packaging (Azzi et al., 2012), while marketing studies have highlighted the importance of packaging cues in shaping consumer perceptions (Moreau, 2020). This systematic literature review aims to analyze and synthesize existing research on delivery packaging providing research propositions for future studies. The review seeks to establish a conceptual framework that explores the relationships between packaging cues, consumer perceptions, and marketing outcomes. Understanding these interrelationships is crucial for gaining insights into how consumers perceive different delivery packages and how they respond to them.

### Method and Data

The research follows the CAD (collection, analysis, and discussion of data) framework by Bichler et al. (2022) and selected articles based on specific criteria (e.g. research database, search terms, year, journal quality, etc.). The results of this search were manually reviewed, and the articles were checked for relevance, resulting in a final sample of 35 articles. These articles were

analyzed with descriptive publication information and research focus quantified through frequency analysis. A content analysis was then conducted to delve deeper into the literature.

The results are presented as a narrative synthesis.

Overall, this study provides a holistic review of the literature on delivery packaging, offering valuable insights into its various aspects and research findings.

### **Summary of Findings**

The literature on delivery packaging has experienced a surge in publications in recent years, with over half of the articles published in the last three years, underscoring its significance. Three key concepts emerged from the analysis: delivery packaging cues, perceived shopping values, and marketing success metrics. Delivery packaging cues encompass various elements, including packaging material, weight, size, tape, cushioning material design, etc. These cues can influence perceived hedonic values (aesthetic pleasure and unboxing experience) and utilitarian values (convenience, sustainability, and safety) associated with shopping.

Hedonic shopping values encompass aesthetic pleasure and the unboxing experience, which contribute to enjoyment, loyalty intentions, and willingness to pay. Utilitarian shopping values primarily focus on safety, convenience, and sustainability, with the size, weight, and material of the package playing crucial roles. Sustainable packaging practices positively influence loyalty intentions and brand attachment. Consumer characteristics, including shopping frequency and recycling behavior, also impact marketing success. Enhancing delivery packaging cues with, for example, tear strips can improve marketing success while reducing weight, size, and packaging material decreases the perception of excessiveness. The ability to recycle delivery packaging

increases the effects of utilitarian shopping values on marketing success. In summary, enhancing delivery packaging cues can positively impact marketing success.

### **Key Contributions**

Research on delivery packaging in marketing has been limited, mostly focusing on consumers' perceptions of individual cues like packaging material, weight, and size. To gain a comprehensive understanding, this study conducted a systematic literature review, providing a holistic view of delivery packaging from the consumer's perspective. The research derived a conceptual framework that revolves around consumer shopping values, influenced by delivery packaging cues, and their impact on marketing success metrics.

The review not only expands existing literature on the post-purchase phase but also sheds light on the reasons behind negative consumer behavior resulting from unsustainable, inconvenient, or unaesthetic delivery packaging. Moreover, it emphasizes the significance of delivery packaging cues in shaping consumer responses.

While the specific effects of delivery packaging cues on shopping values have been underexplored, this review underscores their importance for retailers and marketers. It offers insights into which cues are vital in addressing specific consumer behaviors, enabling retailers to understand how unsustainable or unappealing packaging can impact consumer behavior.

*References available upon request.*

## TO DO IS TO BE: WORKPLACE DESIGN FOR EMPLOYEE WELLBEING

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**Keywords:** Benevolence; Work Design; Anthropological Model

**Description:** This research exposes a path to benevolence fulfillment for frontline employees through work design that promotes activities that reflect individual prosociality and establishes internal connections among the workforce.

### EXTENDED ABSTRACT

#### Research Question

Organizations have a need to help and develop their employees holistically. Unfortunately, many organizations neglect key components of what workers need supported, their ethical and even spiritual motivations and wellbeing (Guillén et al. 2015). One specific facet of this according to the anthropological model, which we explore, is individuals' need for transcendence; their eagerness to serve and fulfill other's needs or to help others grow and learn (Pérez López 1974). Transcendence manifests, or is fulfilled, in organizational contexts by the ability to enact what we call benevolence toward important others in context. Based on the anthropological model, benevolence is a basic psychological motive to serve others and help them reach their potential; this is similar to concepts such as autonomy and relatedness in other organizational, motivation, and learning models (i.e., self-determination theory; Deci and Ryan 2000). Most important however, is the wide range of organizational benefits to promoting benevolence fulfillment for employees (for examples see Bolino and Grant 2016). In this research, we propose and empirically test specific levers managers can pull to facilitate benevolence fulfillment for their employees based on the anthropological model of organizational motivation.

#### Methods and Data

Our goal was to investigate the interplay between the Anthropological Model and Self-Perception Theory and how these explain the path from work design to individual benevolence fulfillment. Specifically, we test how, with Ethical Climate as a moderator, Empowerment and Feedback impacts OCBs and Relatedness, and their combined impact on Benevolence. To accomplish this goal, data were collected from frontline employees (n=1169) in a business-to-business construction services company in a South American country. Established multi-item scales were used to measure each of the six constructs included in the model.

To analyze the psychometric properties of the scales, we performed several tests to ensure convergent and discriminant validity, and internal consistency. Measurement analysis supported moving forward to hypothesis testing.

We tested our hypotheses using partial least squares structural equation modeling (PLS-SEM) with SmartPLS 4.0.0. We leveraged PLS-SEM as it is an analytical technique that: A) it is being increasingly used relative to CB-SEM (Hair et al., 2017).1); B) enables the estimation of complex models that contain many constructs, items, and relational paths (Chin, 1998); and C) is a “causal-predictive approach to SEM that emphasizes prediction in estimating statistical models” (Hair et al., 2019, p. 3), facilitating researchers’ ability to develop managerial implications.

### **Summary of Findings**

Our research exposes a path to benevolence fulfillment for employees through work design that promotes activities that reflect individual prosociality and establishes internal connections among the workforce. This directly supports the approach to influencing the internalization of relevant attitudes and motivations proposed in self-perception theory. Moreover, we move beyond the general impact and exposure effects expected in prior work (i.e., Grant 2007), to identify organizational citizenship behaviors and experiences of relatedness as the process underpinning the beneficial impact of work design. This is an important extension of prior work as these elements of the work experience are broader and more applicable across context; in reality, these apply in any working context. Our research supports the approach illuminated by the anthropological model to include three specific elements to promote internalization of benevolence needs for employees. We identify feedback as an element that represents consequences of actions, empowerment as a facilitating condition, and organizational ethical climate as the example employees will witness in the workplace. All elements were important to promoting organizational citizenship behaviors and relatedness directly or interactionally. As anticipated in the anthropological model, all are requisite for the ultimate goal of increasing employees experiences of benevolence fulfillment.

### **Key Contributions**

Our research exposes a path to benevolence fulfillment for frontline employees through work design that promotes activities that reflect individual prosociality and establishes internal connections among the workforce. This directly supports the approach to influencing the internalization of relevant attitudes and motivations proposed in the anthropological model and self-perception theory. Moreover, we move beyond the general impact and exposure effects expected in prior work, to identify organizational citizenship behaviors and experiences of relatedness as the process underpinning the beneficial impact of work design. These elements of the work experience are broader and more applicable across context; in reality, these apply in any working context. As such, these are elements of organizational work design that managers can consider as they seek to improve work design for employee wellbeing. Our research supports the approach illuminated by the anthropological model to include three specific elements to promote internalization of benevolence needs for employees. We identify feedback as an element that represents consequences of actions, empowerment as a facilitating condition, and organizational ethical climate as the example employees will witness in the workplace. As anticipated in the anthropological model, all are requisite for the ultimate goal of increasing employees experiences of benevolence fulfillment.

**References available upon request.**

## UNDERSTANDING AUGMENTED REALITY EXPERIENCE AND PURCHASE INTENTION IN MOBILE COMMERCE

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**Keywords:** Augmented Reality, Mobile Augmented Reality, Mobile Devices, User Experience

**Description:** This research investigates the impact of augmented reality experiences in mobile shopping environments on consumer purchase intentions.

### EXTENDED ABSTRACT

#### Research Question

Augmented Reality (AR) is a technology that combines real objects with virtual objects in a real environment (Azuma et al., 2001). The AR shopping experience allows consumers to perceive visual pleasure combined with sensory stimulation in a more direct and immediate way (Kim & Forsythe, 2008), making AR a persuasive technology, capable of forming, delivering, and influencing experiential value. It is estimated that the retail sector will be one of the most impacted by this technology, as companies are increasingly concerned with creating memorable experiences for their customers, aiming to strengthen their brands and earn their loyalty, expanding possibilities and the challenges of designing increasingly engaging and pleasurable marketing experiences for consumers.

Huang and Liao (2015) point to gaps in research that address consumer reactions to AR and Dacko (2017) indicates that the potential of AR in mobile online retail has been little explored. Given these gaps, the aim of this study is to investigate how the use of Augmented Reality, in terms of consumer experience, affects purchase intention in online mobile retail. For this, we evaluate how the effects of the AR experience, mediated by consumer evaluation factors established after the experience, affect purchase intention in mobile online retail.

### **Method and Data**

The model was tested using structural equations with a sample of 201 consumers who had tried an augmented reality application before responding to the survey. The study proposes the following hypotheses:

**H1:** *The Augmented Reality Experience has a direct and positive effect on the consumer perceived choice confidence during online retail purchases via mobile devices.*

**H2:** *The Augmented Reality Experience has a direct and positive effect on the positive emotions perceived by the consumer during the online retail purchase via mobile device.*

**H3:** *Perceived choice confidence has a direct and positive effect on the purchase intention in online retail purchases via mobile device.*

**H4:** *Positive emotion has a direct and positive effect on purchase intention in online retail purchases via mobile devices.*

### **Summary of Findings**

The sample of 201 respondents revealed that 60% had no prior knowledge of Augmented Reality and that 71% had not used applications with this feature before. 65% said they are in the habit of shopping online through mobile apps. For 76%, the search for

information on products for online purchases occurs daily, weekly, or fortnightly, but only 27% made online purchases with that same frequency.

The results verified the four proposed hypotheses. They indicate that after an Augmented Reality Experience, the individual is better able to assess the benefits and importance of using a product during the online purchase decision process. Consumers, when experiencing the product virtually using AR, had greater certainty in choosing the product (Porter & Heppelmann, 2017), better evaluating the cognitive aspects of the purchase decision-making process while also feeling stimulated and excited with the experience (Olsson et al., 2013), affective aspects present in the purchase journey. Therefore, this research suggests that affective and cognitive aspects of the use of AR in online retail applications via mobile devices can motivate purchases, with the cognitive aspect embodied by the construct Choice Confidence being improved by AR experiences and strongly affecting Purchase Intention (Dacko, 2017; Brito et al., 2018).

### **Key Contributions**

The study evaluates and verifies that affective and cognitive aspects associated with the use of AR in online retail applications via mobile devices can motivate purchases, with consumer choice confidence and positive emotions being improved by AR experiences and strongly affecting Purchase Intention. Therefore, the creation of pleasurable AR experiences can contribute to good results in experiential marketing, improving the quality of consumer shopping experiences and stimulating purchases. Consequently, AR technology is a resource of great value in the composition of marketing strategies to be adopted for mobile retail. Regarding the construction of applications using Augmented Reality, companies must explore the sensory and visual stimuli offered by technology to enhance shopping contexts, making



them more engaging. Since virtual experimentation can create familiarity with the product, which can have a persuasive effect and a motivation for the consumer's predisposition to purchase, this technology can be a compelling resource for retailers.

**Note:** References are available on request.

# **Sales, Sales Management and Front-line Employee Issues**

**DELEGATING PRICING AUTHORITY TO THE BUSINESS-TO-BUSINESS SALES  
FORCE: A MULTIMETHOD STUDY**

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**Keywords:** pricing authority, delegation, sales force, sales management, behavioral agency theory

**Description:** This paper conducts a multi-method approach to investigate the antecedents of the pricing authority delegation (PAD) decision emphasizing the role of employment decisions and investments in IT systems.

## EXTENDED ABSTRACT

### **Research Question** (158 words)

As sales representatives usually know their customers best, pricing authority delegation (PAD) to the business-to-business (B2B) sales force is a crucial decision for sales managers (Bhardwaj 2001). However, B2B sales and pricing have drastically changed in recent years. Not only has the sales process evolved due to technological and societal megatrends (e.g., digitalization, globalization; Moorman and Day 2016), but salespeople's qualifications and profiles have also drastically changed (e.g., Keller and Meaney 2017; Mayer and Greenberg 2006). These changes, in turn, likely influence the optimal degree of PAD.

Although research on PAD in the past decade is scarce, most current studies outline a set of potential influencing factors in a precise manner, such as salesperson characteristics (Frenzen et al. 2010) and IT systems (Homburg, Jensen, and Hahn 2012). As a contribution to the literature, we pose our research question: What is the impact of sales academization and investments in IT systems on PAD, and what are their performance implications?

### **Method and Data** (185 words)

*Prestudy.* We conducted 27 explorative expert interviews in a prestudy to further specify influencing factors.

*Data collection and sample of main study.* Most of our focal constructs (e.g., PAD, sales academization) are unavailable from secondary data sources. Therefore, we employed a cross-industry field study and matched it to objective performance data to test our hypotheses on a broad empirical basis. In total, we provided 2,200 key informants with our online questionnaire. First, we identified potential respondents via a social business network and selected them according to their potential insights into the pricing structure of their firm. Then, we used established financial databases to match each respondent's financial performance data. Through these endeavors, we received 375 complete

questionnaires with objective performance data available (a response rate of 17%). During collection, we checked how knowledgeable and competent participants felt about answering the questionnaire (Kumar, Stern, and Anderson 1993) and ensured key informant accuracy by their hierarchical position and long tenure.

*Measures.* We adapted scale items from the literature, foremost multi-item measures whenever possible. Nonetheless, we assessed the reliability and validity of our constructs using confirmatory factor analysis.

### **Summary of Findings** (178 words)

We answer two research questions with regard to the PAD decision. In addition to receiving support for most of our hypotheses, we find surprising effects that open avenues for further research. First, we shed light on the societal phenomenon of sales academization and integrate it into the pricing context. Accordingly, we reveal that sales academization has a negative, significant effect on PAD. This result is surprising, as we are also able to prove that sales academization positively moderates the performance effect of PAD (by increasing maximum pricing performance).

Second, we find that managers delegate more pricing authority to their sales forces when investments in IT systems are high. This behavior is in line with the contingency effect of investments in IT systems. On this account, we show that such investments likely improve decision-making and/or indicate control and, as such, have a positive effect on PAD's performance consequences. By shifting the turning point to the right, investments in IT systems are favorable for the sales organization because the negative effects of delegating too much pricing authority emerge later.

**Key Contributions** (198 words)

Firstly, we add to the diverging discussion on what degree of PAD is helpful or harmful for the sales process. Employing today's standard guidelines for U-shaped relationships (see Haans, Pieters, and He 2016), we find support for the inverted U-shaped effect, first introduced by Homburg, Jensen, and Hahn (2012).

Secondly, we address specific calls to extend research on the influencing factors of PAD. Prior research (e.g., Frenzen et al. 2010; Homburg, Jensen, and Hahn 2012; Joseph 2001) proposes a set of potential aspects that likely affect the PAD decision. In line with these propositions and the findings of our prestudy, we highlight sales academization and investments in IT systems as playing prominent roles in the pricing decision.

Thirdly, we shed light on the societal trend of academization. From the perspective of the selling organization, the demand for academically trained salespeople is growing. In our performance study, we find that more academized sales forces perform better. Surprisingly, we also find that sales managers delegate less pricing authority to more academized sales employees. On this account, we propose a set of ideas that drive this counterintuitive finding, which is highly valuable for societal stakeholders, such as universities and profit firms.

References are available upon request.

## **DID SALESPEOPLE WITH LONGER ORGANIZATIONAL TENURE PERFORM BETTER THAN NEWER SALESPEOPLE DURING THE COVID-19 PANDEMIC?**

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**Keywords:** Salesforce, Productivity, Effectiveness, Organizational Tenure, Pandemic Disruption

**Description:** This study investigates the effect of the salespeople’s tenure on their productivity and effectiveness during the crisis period.

### **EXTENDED ABSTRACT**

#### **Research Question**

The COVID-19 pandemic significantly impacted the sales industry, leading to changes in sales processes, job roles, and shifts in work environments, including work from home (WFH). Salespeople were particularly impacted within organizations that relied on inside salespeople working in a call-center environment utilizing company devices and community work environment. They had to suddenly shift to WFH, utilize personal devices, and cope with remote supervision and coaching – all elements that could significantly lower their productivity and effectiveness with respect to meeting their sales targets. This paper examines the effect of the pandemic disruption on salesperson productivity and effectiveness, with a special focus on the differential impact on salespeople with higher and lower levels of organizational tenure and the nature of their selling tasks. The key research question for this study was: Did the COVID-19 pandemic disruption differentially affect productivity and effectiveness of salespeople according to their length of organizational tenure?

## **Method And Data**

We examined relationships between organizational tenure, pandemic disruption, salesperson type (outbound vs. inbound), salesforce productivity, and salesforce effectiveness using three years of data at the quarterly level from a US-based technology product firm. This firm is focused on B2B selling to small business organizations through inside salespeople (in call centers) for both outbound (i.e., demand generation representatives) and inbound (receiving sales inquiries). We obtained data for three phases of pandemic disruption: 1) pre-pandemic, 2) during-pandemic, and 3) post-pandemic. In the dataset, we have information including the tenure of salesperson (rep), number of reps, and whether these reps were involved in outbound or inbound selling activities. For our study, we operationalized the dependent variables as ‘salesforce productivity’ and ‘salesforce effectiveness’ based on “revenue per rep per day,” and “extent of sales quota achievement,” respectively (Hayati, Atefi, and Ahearne 2018; Siguaw, Kimes, and Gassenheimer 2003).

## **Summary of Findings**

We find support for the main effect that increasing organizational tenure initially has a positive effect on salesforce productivity (linear effect: beta coefficient = 1896.64,  $p < .01$ ), and then at higher levels, it has a negative effect on productivity (quadratic effect: beta coefficient =  $-59.86$ ,  $p < .01$ ), indicating a significant inverted U-shaped effect. Similarly, we find an inverted U-shaped effect of organizational tenure on salesforce effectiveness (linear effect: beta coefficient =  $.04$ ,  $p < .05$  and quadratic effect: beta coefficient =  $-.01$ ,  $p < .05$ ). We also estimated the influence of contextual factors. We find a significant interaction between pandemic disruption and organizational tenure on salesforce productivity with a positive coefficient of the interaction term for during-pandemic (beta coefficient = 34.44,  $p <$



.01) and post-pandemic (beta coefficient = 49.29,  $p < .01$ ) in comparison to pre-pandemic phase. Similarly, for salesforce effectiveness, we find a significant positive coefficient of the interaction term for post-pandemic (beta coefficient = 0.00,  $p < .10$ ), however, no significant term for during-pandemic phase (beta coefficient = 0.00, n.s.). Overall, our results indicate the flattening of curvilinear effect of organizational tenure on salesforce productivity for both during- and post-pandemic; however, flattening of the curvilinear effect of organizational tenure on salesforce effectiveness only for post-pandemic phase. Regarding the moderating role of salesperson type, the interaction term of organizational tenure with salesperson type on salesforce productivity is significantly positive for outbound rep (beta coefficient = 40.58,  $p < .05$ ) than inbound rep. Concerning the salesforce effectiveness, we find a significant positive interaction term of organizational tenure with the outbound rep (beta coefficient = .01,  $p < .10$ ).

Overall, we find that individual salesperson performance decreased during the early stages of the pandemic period, but subsequently as time elapsed, salesperson performance improved, particularly of salespeople with longer organizational tenures, to briefly surpass even the pre-pandemic levels. The findings of this study suggest that the pandemic has had a negative impact on salesperson productivity and effectiveness, especially for those with less organizational tenure and those whose tasks require more demand generation activities.

### **Statement of Key Contributions**

This study provides the first evidence of how the COVID-19 pandemic affected salespeople productivity and effectiveness, particularly as most inside salespeople had to work remotely and from home. Through our study, we extend the sales literature by linking salespeople's

tenure with their productivity and effectiveness during crisis periods. The study results have managerial implications as evidence suggests that organizational tenure of salespeople creates greater resilience in them to handle disruptions. It has implications for creating work group cohorts consisting of salespeople with varying levels of organizational tenure to handle disruptive situations with peer group support. It also has implications for employee training and better support during situations of disruptions and consequent operations.

\* \* \*

**DIRECT SELLING DISTRIBUTOR TURNOVER IN EUROPE: DETECTING  
POTENTIAL LEAVERS ACROSS COUNTRIES**

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**Keywords:** Direct Selling, distributors, Europe, turnover intention.

**One sentence summary:** Direct sellers' intentions to leave are primarily driven by the same variables across Europe.

**Acknowledgement:** This research was made possible by a research grant from the Direct Selling Educational Foundation, which also provided the data along with the European Direct Selling Association (Seldia).

## EXTENDED ABSTRACT

### Research questions

In 2020, direct selling (DS) salespeople generated revenues exceeding €32 billion in Europe. However, academia has dedicated little attention to this distribution channel (Wotruba et al., 2005), often analyzing sales persons active in other channels (Sunder et al., 2017). Furthermore, salesperson turnover in DS has not previously been studied from a cross-country perspective.

We provide insights into DS distributors' intention to leave as personnel turnover is a key operational risk for DS firms. Based on the literature in organizational commitment, sales management, and direct selling, we develop and investigate a conceptual model that explains the intention to leave of DS distributors across Europe.

We assess whether DS companies need to adapt to local markets and context-specific circumstances (Seldia 2017) across the diverse countries of Europe. Thus, our two key research questions are:

1. What factors affect turnover intentions of direct sellers in Europe?
2. To what extent are antecedents of turnover intentions consistent across different countries in Europe?

### Method and Data

We analyze a unique dataset containing 26,962 DS distributors from 11 European countries. Intention to leave is assessed using a four-point measurement. This measure is dichotomized to enhance simplicity of the analyzes and to handle low frequencies in the two categories leaning towards leaving. Based on an extensive study of the literature the following 16 variables, from three distinct categories, are included as independents in the analyses:

- *Personal Characteristics*: Absolute income, Income change: gain, Income change: loss, Working hours;

- *Job Characteristics:* Perceived organizational support, Perceived supervisory support, Pressure to sell more;
- *Control Variables:* DS only for ambitious entrepreneurs, Met expectations, Preference for additional income, Products as main reason for involvement in DS, Referral, Satisfaction, Tenure, Working full-time outside DS, Working part-time outside DS

We investigate the influence of these 16 antecedents of DS distributors' intention to leave, using binary logistic regression. In addition, multilevel logistic modeling and latent class binary logistic regression are applied to assess whether the effects of the modeled factors are similar across the 11 analyzed European countries (Czech Republic, France, Germany, Italy, Lithuania, The Netherlands, Poland, Slovakia, Spain, Sweden, UK).

### **Summary of Findings**

The estimated binary logistic regression model includes the 16 independent variables and results in a Nagelkerke  $R^2$  of 0.315, and  $\chi^2$  of 3,201.96 ( $p < 0.001$ ). We find that both personal characteristics and job characteristics affect the intention of direct sellers to leave, with personal characteristics having a somewhat stronger effect. More specifically, the personal variables income gain and loss both display effects in the obvious directions. The job characteristic, perceived organizational support results in lower intentions to leave, while pressure to sell more increases the leave intention. The control variable DS is only for ambitions entrepreneurs increases intention to leave, while all other control variables significantly reduce leave intentions, with the exception of working fulltime outside DS (which has an insignificant effect).

The two advanced statistical procedures, multilevel logistic modeling and latent class binary logistic regression, show effects of direct sellers' antecedents for intentions to leave are similar across the 11 analyzed countries, which is surprising given the diversity in many relevant variables across these European countries.

### **Key Contributions**

The reported results contribute to the literature by shedding light on the workforce's organizational commitment within internationally operating DS firms. Additionally, we introduce context-specific DS variables into the Organizational Commitment literature that may also be of relevance in other fields. More generally, this paper contributes to the limited literature on DS workforce management.

The results provide managerial implications for DR organizations. First, the results imply that DS firms should not be overly reluctant in entering additional European countries, as direct sellers behave much more similarly than one might expect. Second, we offer actionable suggestions that can be implemented in the HR strategy of DS firms to reduce personnel turnover. For example, our empirical results illustrate that it is advantageous for companies to refrain from exerting undue sales pressure on their sales force. Third, we identified the willingness to recommend one's firm to friends and family (*referral*) as a particularly strong predictor of DS distributors' turnover intention. DS firms can easily measure this variable in their distributor forces to get a broad understanding of the current situation. In fact, this variable is already frequently measured to determine the Net Promoter Score (NPS).

*References are available upon request*

**EMOTIONAL AND PROFESSIONAL COMPETENCE OF SERVICE EMPLOYEES  
IN OFFLINE AND ONLINE ENCOUNTERS: ROLE AND RELEVANCE**

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**Keywords:** FLE emotional competence, FLE professional competence, offline versus online service encounters, dyadic service interactions, service success

**Description:** This research investigates the joint role of frontline employee (FLE) emotional competence and professional competence in offline versus online service encounters for service success.

## EXTENDED ABSTRACT

### Research Question

FLE competencies play a major role for giving personal shopping advice and, consequently, the success of dyadic service encounters. While most literature has focused on FLE professional competence, this study emphasizes the role of emotional competence. In offline contexts, it has been shown that emotionally competent FLEs drive successful service encounters (Delcourt et al. 2016), but so far it is unclear if this also holds for the online context. The first objective, thus, is to investigate the influence of FLE emotional competence on service success in online service encounters.

Research further shows that FLE professional and emotional competence interact in driving service success (Delcourt et al. 2017). As their joint effect in an online context is yet unknown, the second objective is to examine the combined impact of FLE professional and emotional competence on service success in an online setting.

Customer emotions are an essential underlying factor for service success (Hennig-Thurau et al. 2006). The third objective is, therefore, to examine the role of customers' emotional state in the relationship between FLE emotional competence and service success in online (vs. offline) service encounters.

These objectives lead to the development of a research model, which is then empirically tested.

### Method and Data

A qualitative pre-study with a sample of two female and four male consumers ( $M_{\text{age}}=35.33$ ,  $SD=8.26$ ) was conducted to get insights on how consumers have changed their shopping behavior and how their expectations as to FLE competencies might have changed in this regard.



Three experimental studies were conducted to test the proposed relationships. First, a one-factorial between-subjects experimental design ( $n=126$ ,  $M_{age}=27.84$  years, 70.60% female) was used manipulating FLE emotional competence into low vs. high. Second, an experimental study ( $n=187$ ,  $M_{age}=39.96$  years, 42.20% female) using a 2 (FLE emotional competence: low vs. high) x 2 (FLE professional competence: low vs. high) between-subjects factorial design was conducted. The third experimental study ( $n=115$ ,  $M_{age}=23.92$  years, 79.10% female) again used a 2 x 2 between-subjects design, manipulating FLE emotional competence (low vs. high) and the context (offline vs. online). In all studies, participants were given a short scenario asking them to imagine being a customer at a fictive online fashion retailer offering shopping advice (DressMe). An online questionnaire then captured the manipulation checks, the participant's intention to take advice, satisfaction with the FLE, word-of-mouth (WOM) (which are understood as service success), emotional state, and mood.

### **Summary of Findings**

The qualitative pre-study demonstrates the importance of different FLE competencies and the increasing relevance of the online context and, thus, argues for an investigation of FLE professional as well as emotional competence in both offline and online service encounters.

The three experimental studies reveal that, first, emotional competence is an important driver of service success (i.e., advice taking, satisfaction with the FLE, and WOM) also in online service encounters. Second, the results confirm the hypothesized interaction effect and show that given FLE emotional competence is high, the effects of FLE professional competence on advice taking and satisfaction with the FLE are weaker compared to when FLE emotional competence is low. No significant effect, however, was found for WOM. Third, the results show that FLE emotional competence has a positive impact on customers' emotional state, which further drives customer advice taking, satisfaction with the FLE, and

WOM. Despite the importance of FLE emotional competence in the online setting, findings show that the effects of FLE emotional competence on customers' emotional state are stronger in offline service encounters.

### **Key Contributions**

This research contributes to the literature on dyadic service interactions, FLE competencies, advice taking, and emotions following Kano's model (1984) and theories of emotions (Russell 2003; Scherer 2005) by demonstrating the importance of FLE emotional competence for service success in online service encounters. It reveals that FLEs with high emotional – and not only professional – competence can increase customer advice taking in offline and online service encounters. While we provide evidence of the relevance of emotional competence in online service encounters, results also show that emotional competence is even more important for offline than online services.

To improve service success, management needs to be aware of the high relevance of emotional competence in both encounters. Retailers should thus design FLE recruiting and training processes to work on applicants' professional *and* emotional capabilities. Additionally, workshops for existing staff are valuable as professional and emotional competence should be developed and trained. However, the technology-mediated environment of online services may hinder the utilization and impact of emotional competence due to a lack of proximity and limited sensory stimulation. Therefore, personal shopping advice should be offered via video instead of phone calls in online service encounters which also simplifies the exchange of emotions.

**Selected References are available upon request.**

**ETHICAL CLIMATE'S CURVILINEAR  
SALESPERSON PERFORMANCE IMPLICATIONS**

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**Keywords:** Ethical climate; Salesperson performance; Increasing incremental effect; Survey

**Description:** This study hypothesizes and tests a nonlinear, increasing incremental effect of ethical climate on salesperson performance which is enhanced by competitive intensity and attenuated by role autonomy.

## EXTENDED ABSTRACT

### Research Questions

Examinations between a firm's ethical climate and salesperson performance have been limited to linear hypothesizing and testing. However, need-gratification and dual-factor motivation theories suggest their relationship may be nonlinear. Ethical climate is a high-order motivational factor which suggests ethical climate will have an increasing incremental effect on salesperson performance. Our first research question thus asks (1) does the positive effect of ethical climate on salesperson performance increase as the level of ethical climate increases? Beyond this focal relationship, these theories also provide guidance regarding the selection of moderators that amplify or attenuate the extent of the nonlinear relationship. When experienced under challenging conditions, the importance of higher-order motivators increases. As such, we examine whether a factor that increase the challengingness of the salesperson's situation (competitive intensity) amplifies the nonlinear relationship between ethical climate and salesperson performance. We also explore role autonomy as a factor decreasing salesperson challenge—i.e., as an attenuator of this relationship. We thus also ask (2) does the positive nonlinear effect of ethical climate on salesperson performance increase as the level of competitive intensity increases? and (3) does the positive nonlinear effect of ethical climate on salesperson performance decrease as the level of role autonomy increases?

### Method and Data

We gathered survey data from full-time B2B salespeople with a minimum of one year of experience. They were also required to be part of a firm with at least 20 employees to ensure that their ethical climate extended beyond their own ethical perceptions. Furthermore, we required respondents to come from different organizations to maintain observational independence for the analysis. We used Qualtrics to select respondents consistent with our parameters. In addition to the main sample, we collected pretest data through Qualtrics to obtain an initial assessment of our measurement instrument. All scales used in our inquiry came from previously advanced measures and evidence adequate reliability. In the main sample collection, Qualtrics invited 832 respondents to take the survey. Respondents who did not meet the inclusion specifications, were inattentive, and/or provided incomplete data were excluded from the study. The final sample consisted of responses from 485 B2B salespeople from an array of industries who averaged 8.7 years of experience and were a mixture of men (62.9%) and women (37.1%). We used EQS 6.3 structural equation modeling software and SPSS 28 to conduct the analysis. We addressed common method variance empirically through the unmeasured latent method factor technique.

### Summary of Findings

We generated standardized beta coefficients to test the hypotheses in our model. The addition of variables at all three levels (main effects, linear moderation, nonlinear) of the hierarchical model resulted in a statistically significant increase in the model's R-square. The statistically significant change in R-square that results from the addition of the nonlinear terms indicates they add explanatory value beyond a linear model. In our first research question, we posited an escalating nonlinear relationship between ethical climate and salesperson performance—i.e., higher levels

of ethical climate are increasingly beneficial for the salesperson. Our prediction is confirmed, as the coefficient on the nonlinear term is significant and positive ( $\beta = .15, p < .05$ ). In our second research question, we predicted that competitive intensity positively moderates the nonlinear ethical climate–salesperson performance relationship—i.e., higher levels of competitive intensity increase the magnitude of nonlinearity. We find support for this hypothesis ( $\beta = .22, p < .05$ ). Last, we theorized in our third research question that role autonomy would attenuate the nonlinear ethical climate–salesperson performance relationship. This prediction is also supported ( $\beta = -.22, p < .05$ ).

### **Key Contributions**

Our findings provide the first empirical evidence of a nonlinear relationship between ethical climate and salesperson performance. Consistent with need-gratification and dual-factor motivation theories, our findings show that ethical climate has an increasing incremental effect. Ethical climate is not just beneficial to salesperson performance, but it is increasingly so. Our study supports our theoretical arguments in that we show the challengingness of the sales environment serves as a critical boundary condition to the focal nonlinear relationship. Competitive intensity increases the challengingness in a salesperson’s role and thus generates an amplifying effect on the nonlinear relationship. The slope of the curvilinear relationship becomes steeper at high levels of competitive intensity, while at low levels of competitive intensity the curvilinear relationship is curtailed. These insights suggest that firms should take stock of their environmental conditions to understand whether investments in strengthening their ethical climate will yield exponential returns. Regarding role autonomy, we discover an attenuating impact on the nonlinear relationship between ethical climate and salesperson performance such that the curvilinear relationship becomes flatter at high levels of role autonomy, while the nonlinear gains accelerate at low levels of role autonomy. This finding extends insight into the contingent nature of role autonomy.

**References are available upon request**

## **EXTENDED REALITY IN THE B2B CUSTOMER DECISION JOURNEY**

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**Keywords:** business-to-business sales, extended reality, customer decision journey, sales management

**Description:** The present paper conceptualizes the use of XR technologies in B2B sales processes along the customer decision journey.

## **EXTENDED ABSTRACT**

### **Research Question**

During the last decade, Extended Reality (XR) technologies, such as Augmented Reality, have received a boost in distribution across society and implementation in business. With their unique capabilities, XR technologies promise to advance business-to-business (B2B) sales processes.

Despite the immense economic impact of XR in the future and promising findings of XR technologies on marketing and sales processes in the B2C context, little is known about the potential of XR technologies for B2B marketing and sales. Currently, existing B2B literature focuses primarily on applying XR in manufacturing and technical training (Wang, Ong, and Nee 2016). Beyond this rather technical focus, B2B literature on XR technologies consists of only two studies (de Jong et al. 2021; Boyd and Koles 2019), which provide initial, conceptual insights. Consequently, the literature on XR technologies in B2B sales processes lacks an empirical investigation. Therefore, we examine the following research questions (RQs):

RQ1: What are the touchpoints between XR technologies and B2B processes, and which are the most promising use cases?

RQ2: Which benefits can firms reach by implementing XR technologies in B2B sales processes?

RQ3: What are the challenges of using XR technologies in B2B sales processes, and which remedies enable a successful implementation?

### **Method and Data**

We chose a qualitative, inductive research design to obtain rich insights into the application of XR technologies in B2B sales processes. According to Corbin and Strauss (2014), this design is beneficial for areas not thoroughly researched yet and for discovering relevant insights that can later be tested through quantitative research. Consistent with prior research (e.g., Challagalla, Murtha, and Jaworski 2014), we base our interviews on a grounded theory approach by conducting in-depth interviews with B2B salespeople, XR technology experts, and B2B customers across different hierarchical levels, functions, and industries. We selected the interviewees by means of theoretical sampling. To analyze the data, we followed the established qualitative data analysis procedures according to Strauss and Corbin (1998), including open, axial, and selective coding.

To triangulate and validate our qualitative findings, we conducted two quantitative surveys with sales managers (N=87) and respective customers (N=220) from a B2B company in the construction industry. The company already uses XR technologies within its sales processes. First, our quantitative analysis aims to substantiate our research propositions by identifying the most promising benefits. Second and in line with our goal, the study aims to identify the most obstructive challenges.



### **Summary of Findings**

This research contributes to the scarce literature on XR technologies in the B2B context by providing a holistic framework for XR technologies within the B2B customer decision journey (RQ1 & RQ2). Based on the qualitative main study, we first developed nine research propositions that include specific and testable assumptions about XR technologies' customer- and sales-centric benefits in the B2B customer decision journey. For example, the most prominent application areas of XR technologies are within the consideration and evaluation phase of the customer decision journey, where implementing XR technologies evokes an innovative image of the company in the eyes of the customer. Additionally, customers reported having a more detailed product and process understanding and lower product ambiguity, particularly for products of high complexity.

Second, we investigated potential challenges arising from using XR technologies in B2B sales (RQ3) such as immature hard- and software and missing personal communication within sales meetings.

Finally, to triangulate the qualitative findings of the main study, we conducted a quantitative validation study. The quantitative survey enriched our qualitative insights regarding applicable use cases and corresponding benefits. For example, the customer survey results showed that customers who interacted through XR technologies rated a company's innovative image significantly higher.

### **Statement of Key Contributions**

This study addresses how XR technologies can advance B2B sales processes from salespeople and customer perspectives. Against this background, this study answers the overarching research question of how and when XR technologies influence the B2B customer decision journey. Our research enriches existing literature in three major ways.

First, we disclose several highly relevant use cases. More precisely, we identify that XR technologies primarily support the B2B sales process regarding the consideration and evaluation phase in the customer decision journey. For example, the results show that personalizing complex products provides a decisive added value during the evaluation phase. Second, we unveil that XR technologies in the sales process result in customer-centric benefits (e.g., enhanced customer loyalty) and economic benefits (increased cross- and upselling volume). Third, we disclose potential challenges of XR technologies in the sales process. In particular, the interviewees mention hardware and software-related challenges such as handling model size within a virtual environment.

Beyond contributing to academia, our results offer actionable implications for stakeholders such as B2B sales managers, corresponding salespeople, and upper management levels. For example, salespeople should integrate XR technologies early in their sales strategies to benefit from XR technologies' advantages in sales.

References are available upon request.

## **FRONTLINE EMPLOYEE MOTIVATION TO PARTICIPATE IN NEW SERVICE DEVELOPMENT: A CONCEPTUAL FRAMEWORK INTEGRATING THE THEORY OF PLANNED BEHAVIOR AND SELF-DETERMINATION THEORY**

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Keywords: frontline employees, new service development, motivation, self-determination theory, theory of planned behavior

Description: The study proposes a theoretical framework of antecedents to frontline employee motivation and intention to engage in innovation behavior and voluntarily participation in the organization's new service development processes.

### **ABSTRACT**

The current study proposes a theoretical model of frontline employee (FLE) voluntary engagement in new service development (NSD) based on Self-determination Theory and a modified Theory of Planned Behavior and incorporates individual level and organizational determinants of employee innovation behavior to address FLE willingness and enablement to participate in NSD.

### **INTRODUCTION**

Frontline staff involvement ranks as one of the top success factors for new services, and is a primary development team characteristic particularly in predicting commercial success of a new service (Storey et al., 2016). Frontline employees (FLE), e.g., sales representatives, play critically important roles in new service development (NSD) because they can identify customer needs, suggest new features or services to meet those needs, and improve customer perceptions of new service quality and ease of use, thereby contributing to the successful launch

of a new service (Kitsios and Kamariotou, 2020; Melton and Hartline, 2010; Storey et al., 2016). As operant resources, capable of acting on other resources, they are primary sources of competitive advantage (Vargo and Lusch 2004, 2008). Due to their important role in new service development, research is warranted to uncover the drivers and enablers of effective FLE participation in the design, development and delivery of new services.

Much of the research on FLE involvement in NSD is descriptive, fragmented and not grounded in or connected by theory (Antons and Breidbach, 2018; Biemans et al., 2016). The current research addresses these gaps by (1) proposing an integrative model of motivation and behavior based on Self-determination Theory and a modified Theory of Planned Behavior, and (2) incorporating both individual level and organizational determinants of employee innovation behavior into a unified theoretical framework that addresses FLE willingness and capability to participate in NSD. The emphasis on theory responds to the call by Antons and Briedbach (2018) to advance and integrate service innovation research by expanding its theoretical scope and building upon theories in other disciplines to inform the current discourse.

### **RATIONALE FOR AN INTEGRATED MODEL**

Various theoretical perspectives have guided research into the antecedent factors and processes that underlie human behavior. Among the most prominent and predictive is the theory of planned behavior (TPB), developed as systematic explanation of voluntary behavior based on a set of beliefs, formation of intentions and their enactment (Hagger and Chatzisarantis, 2009). Alternatively, a leading theory of human motivation, self-determination theory (SDT), offers a different approach by focusing on context and dispositional orientations that affect motivation and behavior. Both theories have proven effective in predicting behavior, but both have shortcomings that could be compensated for by combining the two theories in an integrated

model. SDT does not explain the process by which motivational orientations drive intentions and behavior. TPB does not address the origin of beliefs that drive the antecedents of behavior. An integrated model would utilize the motivational constructs of SDT as explanations for the origins of beliefs that drive antecedents of intention and behavior in TPB. SDT and TPB have been utilized separately in marketing to predict behavior (Gilal et al., 2019), but this study contributes to the service innovation literature by proposing an integrated model to more fully explain the motivational orientations, beliefs, attitudes, perceptions and organizational context that drive employee willingness and capability to innovate and participate effectively in new service development.

### ***Theory of Planned Behavior***

The theory of planned behavior (TPB) (Ajzen, 1991, 2012) is frequently used in marketing and other domains as a framework for predicting and explaining individual-level behavior (Steinmetz et al., 2016). In the theory of planned behavior, behavioral intention is the immediate antecedent of the target behavior (e.g., individual innovation behavior). Research strongly supports intention as the best predictor of behavior, accounting for 24% of behavioral variance (Steinmetz et al., 2016). Intention is in turn influenced by (1) attitude toward the behavior, i.e. favorable or unfavorable evaluation or appraisal of the behavior, (2) subjective norm, i.e., perceived social pressure to perform or not to perform the behavior and (3) perceived behavioral control, i.e., perceived ease or difficulty of performing the behavior (Ajzen, 1991). Those attitudes and perceptions are determined by antecedent behavioral, normative and control beliefs (Hagger et al., 2022). The effectiveness of the theory in predicting intention and behavior has been supported in numerous meta-analyses cited in the Steinmetz et al. (2016) study of effectiveness of behavior change interventions based on TPB.

### ***Self-determination Theory***

Self-determination theory (SDT) “focuses on the quality of an individual’s motivation in a given context and the environmental factors that affect motivation in that context” (Hagger and Chatzisarantis, 2009, p. 277). SDT has been applied successfully in work management healthcare, education and sports (Deci et al., 2017). The theory suggests that both employee performance and well-being are influenced by what type of motivation they have for their job activities. Specifically, autonomous (intrinsic) motivation (i.e., engaging in activity with willingness, volition and choice) leads an employee to reliably perform and learn better, and have a better sense of well-being. When intrinsically motivated, the employee’s reward comes from the interest and enjoyment of engaging in the activity itself, without external rewards or prompts, and the outcome tends toward high-quality performance and wellness (Deci et al., 2017).

Furthermore, intrinsic motivation is shaped by satisfaction of basic psychological needs for autonomy, competence, and relatedness. Autonomy is the perception that one’s behavior is volitional with respect to initiating, maintaining and terminating behavioral engagement. Competence refers to the feeling that a certain task is challenging but within the capabilities and abilities of an individual, and as a result can be intrinsically motivated and lead to personal growth, well-being and high performance. Relatedness is a sense of meaningful closeness, belonging and connectedness with others, leading the individual to internalize and accept the values and practices of contexts and individuals they feel connected to (Al-Jubari et al., 2019; Deci and Ryan 2000; Niemiec et al., 2006; Weinstein and Ryan 2011).

NSD work project conditions that support those basic psychological needs can produce intrinsic FLE motivation to engage in innovation project activities. That FLE self-determined motivation

can lead to positive attitudes and beliefs, high performance and a better sense of employee well-being.

TPB is not explicit about the origin of the various attitude and control beliefs. SDT can fill in that gap by identifying influences on formation of TPB beliefs. Consistent with Hagger and Chatzisarantis (2009), this study proposes that self-determined motives are determinants of TPB antecedents to intention and behavior. Specifically, we contend that satisfaction of basic psychological needs influences formation of positive attitudes, perceptions and norms toward engaging in innovation behavior, expressed as participating in NSD activities. Knowing the determinants of innovation behavior and their relationships offers opportunities for management to design interventions that can increase employee motivation, intention and actual, constructive participation in innovation activities.

## **PROPOSITIONS**

Figure 1 at the end of the paper displays the theoretical framework of determinants and enablers of FLE innovation behavior integrating Self-determination Theory and the Theory of Planned Behavior. Propositions connecting psychological needs satisfaction to antecedents of intention and behavior follow.

### ***Competence and Perceived Creative Self-Efficacy***

Researchers have found individual creativity to be a primary antecedent of individual innovation behavior. In their study of innovation in health services, Slåtten et al., (2020) found that individual creativity, psychological capital, and leadership autonomy support are directly and positively associated with hospital employees' individual innovative behavior. Individual creativity had the largest statistically significant impact on individual innovative behavior ( $b =$

.44), followed by psychological capital ( $b = .34$ ) and leadership autonomy support ( $b = .07$ ).

Individual creativity is defined by Slåtten et al., (2020) as the individual employee's production of novel, useful ideas or problem solutions.

According to those authors, the creative employee has (1) psychological capital consisting of a confidence (self-efficacy) to take on challenging tasks and put in the effort needed to succeed at them; (2) a positive feeling (optimism) about a successful future; (3) perseverance towards goals, and when necessary redirects paths to goals (hope) to succeed; and (4) when faced with problems and adversity, bounces back, sustains or increases efforts (resilience) to attain success. We conclude that an employee with confidence that they can creatively take on challenging tasks and succeed will have a favorable attitude toward engaging in innovation behavior. Their perceived creative self-efficacy satisfies their basic psychological need for competence and builds intrinsic motivation and positive beliefs to engage in innovation behavior. Therefore, we propose:

P1: Perceived Creative Self Efficacy satisfies a FLE basic psychological need for competence and is positively associated with (a) attitude, (b) subjective norm and (c) perceived behavioral control regarding engaging in innovation behavior.

### ***Autonomy and Perceived Job Autonomy***

In their study of implementation of a new online computer initiative, Cadwallader et al. (2010) found that giving service employees greater task autonomy improved results of the implementation process. Luoh, et al. (2014) reason that greater autonomy leads to a sense of freedom, and greater time and effort to improve service quality and offer customers unique and innovative solutions. Autonomy and confidence make employees more likely to seek out



additional resources, break out of conceptual limitations and generate innovative ideas and innovative solutions to problems they face. Therefore, we contend that if autonomy increases innovative behavior in task-level service delivery, the same mechanisms will lead to greater willingness to participate in new service development projects that have organization or system-wide impact. FLE perceived job autonomy satisfies the employee's basic psychological need for autonomy and builds intrinsic motivation and positive beliefs to engage in innovation behavior. Therefore, we propose:

P2: Perceived Job Autonomy satisfies a FLE basic psychological need for autonomy and is positively associated with (a) attitude, (b) subjective norm and (c) perceived behavioral control regarding engaging in innovation behavior.

### ***Relatedness and Perceived Psychological Safety***

Positive relationships at work and support from the work environment are associated with work related innovation behavior (Hammond et al. 2011). When employees feel that the work environment is safe for risk taking, they are more likely to take a risk and engage in innovative behavior, such as suggesting a new idea, providing feedback or actively engaging in development of a new value proposition.

Employees perceiving a psychologically safe work environment feel that it is safe to experiment and take risks, feel that their peers will not reject them for being themselves or saying what they think, respect each other's capabilities, and have positive intentions to one another. With such a perception of the workplace, employees engage in open communication, voice their concerns, and seek greater feedback. Those behaviors in turn influence learning and performance (Newman et al., 2017), and innovation behavior (Hammond et al. 2011). FLE

perceived psychological safety creates a sense of relatedness and belonging in NSD activities, satisfies the employee's basic psychological need for relatedness, and builds intrinsic motivation and positive beliefs to engage in innovation behavior. Therefore, we propose:

P3: Perceived Psychological Safety satisfies a FLE basic psychological need for relatedness and is positively associated with (a) attitude, (b) subjective norm and (c) perceived behavioral control regarding engaging in innovation behavior.

### ***TPB Construct Relationships***

Based on well established relationships of TPB constructs (Ajzen, 1991; Steinmetz et al., 2016), we propose the following. P4: Attitude toward engaging in innovative behavior has a positive association with frontline employee intention to engage in innovation behavior. P5: Subjective Norms are positively associated with frontline employee intention to engage in innovation behavior. P6: Perceived Behavioral Control is positively associated with frontline employee intention to engage in innovation behavior. P7: Frontline employee intent to innovate is positively associated with frontline employee innovation behavior.

### ***Leader/Organization Support***

Management support is key for effective FLE engagement in new service development. Top management can positively affect FLE participation in innovation via leadership styles; hiring, selecting and rewarding employees; financial incentives; designing job autonomy; providing role clarity; decentralizing decision making; facilitating communication and knowledge flows; and enabling participation mechanisms (Bysted and Jespersen, 2014; Cadwallader et al., 2010; Hoch, 2013; Jiang et al., 2012; Lai et al., 2016; Luoh et al., 2014; Talukder, 2011). Relevant training (e.g., design thinking) could enhance FLE perceived competence and willingness to

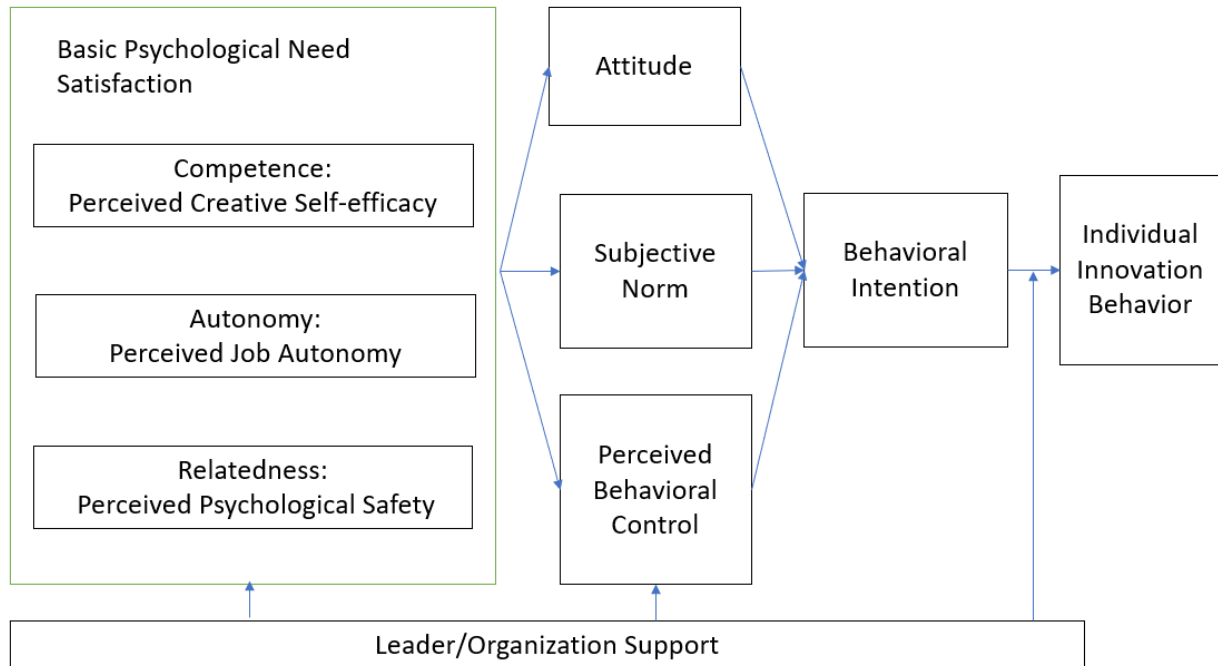
participate in NSD. Management initiatives to motivate and incorporate FLE input into NSD should (1) create a work context that satisfies individual employee needs for autonomy, competence and relatedness, (2) impact employee perceptions of behavioral control (e.g., possess the skills and are allowed to engage in NSD) and (3) and increase the likelihood that behavioral intention will turn into actual innovation behavior. We propose:

P8: Leader/Organization Support (a) has a positive effect on (i) Self-determination Needs Satisfaction and (ii) Perceived Behavioral Control, and (b) positively moderates the effect of Behavioral Intention on Individual Innovation Behavior.

## **CONCLUSIONS**

For actual, effective engagement in new service development, the FLE must have the willingness (intention) to engage and be allowed to engage. Conditions of “want to” and “allowed to” are both important in engaging FLEs in NSD to best make use of the knowledge, experience and insights they offer for ideation, development and implementation of new services and value propositions. The theoretical model based on SDT and TPB provides management with leverage points from which to affect frontline employee innovation behavior. A variety of TPB behavior change methods have been employed, such as goal setting, persuasion, improvement of skills, providing information, social encouragement, self-motivation, self-monitoring, financial incentives, modeling, and rehearsal of skills (Steinmetz et al., 2016). Consistent with SDT, we contend that offering training (e.g., design thinking and creativity training) and designing a work environment with psychological safety and appropriate levels of job autonomy can go a long way in supporting employee basic psychological needs and building positive beliefs about engaging in innovation behavior and NSD participation.

Figure 1 - Model of Frontline Employee Innovation Behavior



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## **HOW UNDERSTANDING COLLEGE STUDENTS' SELLING MOTIVATIONS AND CONTROL PERCEPTIONS CAN HELP DEVELOP SALES PROFESSIONALS AND INCREASE HIGHER EDUCATION SUSTAINABILITY**

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**Keywords:** sales motivation, perceived behavioral control, personal selling education, experiential learning, higher education sustainability

**Description:** Intrinsic motivators and factors that increased perceived behavioral control over the selling process were generally more important than extrinsic motivators to students who participated in a unique experiential learning sales project in which they supported their university's sustainability by selling its business program to the influencers of prospective students.

### **EXTENDED ABSTRACT**

#### **Research Question**

Despite the importance of individual motivation to sales performance, the commonness of collegiate sales classes, and the frequent use of real-world and other experiential selling in those courses, little research has explored students' motivation in the sales process. Given that today's college students are vital to tomorrow's salesforces, several stakeholder groups including sales course instructors and future employers should want to better understand the extent to which extrinsic motivators, intrinsic motivators, and perceived behavioral control factors drive students' sales efforts in an experiential learning-based personal selling course.

#### **Method and Data**

The study collected data from a personal selling course in which students sold their university's business program to the influencers of prospective students, e.g., high school

teachers, guidance counselors, coaches, and youth leaders, reaching out to them via emails, phone calls, and text messages, and asking them to do things such as post a flyer about the business program in their high school, connect with one or more of the university's business faculty on LinkedIn, and invite a business faculty member to speak to one of their high school classes. These and other specific influencer commitments represented different levels of sales.

The research took place at a small private university located in the northeast United States, during two consecutive fall semesters ( $n = 22$ ;  $n = 14$ ). All students were traditional-age undergraduates; most were marketing or business administration majors. The research instrument was an online Qualtrics survey in which students reported on one-to-five scales the extent to which eight intrinsic motivators, five extrinsic motivators, and five control factors inspired their sales work. Each of eighteen factors was measured by two very similar survey questions. The instructor matched these self-reported responses to each student's actual sales performance, or project grade.

### **Summary of Findings**

Overall, the results revealed that students were more motivated by intrinsic factors like sense of accomplishment, personal growth/development, and meeting clients' needs than by extrinsic factors. The main exception was that students overwhelmingly wanted to get a good grade ( $m = 4.58$ ). Students had relatively high intrinsic motivation to *help their university* ( $m = 3.57$ , rank = 10<sup>th</sup>); however, the *thrill of selling* was not particularly motivating for individuals just learning to sell ( $m = 3.38$ ) nor was *competing against others* ( $m = 3.00$ ). There also were some counterintuitive results, like *Learning to sell*, *Earning bonus points*, *Building my resume*,



and *Being recognized for making a sale* producing negative correlations with actual grade earned.

Perhaps the most notable results involved the five perceived control factors, which represented many of the highest means (#5, #7, #8, #9, #14). Also, the stepwise regression model settled on three factors that best explained variation in actual grade earned: *Existing contact network*, *Time to do the work*, and *Build my resume*. The first two were perceived control factors. Since *Build my resume* was negatively correlated with actual grade earned, the second model with just the two perceived control factors was likely the better one.

### **Key Contributions**

The study results offer potentially useful takeaways for three main stakeholder groups:

- **Employers:** They should consider that new Gen Z hires may be more motivated by intrinsic factors than extrinsic ones and want to hear examples that support they will be doing meaningful work that provides a *sense of accomplishment*, opportunities to *grow professionally*, and the ability to *meet people's needs*. New hires also may benefit from knowing they will be equipped to perform their sales work effectively.
- **Faculty:** Sales course instructors similarly should emphasize intrinsic motivators over extrinsic ones, while also clearly communicating how specific components of students' sales work will determine *the grade they receive* and while looking for specific ways to increase students' perceived control over their sales work.
- **Institutions:** The focal sales project can help alleviate the enrollment pressures that many in higher education face. During two semesters, the 37 students who participated

in the sales project produced: 642 prospects, 1,396 communications, and 264 sales.

These sheer numbers suggest that at least some new students have resulted, which can make a big difference for any institutions striving to remain sustainable.

References are available upon request.

**NOVEL SALE PREDICT MODEL USING SUPPORT VECTOR MACHINE:  
EVIDENCE FROM CHINA'S C2C PLATFORM**

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**Keywords:** SVM, C2C, Sale Prediction, Text Mining

**Description:** This study proposed an SVM model to predict sales using C2C platform data in China.

**EXTENDED ABSTRACT**

**RESEARCH QUESTION:**

The C2C platform enables direct transactions between customers, and consumers often make purchasing decisions based on product reviews. Chinese companies such as Xiaomi, Yijia, and Huawei sell products that cannot be purchased through official channels due to production and hunger marketing, and a significant portion of these products are sold through C2C platforms. Consequently, consumers often have a sense of distrust when shopping for mobile phones on C2C platforms, and consumer reviews play a crucial role in their decision-making process.

Given these reasons, it is necessary to study the comments on mobile phone products posted on C2C platforms.

**METHOD AND DATA:**

20000 items of user-generated content in a certain product category are collected as this research data from the largest C2C platform in China. In this step, deduplicated consumer reviews, and the contents of advertisements are removed. Moreover, the information with short evaluation and automatic reply to data by the system is deleted. Then, we segment the sentence and remove stop words. Finally, the 15000 consumer reviews were used for empirical study.

When classifying documents, True Positives (TP), True Negatives (TN), False Negatives (FN), and False Positives (FP) are used to compare the classifier's assigned class labels with the actual classes of the items. True positive refers to items correctly classified as positive, while True Negative refers to items correctly classified as negative. These four variables can be used to calculate other evaluation measures such as precision, recall, F-measure, specificity, and accuracy.

**SUMMARY OF FINDINGS:**

The results showed that our proposed SVM was superior to other methods.

**STATEMENT OF KEY CONTRIBUTION:**

Due to competition and globalization, sales forecasting is playing an increasingly prominent role in the decision-support systems of commercial enterprises. Effective sales forecasting can assist decision-makers in calculating production and material costs, as well as determining sales prices. A good forecasting method can help retailers reduce costs associated with overstocking and understocking. The accurate prediction of electronic commerce sales has been a significant

concern for e-commerce enterprises' management (Dakshata Argade, Hariram Chavan, 2017). This prediction can help reduce inventory costs and generate higher profits for the enterprise. Despite being a late entrant, China's e-commerce industry has developed rapidly (Neil Towers, Kiki Xu, 2016).

## **SALES-EXPERIENCED EXECUTIVES IN TOP MANAGEMENT TEAMS; THEIR IMPACT ON CORPORATE SOCIAL RESPONSIBILITY**

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**Keywords:** Sales, Corporate Social Responsibility, Top Management Team, Upper Echelons Theory

**Description:** This paper explores the relationship between sales-experienced top management team members and a firm's corporate social responsibility activities.

### **EXTENDED ABSTRACT**

#### **Research Question**

A great body of research has paid attention to corporate social responsibility (CSR) as a potential key to enhancing firm performance. CSR has been linked to a positive firm reputation, stronger competitive advantage, greater firm differentiation, and increased revenue generation. While CSR is frequently viewed as a corporate-level action, individuals within firms ultimately create, implement, sustain, or avoid such policies and actions. Even if scholars have drawn on upper echelons theory concepts to illustrate how top leaders' background characteristics impact a firm's CSR activities, little is known about the role of the domain-specific career experience of

sales in the top management team (TMT) members as an antecedent to CSR. To this end, we pose the following questions: What is the relationship between sales-experienced executives in the TMT and CSR, and will this relationship manifest differently in the firm's external and internal CSR efforts? Will the type of market a firm competes in (B2B vs. B2C) play a role?

### **Method and Data**

We collected data from multiple secondary databases, including MSCI, S&P Capital IQ Professional, CRSP, Compustat, and ExecuComp, as well as from various internet resources to track TMT-related variables and ensure consistency. We measured sales-experienced TMT members using two different proxies, one as the presence of the TMT members who have sales experiences prior to joining the firm and another as the number of TMT members who have sales experiences prior to joining the firm. Consistent with prior studies in this context, we test our hypotheses using panel data of 17,781 firm-year observations of public North America-based firms from the S&P 1,500 index collected from 2000 to 2013. We use a panel data fixed-effects regression model, controlling for both year and industry-fixed effects and include robust standard errors. We used all control variables and analyzed the effect of the sales-experienced TMT members on overall CSR, as well as internal and external CSR.

### **Summary of Findings**

Our analysis demonstrates that the sales-experienced executives in TMT positively affect the overall CSR of the focal firm. When considering two aspects of a firm's CSR separately, sales-experienced TMT is positively related to externally oriented CSR activities (community relations, environmental policies, human rights) but not to internally oriented CSR activities

(employee relations, diversity, products). This positive relationship is more pronounced in the B2C market compared to the B2B market.

### **Statement of Key Contributions**

This study makes important contributions. First, we provide evidence of the relationship between sales-experienced executives in the TMT and a firm's overall CSR implementation. This way, our study extends upper echelons theory, as we examine how sales-experienced executives' career tracks impact the formulation of CSR strategy. By focusing on the specific functional domain of sales, our study differs from other research that examined the broad umbrella of marketing or the combined marketing/sales experiences. Second, in recent years, proponents of the upper echelons theory have begun to explore the influence of CEO or CMO characteristics on CSR. However, less is known about the role of sales experience of executives in the TMT. Therefore, our study contributes to the corporate governance literature by suggesting that the firm's strategic decisions go beyond the purview of the CEO or CMO but is a function of collaboration among the TMT members. Lastly, this study adds to the CSR literature by identifying sales-experienced executives in TMT as an under-studied yet important antecedent to CSR, in addition to finding the B2C (vs. B2B) market as a condition prone to observing the positive relationship between sales-experienced executives and CSR.

**References are available upon request.**



**EXTENDED ABSTRACT****TITLE:****SALESPERSON LEARNING FROM CUSTOMER ENGAGEMENT WITH AI-HUMAN COACH ASSEMBLAGE****Author Names, University Affiliations:**

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**Keywords:** Salespeople training, Artificial Intelligence (AI) coaching, salespeople performance, organizational frontlines.

**Description:**

Our paper investigates how Artificial Intelligence (AI)-human coach assemblage models enable salesperson learning, analyzing 7206 AI-human coach assemblage training interviews of salespeople.

**Research Question**

Training sales employees and improving their learning as agile innovative problem solvers has recently attracted increasing attention from both academics and practitioners (e.g., Chung et al. 2021; Rangarajan et al. 2021). Past research showed that salesperson learning has a positive impact on customer and organizational outcomes (Bell, Menguc, Widing II 2009). Research has also investigated how AI can be optimally combined with salesperson coaching in order to improve continuous learning of salespeople (Singh et al. 2019). For instance, American firms annually spend 15 billion USD on sales training programs to increase productivity. However, 70% of the salespeople still report that they still lack structured training (Ingram et al. 2015, TaskDrive 2023). Despite the efforts to facilitate training and to improve salesperson learning

and organizational innovativeness, the question of the effectiveness of training to strengthen salesperson learning remains under studied (Singh, Flaherty, Sohi, et al. 2019).

Against this backdrop, our study aims to answer the research question: How can AI-human coach assemblage enable salesperson learning using customer engagement behaviors?

### **Method and Data**

In cooperation with ZTO technology, a company specialized in AI based sales training, we obtained data on 1819 individuals who conducted several training interviews together with a training partner playing the role of a customer. For training, each salesperson did 2-4 interviews on average utilizing the AI coaching system. Such training interviews lasted 660 seconds. The salespeople training also included a human coach intervention after the first interview. The aim of such human coach is to guide the salesperson to interpret the AI generated salesperson performance report and to provide paths for improvement and skills development recommendations (e.g., using fewer verbal tics, asking more open-ended questions, rephrasing customer needs). Overall, our sample is composed of 7206 interviews. In our nested panel data, we had several interviews grouped by each salespeople and we analyzed the data by using multi-level modeling in Mplus software. The multi-level analysis allowed us to assess the average salesperson learning across all salespeople overtime (i.e., with multiple interviews) and each salesperson's learning trajectory based on customer engagement behaviors i.e., expressed customer objections, needs, and questions.

### **Summary of Findings**

Our results reveal that for *between-level* salesperson learning, significant positive effect of expressed customer needs = .023,  $p < .05$  expressed customer objections = .763,  $p < .01$ ; and a negative impact of questioning = .097,  $p < .01$  on salesperson learning. Regarding *within-level* salesperson learning, significant positive effect of expressed customer needs = .044,  $p < .01$ ; expressed customer objections = .052,  $p = .050$ ; and a negative impact of questioning = .036,  $p < .01$  on salesperson learning. Thus, the results strongly support our hypotheses.

### **Statement of Key Contributions**

Our contributions are two folds. First, we contribute to salespeople learning literature by highlighting customer engagement behaviours as antecedents to a deliberate model of human-AI assemblage coach to enable salespeople learning effectively. Second, we demonstrate that providing an expert-based AI system coupled with a human coach to intervene in the training progress for customer engagement can be an effective way of improving salesperson learning.

References are available upon request.

**The effects of sales control on creative selling: A moderated mediation model of work engagement and job tenure**

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**Keywords:** Behavior-based sales control, Outcome-based sales control, work engagement, creative selling, job tenure

**Description:** This study addresses the importance of sales control systems on creative selling and work engagement

## EXTENDED ABSTRACT

### Research Question

Our research focuses on the relationships between sales controls and creative selling that should be answered in the marketing literature. First, do OBCS and BBCS enhance creative selling, respectively? Second, what mechanism motivates the relationship between sales controls and creative selling? Finally, if these two controls are used together, do they perform creative selling as substitutes, complements, or between the two (Sihag and Rijsdfijk, 2019)? What is the best combination of sales controls for salespeople's motivation (e.g., work engagement) to promote creative selling? To answer these questions, we use the job demands and resources (JD-R) model, which portrays job resources as job aspects that promote job performance, individual growth, and goal achievement, whereas job demands are job aspects that tax physical and mental efforts.

### Method And Data

To collect data, we contacted five insurance companies from a list provided by the Korea Life Insurance Association. Among them, one company agreed to sponsor the survey. We collected data from salespeople working in a third-place insurance company in South Korea with paper-and-pencil surveys. Of the 303 respondents enlisted, 270 salespeople filled out the survey (89.1% for response rate). Full-information maximum likelihood (FIML) was applied to handle missing values, which is regarded as one of the most desirable techniques for reducing biases caused by missing values. The descriptive statistics of our participants follows: average age (48.8, SD = 6.4), average job tenure (8.8, SD = 8.6), and female (98%). To test our research model, we performed the M-plus macro constructed by Hayes (2022) and Stride et al. (2015). By confirming that the Monte Carlo confidence intervals (MCCIs; bootstrapping cases = 20,000) did not

encompass 0 for indirect effect, we ensured that indirect effects of our model were statistically significant (Hayes, 2022).

### **Summary of Findings**

The results indicated that the positive relationship between outcome control and creative selling was mediated through work engagement ( $b = .107$ , 95% CI = [.063, .159]). However, behavioral control didn't have a significant indirect effect on creative selling through work engagement ( $b = .004$ , 95% CI = [-.023, .031]). We also explored the effect of the potential two-way interaction between outcome and behavior control on work engagement. The two-way interaction was significant ( $b = -.09$ ,  $p < .05$ ). In addition, a follow-up simple slope analysis (plotting simple slopes at the mean and mean  $\pm 1$  SD of the moderator) demonstrated this positive relationship was weaker with greater exposure to behavior control than lower level to it (low:  $b = .37$ ,  $p < .01$ ; average:  $b = .28$ ,  $p < .01$ ; high:  $b = .20$ ,  $p < .01$ ).

### **Statement of Key Contributions**

First, we found that outcome control positively affects creative selling via work engagement, while behavior control does not. This finding is consistent with arguments associated with creativity in that creativity may be enhanced when managers allow employees flexibility and autonomy in their jobs (Amabile, 1998; Coelho and Augusto, 2010). Second, as Miao and Evans (2013) mentioned, little research has investigated the interactive effects of sales control. Our study answered this need by identifying the interactive effect of outcome and behavior controls such that a high level of outcome control and a low level of behavior control enhanced creative selling via work engagement. This study also suggests important managerial considerations.

First, the findings of this study suggest that an organization carefully chooses sales control according to what sales behavior is desirable. Therefore, managers should be aware of whether each sales control is able to deliver the necessary job resources for a focal sales behavior. Second, our research shows that the interactive effects of sales controls are complicated to implement. Miao and Evans (2013) showed that the combination of sales control works differently depending on how they are combined (level of each control) and what they are combined with (objects of control). To enhance creative selling, sales managers should decrease close monitoring but guarantee salespeople's autonomy controlled by sales outcome.

## **THE NEW SERVICE ENVIRONMENT: EXPLORING THE ROLE OF FRONTLINE EMPLOYEES IN A SELF-SERVICE ERA**

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**Keywords:** self-service technology, frontline employees, retailing,

**Description:** This study investigates the impact of customer usage of self-service technology on employee outcomes in the retail industry, highlighting the influence of different SST platforms and emphasizing the importance of employee job satisfaction in shaping customer service encounters.

### **EXTENDED ABSTRACT**

#### **Research Question**

Meuter et al. (2000) define self-service technology (SST) as "...technological interfaces that enable customers to produce a service independent of direct service employee involvement (p.50)". In essence, self-service technology, also called technology-based self-service, encourages consumers to perform a service by themselves, relinquishing an employee the responsibility of providing the service (Dabholkar & Bagozzi, 2002). Within the retail industry, SST has shifted the nature of services by creating self-sufficient customers and diminishing frontline employees' role in service production (Dabholkar & Bagozzi, 2002).

Due to the nature of SST, academic literature has primarily focused on consumer behavior, specifically on the factors that affect consumers' willingness to use and accept SST throughout the service production process (Blut et al., 2016). On the other hand, frontline employees have been ignored in these studies. As a result, there is a gap in the literature on how SSTs impact employees in the service environment. The focus of this study is to investigate the

extent to which customer usage of mobile and kiosk-based SST platforms and the degree of SST readiness within firms influence employee outcomes. Additionally, this study seeks to investigate how the job outcomes of FLEs affect their interactions with customers.

### **Method And Data**

The authors conducted a quantitative study utilizing a field survey to examine a proposed model. The research employed pre-existing scales and incorporated a practical scenario to investigate how customers' usage of SST impacts FLE's job outcomes, such as productivity, commitment, and job satisfaction. Additionally, a scenario-based experiment was developed to measure employees' satisfaction with service encounters. Data was gathered from respondents using the online survey platform Prolific. Out of the five hundred participants recruited, 218 met the criteria for analysis as they possessed relevant experience with self-service technology in the retail industry. To evaluate the model's parameters and its compatibility with the collected data, the researchers utilized AMOS 28 and SmartPLS4 for confirmatory factor analysis (CFA) and structural equation modeling (SEM) analysis, respectively.

### **Summary of Findings**

The results of this study suggest that customers' usage of self-service technology positively influences employee outcomes, specifically employees' satisfaction, and commitment. These results are notable as self-service technology is advertised to companies as a tool that would enhance all employee conditions. Moreover, this study reveals that different types of self-service platforms have varying impacts on employee outcomes. Kiosk-based and mobile-based platforms positively and significantly influence employees' job commitment and satisfaction. However, when studied separately, the results suggest that mobile-based platforms



have a more substantial influence than kiosk-based platforms. Specifically, the study finds that customers' usage of mobile-based platforms positively influences employees' job satisfaction and, more importantly, job productivity, which is nonsignificant when both platforms are analyzed together.

Finally, the authors find that job satisfaction positively influences employees' perception of customer service encounters. This finding is notable as the service encounter studied was designed to illustrate the typical retail experience that has integrated self-service platforms, specifically kiosk-based ones. Not only that, but an employee's job satisfaction stems from the estimated customer usage of self-service platforms. Thus, these results suggest that self-service technologies, although designed to improve customers' service experiences, indirectly impact other service actors, specifically employees, whose role has been reduced or, in some cases, eliminated within the service environment.

### **Statement of Key Contributions**

The results of this empirical study make several contributions to the literature. First, it validates that SST, although designed solely for customer usage, influences other actors in the service environment. Due to the co-productive nature of customers, much of the literature has focused on the impact and benefit of customers. Little research has focused explicitly on the impact of SST on employees. While some studies have examined the effect of SSTs on the employee using qualitative techniques (Di Pietro et al., 2014) or for scale development (Ramaseshan et al., 2015), no study has empirically investigated SST's influence on employee outcomes.

Furthermore, this study offers valuable insights into the effects of self-service technology on employees' outcomes and service encounters. While the literature suggests that

self-service technology improves employee work conditions, to what extent is unclear. The results of this study, however, indicate that the positive influence of self-service technology on employee outcomes does vary by the type of platform offered. Additionally, this study takes a more contemporary perspective regarding customer service encounters. While much of the literature focuses on two service actors at a time, this study examines service encounters as a three-way interaction between customers, employees, and SST, thus providing a more comprehensive understanding of today's retail climate.

"References are available upon request."

## **THE PYGMALION EFFECT OF FLOW ON SALES PERFORMANCE**

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**Description:** This paper demonstrate the Pygmalion effect of flow on sales performance.

**Keywords:** Flow, Adaptive Selling, Sales Anxiety, Sales Performance

## **EXTENDED ABSTRACT**

### **The Pygmalion Effect of Flow on Sales Performance**

#### **RESEARCH QUESTION**

Drawing from broaden and build theory, we posit a positive relationship between flow and salesperson performance. We propose that Flow among salespeople leads to sales performance through the three dimensions as conceptualised by Bakker (2008). Firstly, salespeople who experience Flow are absorbed in their activities by investing their physical, cognitive, and emotional resources, leading to work progress and outputs (Csikszentmihalyi and Rochberg-Halton 1981). Payne et al. (2011) found that when in Flow, cognitive abilities are higher and build a performance mindset. Second, individuals high on Flow enjoy their work and have greater control over their tasks. They consciously and deliberately attempt to share relevant information with the customers, thus improving productivity (Bunderson and Sutcliffe 2002) and positive customer reciprocity (Lee et al. 2006). Finally, salespeople high on Flow are intrinsically motivated, driven, and engaged in tasks and job roles. These interactions enable them to understand their activity more thoroughly and deeply, leading to better performance.

Flow also indirectly influences a salesperson's performance in two ways (routes). A Positive Route where Flow enhances positive behaviours like adaptive selling, thus improving sales performance. A Negative Route where Flow reduces the effects of negative states like anxiety and thus improves sales performance.

#### **METHOD**

##### **Study 1**

A cross-sectional survey was employed on sales representatives working for a few leading pharmaceutical companies in India. On receiving permission from the respective HR departments, pharmaceutical sales representatives were invited to participate in the study. A

total of 600 responses were collected over three months. All the measures came from existing scales in sales literature. Each construct was measured using multiple items using a 7-point Likert scale (1 = strongly disagree to 7 = strongly agree).

### **Study 2**

We contacted the same respondent pool from Study 1 and received 603 completed questionnaires. All the measures came from existing scales in sales literature. Each construct was measured using multiple items using a 7-point Likert scale (1 = strongly disagree to 7 = strongly agree). Table 4 provides the detailed items and reliabilities and the means, standard deviations, and correlations between each of the constructs used in study 2.

### **Study 3**

Thirty-five salespeople from different pharmaceutical companies in India consented to be part of Experience Sampling Method (ESM). After a few clarifications and an introductory meeting with the salespeople, each responded to our booklet questions thrice a day for ten days (two weeks, Monday to Friday). Two signals (One SMS and a few minutes gap for a missed call) were sent to each respondent thrice daily: around 10.30 am, 2.30 pm, and 5.30 pm. Close to 90% of the daily surveys were complete. The response rates are acceptable compared to the earlier published ESM studies (Scott and Barnes 2011; Scott et al. 2010). 31 respondents gave complete responses for all ten days, and we used them for further analysis. The ESM diary consisted of 9 items covering variables: Flow, positive selling behaviours (i.e., adaptive selling), negative states (i.e., sales anxiety), and sales performance. The items in the ESM booklet for the variables were measured using a 7-point Likert response scale.

Data was analysed using PLS SEM and Conditional process.

## **SUMMARY AND KEY CONTRIBUTIONS**

### **To Academia:**

Three major contributions.

1. Salesforce performance has been researched for decades, and the significant contention has been to identify 'what is wrong with salespeople?' Studies proposed several areas of improvement to cover the deficiencies. Recently, positive psychology helped identify 'what is good among salespeople?' Using these positive constructs helps understand the salesforce productivity better. This study is one of the few where positive constructs were used to explain salesforce performance and productivity.
2. Flow is a state where enjoyment and experience of activity are so overwhelming that individuals perform for the sake of it. While the extant literature shows evidence of the positive impact of Flow on other constructs, there is little evidence of how Flow limits the negative emotions and states of the individual. This paper demonstrates the 'Pygmalion Effect of Flow,' demonstrating a two-way impact on the salesperson's performance via positive behaviour (adaptive selling) and negative state (sales anxiety). This is another contribution to academia.
3. The third contribution is in the method. To triangulate the results, we employed Experience Sampling Method, probably first time in the domain of marketing literature.

### **To Practice:**

Practitioners will find the findings of the study useful in three ways.

1. Sales managers may realise Flow's nature and critical role in enhancing salesforce productivity.

2. Sales managers can now spend time coaching and mentoring their salesforce to find their flow that has not only an impact on the adaptive abilities of the salesforce but also can manage their negative emotions like anxiety.
3. Organisations also need to foster conditions that help salesforce find flow. This enlivens the workplace and builds positive organisational citizenship and culture.

## **THE ROLE OF A CUSTOMER SUCCESS MANAGER**

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**Keywords:** Customer Success Management, Sales, Post-purchase, Grounded Theory

**Description:** Based on 31 Interviews from leading XaaS (X as a Service, for example, Platform as a Service, Infrastructure as a Service etc.) companies, we derive a conceptual framework to describe the activities performed by a customer success manager (CS Manager) in business-to-business markets.



## EXTENDED ABSTRACT

### Research Question

As products are becoming increasingly complex, B2B customers fail to realize value and portray low usage rates, which leads to churn and reduced profitability for the vendor firm. In response to this, Software as a Service (SaaS) firms have introduced the role of a Customer Success Manager to increase retention and help customers to derive more value from their offerings. Through the introduction of CS Managers in SaaS companies, the term “customer success” transformed into an emerging discipline in the software industry. Especially the increased shift towards subscription models forced companies to introduce CS Departments and adapt the mindset of life-cycle selling by deriving value-in-use insights and focusing on customers’ goal achievement (Akins, Gupta and Roche 2018). Hochstein et al. (2020) outline the importance of CS Management for firms with XaaS business models. They propose a research agenda on how a proactive approach of serving customers reduces churn rates by ensuring that customers realize promised and sufficient value. They emphasize the need for more academic research investigating strategies to proactively maximize customers’ value-in-use (Hochstein et al. 2020). However, there is a lack of empirical grounding regarding the role of a CS Manager. The aim of this submission is to address this research gap and answer the following research question:

What are the different activities performed by the CSMs?

### Method and Data

To get a better understanding of the tasks performed by a CS Manager a qualitative study was executed. In this regard 31 in-depth interviews were conducted with CS Professionals (CS Managers, CS Leaders, CS Coaches and Key Account Managers) from different B2B companies

with a XaaS business model (for example, SaaS companies offering software solutions or IaaS). The average duration of the interviews was 76 minutes. All interviews were recorded via Zoom, Skype and Microsoft Teams. Then they were transcribed and coded with MAXQDA following the guidelines of grounded theory methodology (Gioia, Corley, and Hamilton 2013). Integral strategies of the data analysis were “coding” and “memo-writing” that are in line with the GTM procedure of inductive qualitative research. We followed the guidelines of Strauss and Corbin (1990) regarding the procedure of coding the data systematically and relied on “open coding” during the coding process of the data. As a basis for structuring the data “first order concepts”, “second order themes” and “aggregate dimensions” were identified during the coding process (Gioia et al. 2013). Furthermore, conceptual, and theoretical thoughts derived from memos were documented (Montgomery & Bailey, 2007).

### **Summary of Findings**

We identified four phases a CS Manger goes through 1) Sales handoff 2) Onboarding 3) Post-sale customer engagement 4) Expansion. Key activities during the sales handoff are identifying customer’s explicated needs, understanding customer’s processes and financial implications for customer’s business along with promises made by the sales department. The second phase is the onboarding where a success plan is created with the customer. Often time customers have a lack of understanding on how to use the offering in manner that provides value which in turn leads to churn that’s why the customer is educated about the offering during onboarding. Furthermore, a customer value assessment is conducted to understand what success means from the customers point of view. The third phase contains the following activities: monitoring and tracking customer performance through consistent communication, validating the success plan to align expected and experienced value-in-use, specifying the value impact for customers’ performance. Here it is

important to highlight which goals were achieved, so that the customer experiences value realization. In the last phase conversations regarding value optimization are executed. The main activities are to explore different avenues that optimize and expand the realized value for example to identify opportunities for cross selling and upselling.

### **Key Contributions**

The results of this research provide insights on how to systematically address customer needs and develop a customer success plan to ensure a long-term relationship with a customer to reduce churn. Furthermore, this research reveals three churn prevention strategies, which are firstly understanding customer success metrics. Secondly, aligning expected and experienced customer value through consistent expectation management and thirdly switching towards a proactive behavior of seeking feedback and periodic value verification to achieve that customer goes through a value realization experience. The practical implications that result from this research are that practitioners get insights on how to bring continual value to customers throughout their CS Journey by being more customer centric and performing CS related activities. Nevertheless, there are some limitations. This research focusses on CS Managers working in companies with XaaS business model. Therefore, the framework is open to elaboration and future development. In this regard future research might consider CS Managers coming from other businesses and providing insights on how to extend this framework according to the respective business model.

(References are available upon request).

**TRANSFORMING THE NONPROFIT FUNDRAISING USING THE SCIENCE OF  
SALES AND MARKETING: INTRODUCING ADAPTIVE FUNDRAISING**

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*Keywords:*

Nonprofit Fundraising, Adaptive Fundraising, Sales, Inter-organizational Relationships,  
Resource and Strategy Fit

*Description:*

We offer a novel distinction between how fundraisers, who are the nonprofits' front-line boundary spanners should treat donors of small donations using traditional marketing approaches vs. those of large donations using innovative adaptive fundraising methods.

## EXTENDED ABSTRACT

### Research Question

One stream of the literature focuses on the identification of the resource requirements and allocations by nonprofit organizations. Nonprofit organizations utilize and allocate both tangible and intangible resources to achieve their missions (Sarıkaya and Buhl, 2020). Tangible assets include human resources; to the fundraising end, they are the dedicated fundraising staff (Betzler and Gmür, 2016), similar to salespeople, fundraisers are the front-line boundary spanners within the organization. Intangible resources also play a role in fundraising. Brand orientation contributes to the success of nonprofit organizations (Napoli, 2006). Brand equity influences the donors' decision to support the nonprofit organization (Faircloth, 2005). Furthermore, nonprofit organizations need to cultivate donor relationships on an ongoing basis (Waters, 2011). Relationship development further engages donors, deepens their philanthropic commitment to the organization, and enhances fundraising outcomes (Hardy, 2014).

The extent literature only focuses on marketing-driven fundraising strategies and tactics. We have proposed that nonprofit fundraising can also be successfully done through highly interpersonal methods which fall under the sales perspective. Furthermore, in this research, we answer the following: “What is the proposed typology of resources and strategies in nonprofit fundraising?” And “what does the expected resource and strategy fit look like?”

### Method and Data

We collected qualitative data as our preliminary fieldwork to explore fundraising practices in nonprofit organizations. We interviewed 25 nonprofit experts in New York Metropolitan Area,

adopting a semi-structured interview approach and using an interview protocol consisting of over sixty questions. The interviews lasted 90 minutes on average. The participants held key positions at their organizations, such as the founder/ CEO/ president (36%) and director (40%). Nonprofit professionals attest to the relevance of sales techniques and the similarity of sales and fundraising. One of the professional fundraisers we interviewed believed “all of the sales techniques are needed for fundraising.” Another interviewee stated, “fundraising is sales. You need to follow the process and set both ambitious and attainable goals. You are selling the opportunity to give.”

### **Summary of Findings**

We argue that nonprofits can enjoy higher funds raised when the chosen strategies match the invested resources. A nonprofit that pursues fundraising by increasing the number of donors should choose strategies such as targeting individuals, communicating through social media and mass email, and employ fundraising staff who are savvy in mass communications, donor research, and segmentation. On the other hand, a nonprofit that pursues fundraising by increasing the amount of donations should choose strategies such as targeting companies and affluent individuals and employ a staff skillful in interpersonal relationships and adaptive fundraising. A misfit case is when the chosen strategies from one pathway are applied for fundraising with the resources which are significantly under the other pathway.

We have developed a representation of the key nonprofit organizations’ concepts in fundraising to shed light on how fundraising works. These concepts include nonprofit organizations’ resources and fundraising strategies and tactics. We expand on the contingency theory to suggest an integrated framework, explaining the effective nonprofit organizations’ strategic pathway

contingent upon their available resources to succeed in fundraising. We propose that successful fundraising is a product of the fit between fundraising resources and strategies.

### **Key Contributions**

In this research, we offer a novel distinction between how the nonprofits should treat small vs. large donors. We introduce the concept of adaptive fundraising, which is the required resource and skillset of fundraisers, as the front-line boundary spanners of nonprofit organizations, when approaching corporate or affluent individuals. Also, we offer a unique view that a mismatch between the required resources and fundraising strategies lead to a performance drop. A successful nonprofit is the one that can align these resources with the selected strategy successfully.

Most nonprofits struggle with their fundraising campaigns, which is inherently difficult and expensive. Most nonprofits we have interviewed resort to marketing practices from the for-profit business world to achieve their fundraising goals. Distinguishing between the costs and investments in this process is extremely important for these nonprofits. We have identified that nonprofits need three vital resources to achieve their fundraising goals. These are the number of fundraising staff, the skillsets of fundraising staff, and the brand loyalty and equity of the nonprofit. This research helps nonprofit organizations identify what interaction of resources and strategies leads to mere deadweight costs and what other fundraising activities potentially bring about more results.

“References are available upon request.”

**Social Responsibility,  
Sustainability, Policy and  
Consumer Culture Theory**



## **A DILEMMA FOR LUXURY BRANDS?: WHEN AND HOW PROSOCIAL ACTIONS BENEFIT LUXURY BRANDS**

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**Keywords:** brand coolness, prosocial brand image, guilt, cause-related marketing

**Description:** This study proposes and examines specific mechanisms that elucidate when and how prosocial actions can yield positive effects on consumer responses.

### **EXTENDED ABSTRACT**

#### **Research Questions, Methods, and Findings**

This study investigates the growing recognition of prosocial actions as vital components for brand success, particularly in terms of consumer perceptions of "coolness" associated with prosocial brands. However, luxury brands face a dilemma, as consumers may experience psychological disfluency when luxury brands engage in prosocial actions. Through two empirical studies, we explore the conditions and mechanisms under which luxury brands can effectively leverage prosocial actions, specifically cause-related marketing (CM), to their advantage. Analyzing data from U.S. consumers, our results demonstrate that luxury brands' CM significantly reduces guilt through the development of a prosocial brand image driven by CM, while no significant impact on guilt reduction through brand coolness is observed. Furthermore, our findings confirm a serial mediation model, highlighting the sequential role of prosocial brand image and guilt, but not brand coolness and guilt, in the relationship between CM and purchase intention. Surprisingly, perceived fit acts as a boundary condition, moderating the effect in the opposite direction of our initial prediction. Overall, this research contributes to the literature on luxury brands, branding, and cause-related marketing by enhancing our understanding of when and how luxury brands can effectively harness their prosocial actions to enhance consumer responses.

#### **Statement of Key Contributions**

The current research makes meaningful contributions to the literature and offer valuable managerial implications in several domains. Firstly, the study identifies the relative significance of brand coolness and prosocial brand image, addressing the pressing concerns faced by luxury brands when considering the adoption of prosocial actions. By drawing upon licensing theory and previous research, this study proposes and examines specific mechanisms that elucidate when and how prosocial actions can yield positive effects on consumer responses.

Secondly, the concept of brand coolness has gained recent prominence in relation to luxury brands. While consumers indeed perceive prosocial brands as cool, indicating an inherent

association between prosocial actions and brand coolness, this study challenges the prevailing belief and investigates the relative roles of brand coolness and prosocial brand image specifically within the context of luxury brands. The findings suggest that, for luxury brands, prosocial brand image driven by CM holds greater significance than brand coolness driven by CM.

Thirdly, this research identifies the serial mediations of prosocial brand image and guilt underlying the impact of luxury brands' CM (versus no CM) on purchase intention, while also uncovering the moderating role of perceived fit. Interestingly, the moderating effect of perceived fit was contrary to our initial prediction. These insights help resolve the dilemma faced by luxury brands regarding the integration of prosocial actions, ultimately contributing to societal well-being.

## **EXTENDED ABSTRACT**

### **Research Question**

Drawing on legitimacy theory, this study explores consumer and investor responses to negative environmental and social incidents. Firms are exposed to consumers' and investors' retaliation contingent on their level of sustainability transparency and on the competitive intensity in their market. The authors hypothesize that negative sustainability incidents have a negative impact on firms' sales revenue and cumulative abnormal return (CAR), that sustainability transparency reduces those effects, and that competitive intensity amplifies those effects.

### **Method And Data (Not Applicable For Nonempirical Papers)**

Those hypotheses were tested using an event study with 462 observations: half of those related to firms involved in 231 lawsuits in the United States from 2013 until 2021 related to negative environmental and social incidents, while the other half are their main competitors.

### **Summary of Findings**

The authors findings are three-folded. First, consumers and investors retaliate firms that get involved in sustainability incidents. Second, sustainability transparency helps firms protect their legitimacy and reduce retaliation from consumers. Finally, competitive intensity in face of such incidents makes investors retaliate even more.

### **Statement of Key Contributions**

The authors contribute to marketing strategy literature by assessing consumer and investor responses to environmental and social incidents, as well as by analyzing the impact of sustainability transparency and competitive intensity in this process. We unveil how firms involved in sustainability incidents have a lower sales revenue, a lower CAR, and how this impact for consumers is reduced by sustainability transparency and for investors is amplified by competitive intensity. Additionally, we contribute to legitimacy theory in three ways. First, by studying how getting involved in sustainability incidents will cost firms their legitimacy, resulting in retaliation from consumers and investors. Second, by understanding how sustainability transparency helps firms safeguard their legitimacy from consumers in face of sustainability incidents. Third, by showing how competitive intensity enhances the effect of negative incidents on legitimacy and generates investors retaliation.

References are available upon request.

**CSR MARKETING IN THE FASHION INDUSTRY:  
A COMPARATIVE STUDY BETWEEN SLOW AND FAST FASHION BRANDS ON  
INSTAGRAM**

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**Keywords:** CSR marketing, Fashion marketing, Instagram, Slow fashion

**Description:** This paper deals with comparing CSR marketing for slow and fast fashion brands on Instagram.

**ABSTRACT**

This paper examines corporate social responsibility (CSR) marketing in the fashion industry on Instagram. When analyzing 1348 Instagram posts of slow and fast fashion brands, it was found that CSR content and images with people did not statistically significant influence engagement. Meanwhile CSR content in video format influences engagement.

**INTRODUCTION**

Social media platforms like Instagram allow people and businesses to interact (Cheung and Choi 2022). Due to its particular focus on images, Instagram has become an important marketing tool for fashion brands (Milanesi, Kyrrododa, and Runfola 2022). So called “slow fashion” companies try to act as sustainable as possible using resources responsibly (Brewer 2019). Oftentimes they apply “Corporate Social Responsibility” (CSR) measures. CSR is a concept that tries to improve the impact a company has on society (European Commission 2011). When companies implement such CSR measures, they want a vast majority of people to

know about them, so they conduct part of their CSR communication via social media platforms (Sailer, Wilfing, and Straus 2022).

In this article, CSR communication of slow and fast fashion companies on Instagram will be examined. The question of whether it is advantageous for fashion companies to communicate about CSR on Instagram from a marketing point of view will be answered. There is already research on how CSR communication, including on Instagram, works (Saxton et al. 2019). So far, however, there have been hardly any direct comparisons between slow and fast fashion brands with regard to their CSR communication (Testa, Bakhshian, and Eike 2021).

To answer the question, factors for successful CSR communication on Instagram are first extracted from literature and then hypotheses are developed. Subsequently, Instagram posts are collected and then coded. Finally, they are examined quantitatively and the hypotheses are tested statistically.

## **LITERATURE REVIEW AND RESEARCH QUESTIONS**

### ***Social Media and CSR Communication***

The importance of social media marketing for companies lies in the possibility of a two-way communication (Kaur et al. 2020). Furthermore, Instagram as a social media platform offers brands the opportunity to aesthetically display their products, which can be advantageous for fashion brands (Milanesi, Kyrdoda, and Runfola 2022).

Companies can inform users about their existing CSR measures on Instagram. CSR is an approach that intends to help companies in their decision making process when they want to change their impact on the environment and society for the better (European Commission 2011; ISO 2010). In the fashion sector, CSR measures can be important, as the production of garments is energy- and resource-intensive (Sailer, Wilfing, and Straus 2022).

### ***CSR Content and Engagement***

People are more willing to engage in sustainable behaviors when they have a repeated exposure to sustainable concepts (McKeown and Shearer 2019). Because CSR activities are generally well perceived, stakeholders are more likely to associate with such firms, consumers want to identify with the representation of the brand (Hinson et al. 2019). Furthermore, companies that act sustainably can strengthen consumer-brand ties (Loureiro and Lopes 2019).

Previous research has shown that CSR content can generate more likes (Del Rocío Bonilla, Del Olmo Arriaga, and Andreu 2019), more likes and comments (Castillo-Abdul, Pérez-Escoda, and Núñez-Barriopedro 2022), or more retweets (Saxton et al. 2019). Therefore, it is proposed:

Hypothesis 1 (H1): CSR content influences the engagement rate positively.

### ***Presence of Persons and Engagement***

Regarding fashion communication, there are assumptions that users prefer photos with bodies and faces, rather than product-shots, because they can better identify with the post (Peng 2021). Faces can be an important visual cue to elicit user engagement in the form of comments and likes (Peng 2021). Previous research has shown, that faces in images can lead to more likes and retweets on Twitter (Li and Xie 2020), more likes and comments on Instagram posts (Peng 2021) or have no impact on the number of likes on Instagram posts (Li and Xie 2020).

Emotions also help users to identify better with a person or brand. Emotional content, especially positive one, can increase engagement rates and drive virality (Oltra, Camarero, and San José Cabezudo 2022). Instagram as a visual and hedonistic platform might be more oriented towards a positive kind of self-presentation which is rewarded accordingly with higher engagement (Oltra, Camarero, and San José Cabezudo 2022). If a brand has succeeded in generating positive emotions in users through its content, their affective commitment, and intentions to interact with the profile increase (Casaló, Flavián, and Ibáñez-Sánchez 2021). Therefore, it is proposed:

Hypothesis 2 (H2): The presence of one or more persons in the image influences the engagement rate positively.

### ***Video Format and Engagement***

Instagram offers different types of media, photos or videos. Videos are classified as more lively and interactive than images (Jones and Lee 2022). They stimulate various senses, obtain a high degree of vividness and are able to convey more information (Cuevas-Molano, Matosas-Lopez, and Bernal-Bravo 2021).

Video content on social media has so far been attested to have a higher like count (Cuevas-Molano, Matosas-Lopez, and Bernal-Bravo 2021; Testa, Bakhshian, and Eike 2021), a higher comment count (Shahbaznezhad, Dolan, and Rashidirad 2021), no impact (Jones and Lee 2022) or a negative impact (Luarn, Lin, and Chiu 2015). Therefore, it is proposed:

Hypothesis 3 (H3): Video content influences the engagement rate positively.

## **RESEARCH DESIGN**

### ***Sample***

To answer the research question, fashion brands' Instagram posts were examined quantitatively and then statistically analyzed. To ensure a comparison between slow and fast fashion brands, five companies from each of the two categories were selected. The number of brands was chosen to guarantee that the sample covers a broad scope and that the results are not influenced by a single company (Jones and Lee 2022).

Two rankings were used to select the brands, one showing the top-selling fashion brands in Germany in 2019 and the other showing the best-known slow fashion brands in Germany in 2021 (Splendid Research GmbH 2021; TextilWirtschaft 2019). During a four-month period all brand posts on the respective Instagram profiles were analyzed and coded. This period was

chosen to ensure that a sufficient number of posts was obtained. Previous research has worked with similar time periods (Jones and Lee 2022). A total of 1348 posts was collected which corresponds to previous research (Milanesi, Kyrdoda, and Runfola 2022). The collected 1348 posts were coded using several variables, which are presented in the next section.

### ***Procedure and Data Collection***

For each post during the study period, the brand, the day of publication, the topic of the caption and the number of likes and comments were noted. It was also coded whether the post was a photo or video, and what could be seen in the content: only product(s), people with their faces or something else. Finally, the link and caption with hashtags were saved.

Based on previous research (e.g. Cheung and Choi 2022) the engagement rate was calculated by summing all comments and likes of a post, divided by the number of followers. The resulting findings are presented in the next chapter.

## **RESULTS AND DISCUSSION**

### ***Hypothesis One – CSR Content***

The total sample of 1348 posts consists of 308 CSR posts and 1040 non-CSR posts. Of the 308 CSR posts, 189 are from slow fashion brands and 119 from fast fashion brands. Of the 1040 non-CSR posts, 106 are from slow fashion brands and 934 from fast fashion brands.

Comparing the engagement rates for CSR and non-CSR content, non-CSR content has a higher engagement rate. For slow fashion brands, the engagement rate for CSR content is .0049 and for non-CSR content .0062. For fast fashion brands, the engagement rate is .0031 for CSR-content and .0033 for non-CSR content. Two Levene's tests showed that the variances were similar enough to perform a t-test (Loureiro and Lopes 2019). For slow fashion brands, there was no significant difference in the engagement rate between non-CSR posts and CSR posts  $t(293) = 1.4812, p = .1396$ . For fast fashion brands, there was also no significant difference in



the engagement rate between non-CSR posts and CSR posts  $t(1051) = .3389, p = .7348$ . Therefore, hypothesis one was rejected and the null hypothesis, CSR content does not influence the engagement rate, was accepted.

With these findings, the results of Testa, Bakhshian and Eike (2021) and Castillo-Abdul, Pérez-Escoda and Núñez-Barriopedro (2022) could be fully or partially confirmed. Whereas to the results of Del Rocío Bonilla, Del Olmo Arriaga and Andreu (2019) and Loureiro and Lopes (2019) no statement could be made or they represent a contradiction. Even though no statistically significant difference between CSR content and non-CSR content could be found, there are still several brands that report a higher engagement rate with CSR content. Since these are primarily from the slow fashion sector, it can be speculated whether their brand image is more in line with the target audience's self-image (Hinson et al. 2019); another factor could be that newer products and topics such as CSR and slow fashion have a higher engagement rate (Sailer, Wilfing, and Straus 2022).

### ***Hypothesis Two – Presence of Persons***

For both slow fashion and fast fashion Instagram accounts, CSR posts mostly contain images with people. For slow fashion brands, out of 189 CSR posts, 119 CSR posts, and for fast fashion brands, out of 119 CSR posts, 79 CSR posts. Product and other posts are represented 70 times for slow fashion brands and 40 times for fast fashion brands.

Comparing the engagement rates for CSR posts with people and those with products and other, the average engagement rate for slow fashion brands for CSR posts with people is .0043 and for CSR posts with products and other is .0059. For fast fashion brands, the average engagement rate for CSR posts with people is .0039 and for CSR posts with products and other is .0015.

A Levene's test showed that the variances for slow fashion brands were similar enough to perform a t-test. There was no significant difference in engagement rate between CSR posts with people and CSR posts with products and other  $t(187) = -1.5473, p = .1235$ . For fast fashion

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brands the variances were not similar enough for a t-test (Loureiro and Lopes 2019). Thus it was decided to perform a Mann-Whitney U test (Alkazemi et al. 2022). This indicated that the difference between CSR posts with people and CSR posts with products and other was not statistically significant,  $U(N_{\text{CSR-Persons}} = 79, N_{\text{CSR-Products-Other}} = 40) = 1312, z = -1.5076, p < .05$ . Therefore, hypothesis two is not supported and the null hypothesis, the presence of one or more persons in the image does not influence the engagement rate, was accepted.

Regarding the higher engagement rate for CSR posts with people for fast fashion brands it confirms previous research, even when the difference is not statistically significant (Cheung and Choi 2022; Li and Xie 2020; Peng 2021). One possible reason is that the people shown make it easier for followers to empathize with the situation and they also trigger positive emotions (Ha, Huang, and Park 2019). As for the higher engagement rate for CSR posts with products and other among slow fashion brands, it can be speculated whether this is related to the relatively large expression of the CSR other category which includes for example informational statements. Informativeness in CSR communication has been shown to be successful (Sailer, Wilfing, and Straus 2022).

### ***Hypothesis Three – Video Format***

For both slow fashion and fast fashion Instagram accounts, the share of photo CSR posts clearly predominates. For slow fashion brands, out of 189 CSR posts, 155 and for fast fashion brands, out of 119 CSR posts, 101 are photo posts. Video posts are represented 34 times for slow fashion brands and 18 times for fast fashion brands.

The average engagement rate for slow fashion brands for CSR posts in photo format is .0046 and for CSR videos is .0060. For fast fashion brands, the average engagement rate for photo format CSR posts is .0035 and for CSR videos is .0006, so there is a difference.

Two Levene's tests showed that the variances for slow fashion brands and fast fashion brands were not similar enough to perform a t-test. Therefore, it was decided to conduct two Mann-

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Whitney U tests. For slow fashion brands, it revealed that the difference between CSR posts in video format and CSR posts in photo format was statistically significant,  $U(N_{\text{CSR Video}} = 36, N_{\text{CSR Photo}} = 153) = 1917, z = -2.8343, p < .05$ . For fast fashion brands, it revealed that the difference between CSR posts in video format and CSR posts in photo format was statistically significant,  $U(N_{\text{CSR Photo}} = 101, N_{\text{CSR Video}} = 18) = 126, z = -5.8072, p < .05$ . Therefore, hypothesis three was supported regarding slow fashion brands. For fast fashion brands, it was rejected.

The higher engagement rate with CSR videos at slow fashion brands confirms previous research that videos are a more interactive media format (Shahbaznezhad, Dolan, and Rashidirad 2021). The higher engagement rate for CSR posts by fast fashion brands seems to indicate that engaging with the more interactive content requires an extra effort that not all social media users are willing to make (Jones and Lee 2022). These findings are limited due to the methodology, as will be discussed in the next section.

## **LIMITATIONS AND AVENUES OF FUTURE RESEARCH**

The methodology used has several limitations. It can only be speculated whether a different investigation period of the posts, a different number of brands studied or different Instagram features would yield the same results. Furthermore, the number of likes, comments and followers and therefore the engagement rate can change constantly. Attempts have been made to minimize this error by having at least one month between publication of the post and recording of the data (Muñoz and Towner 2017).

Finally, it is important to examine the extent to which information found here can be applied to other social media platforms. The results may also be influenced by other factors that have already been identified in previous research, but which could not be verified here like subtle communication (Kim 2019), use of emojis and captions (Jones and Lee 2022) and enjoyment (Casaló, Flavián, and Ibáñez-Sánchez 2017). These factors can be further examined with future research.

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## **DEVELOPING A SHIFT MODEL OF SUSTAINABILITY APPLICATION ENGAGEMENT AND ADOPTION**

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**Keywords:** Sustainability app, SHIFT framework, app engagement, sustainability consumption

**Description:** This paper develops and validates a sustainability adoption model based on the SHIFT framework.

### **EXTENDED ABSTRACT**

#### **Research Question**

How to shift consumer behavior to be more sustainable is a research question of increasing importance (White et al. 2019). Sustainability application (app) has been a promising way to connect individuals and provide information to them to promote and develop a habit of sustainable consumption behavior (Brauer et al. 2016; D'Arco and Marino 2022; Douglas and Brauer 2021). The use of sustainability apps to facilitate sustainable consumption has been a recent research focus (D'Arco and Marino 2022; Whittaker, Mulcahy, and Russell-Bennett 2021). Past studies are few and focus on the gamification (Douglas and Brauer 2021; Whittaker et al. 2021) perspective. However, the SHIFT framework of sustainable consumption has not been utilized to examine sustainable app adoption. The SHIFT framework is an integrated framework that summarize factors facilitating sustainable consumer behavior, which can be easily applied to new situations of technology to develop sustainable consumption behavior (White et al. 2019). The aim of this research is to develop a sustainability app adoption model based on the SHIFT framework and relevant literatures. Whether subjective norms, group identification, visibility, incentive provision,



symbolic benefits, informativeness, positive anticipated emotions, negative anticipated emotions,

and future orientation facilitates app engagement? Whether app engagement facilitates use intentions.

### **Method And Data**

A simulated gamified sustainability app was utilized as most of prior studies have adopted gamified app and indicated that gamification is an effective way to promote sustainable behavior (Douglas and Brauer 2021). The aim is to reduce the carbon footprint by using the app. Respondents were shown the pictures and functions of the app including the interface of the app, carbon footprint status, the leaderboard of carbon emissions in the user community, online shop, personal profile. If users achieve tasks, they can obtain points in exchange for items in the online shop. After respondents see the above content, they are asked to complete an online questionnaire, which consists of questions on the key research constructs and demographics. All the constructs are measured by adapting from established scales. A market research firm was contracted to collect data by using an online survey. 596 usable data were analyzed by using partial least squares structural equation modeling (PLS-SEM). This research is exploratory to develop a sustainability app model based on SHIFT framework, which justifies the use of PLS-SEM (Hair et al. 2017).

### **Summary of Findings**

The results are reported following Hair et al. (2017). Reflective measurement model is assessed. Internal reliability is acceptable as Cronbach alpha values and CR values are between 0.76 to 0.92 and between 0.86 to 0.94, surpassing the threshold of 0.70. Convergent validity is achieved as all AVE values are between 0.63 to 0.80, surpassing 0.50. Discriminant validity is achieved as HTMT ratios are lower than 0.90. Structural model is then assessed. VIF values are between 1.04 to 2.50 and lower than the threshold of 5, indicating that multicollinearity issue is not severe. Subjective norms ( $\beta=0.17$ ,  $p<0.001$ ), group identification ( $\beta=0.16$ ,  $p<0.001$ ), symbolic benefits ( $\beta=0.23$ ,  $p<0.001$ ), positive anticipated emotions ( $\beta=0.27$ ,  $p<0.001$ ), negative anticipated emotions ( $\beta=0.14$ ,

p<0.001), informativeness ( $\beta=0.08$ ,  $p<0.05$ ), and future orientation ( $\beta=0.11$ ,  $p<0.001$ ) positively

influence app engagement, which in turn positively influences use intention ( $\beta=0.73$ ,  $p<0.001$ ). However, visibility ( $\beta=-0.03$ ,  $p>0.25$ ) and incentive provision ( $\beta=0.05$ ,  $p>0.07$ ) have no significant effects on app engagement. Thus, all hypotheses are supported except H2a-b. The  $R^2$  values for use intention and app engagement are 0.54 and 0.70, respectively, indicating that the predictive power of the proposed model is moderate to strong (Chin 1998).

### **Statement of Key Contributions**

This research contributes to the academe in three ways. First, a SHIFT model of sustainability application (app) engagement and adoption is developed. Compared to most of the prior studies that have focused on gamification perspectives, the SHIFT approach to sustainability app engagement and adoption is comprehensive and of great predictive power. The former has mainly focused on hedonic motivations while the latter contains constructs corresponding to utilitarian, hedonic, and social motivations as drivers of app engagement. Second, it applies SHIFT framework to the context of sustainability app and identifies relevant constructs that facilitate app engagement, which in turn generates behavioral intentions. Third, it shows that factors of SHIFT framework are not unique to direct sustainable behaviors but can be used to predict sustainability app usage intention, which is indirectly related to sustainable behaviors. Three key strategies are proposed for practitioners to facilitate sustainability app adoption. Emotional marketing aims to convey positive feelings posterior to conducting sustainable consumer behaviors. Impression management allows users to show off themselves in achieving sustainability tasks and objectives in the focal app. Influencer marketing invites social media influencers to serve as social impact ambassador and exerts their social influence to app users.

“References are available uponrequest.”

**DOES GREEN MARKETING STRATEGY PAY OFF IN THE CONTEXT OF DEVELOPING COUNTRY? A MODERATED MEDIATION MODEL OF COMPETITIVE ADVANTAGE AND COMPETITIVE INTENSITY**

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**Keywords:** Green marketing strategy, Firm performance, Competitive advantage, Competitive intensity and Developing Country

**Description:** This paper focuses on the relationship between green marketing strategies and business performance, using competitive advantage and competitive intensity as mediating and moderating variables, respectively, in the context of developing countries.

**EXTENDED ABSTRACT**

**Research Questions**

The underlying mechanism of how green marketing strategies (GMS) affects firm performance (FP) needs further investigation due to conflicting results on the link between green

practices and performance (Frempong et al., 2021; Setyawati et al., 2020; Ye et al., 2021). Lack of representation of contextual factors as moderating variables in research models may be responsible for the inconsistent results. This study considered competitive intensity as a moderator in the indirect relationship between GMS and FP as it is rarely examined. Moreover, studies examining green marketing in developing countries, especially in Africa, are limited (Braik et al., 2023; Mehraj & Qureshi, 2020). This study, thus, addressed the following research questions by integrating the theories of resource-based view and industrial organization. The study, using empirically data from Ethiopia, contributed to this emerging multidisciplinary research area by fulfilling gaps in the existing literature in developing country context.

- a) Does competitive advantage mediate the relationship between green marketing strategies and firm performance?
- b) How does competitive intensity moderate the association between green marketing strategies and competitive advantage?
- c) Does the effect of the green marketing strategies on firm performance differ between the most polluting and least polluting firms?

## **Method and Data**

Primary data were collected from firms with environmentally friendly practices in Ethiopia. As suggested by Bailey, Mishra, and Tiamiyu (2016), Gray et al. (2001) and Hutchinson (1996), manufacturing firms were classified into least polluting and most polluting sectors based on the level of pollution they produce. Sample frame was obtained from the Ethiopian Environmental Protection Authority and the Ministry of Trade and Industry. After obtaining a list of industries from the Ministry of Trade and Industry, firms with environmentally friendly practices were identified from the Environmental Protection Authority to establish sample frames. Based on a

stratified random sampling, 195 firms from the most polluting category and 165 from the least polluting category were selected. The unit of analysis was a firm, and data were collected using questionnaires from marketing/production managers. In confirmatory factor analysis, factor loadings, AVE, composite reliability, common method bias and model fit indices were analysed and the results indicated that the measurement model fitted the data well. Moreover, path analysis of structural model with the use of Hayes process v4.1 was conducted to test mediation and moderation effects of competitive advantage and competitive intensity respectively in the link between green marketing strategies and firm performance.

### **Summary of Findings**

The structural model analysis results showed that competitive advantage (CA) positively mediates the association between green marketing strategies (GMS) and firm performance (FP), competitive intensity (CI) moderates the relationship between green marketing strategies and competitive advantage, competitive advantage (CA) positively affects firm performance (FP). Furthermore, GMS has a direct positive effect on FP, indicating a partial mediation and lastly, the indirect effect of GMS on FP through CA is moderated by CI as the index of moderated mediation is significant. The moderated mediation analysis found that lower CI values weakened the indirect effect of GMS on FP, while higher CI values strengthened the relationship.

Model comparison results for all structural weights show no significant difference in the differential effect of GMS on FP between the most polluted and least polluted firms. This is an unexpected result considering the existing literature. One possible explanation is that most polluting companies are inherently capital-intensive, which, according to Porter's Five Forces industry analysis, contributes to high barriers to entry and poor government law enforcement capacity, leading to low levels of competition among most polluting firms in Ethiopia.

## **Key Contributions**

Using a resource-based view, the study contributed to literature by revealing that a firm's capability to deploy green marketing strategies improves firm performance through the mediating role of competitive advantage. Given the environmental concerns of customers and other stakeholders, companies with green marketing strategies are more likely to build reputations that ultimately impact their performance. In addition, product packaging recycling and eco-efficiency allows companies to reduce input per unit of product and save production costs. Based on industrial organization theory, the study also found that competitive intensity moderates the link between green marketing strategies and competitive advantage, thereby affecting organizational performance. When competition is fierce, companies can differentiate themselves from other competitors by addressing the environmental concerns of their stakeholders.

The findings of the study have practical implications for Ethiopian manufacturing company managers. It is important for managers to keep in mind that investing in environmentally friendly practices and implementing green marketing strategies will pay off. In today's fast-moving business environment where information flows quickly, green marketing enables managers to address the green concerns of customers and other stakeholders that directly or indirectly affect business performance.

## **EXPLORING THE BOUNDARY CONDITION OF THE INFLUENCE OF CONSUMER MINIMALISM ON PRO-ENVIRONMENTAL CHOICES**

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**Keywords:** Consumer minimalism, Attribute vs. benefit, Pro-environmental choices, Sustainability

**Description:** Our research examines whether minimalism - a mindset that emphasizes simplicity and reduction - process type of information (i.e., attribute-based vs. benefit-based) differentially, which in turn affects pro-environmental choices.

## **EXTENDED ABSTRACT**

### **Research Question**

Consumer minimalism refers to a mindset that prioritizes simplicity and intentional consumption by reducing unnecessary material possessions and consumption habits (Wilson & Bellezza, 2021). Existing research thus suggests that there is a positive relationship between consumer minimalism and pro-environmental choices. For example, a study conducted by Kang et al. (2021) found that consumers who were identified as minimalists were more likely to engage in pro-environmental behaviors, such as recycling and using public transportation. The result suggested that minimalism may be correlated with a greater awareness of the impact of consumption on the environment and a desire to reduce that impact. Another study conducted by

Palafox (2020) also found that minimalism was associated with a stronger intention to engage in pro-environmental behaviors, such as reducing waste and buying second-hand products. Existing research has examined the relationship between minimalism and pro-environmental behaviors in utilitarian and habitual consumptions that consumers make at home or close to home. However, no research has shown whether and how minimalistic beliefs would have similar influences on pro-environmental behaviors when the consumption is hedonic and made less frequently. Hence, one research is to test the generalizability of previous findings of minimalism on pro-environmental choices in a different consumption category and further explore the boundary effect of information presentation (attribute- vs. benefit-based).

### **Method and Data**

Two studies provided initial evidence to support the assertions. In Study 1, we established that the impact of consumer minimalism on environmentally friendly decisions also applied to hedonic and non-habitual consumptions (i.e., hotel choice). To be specific, we applied a 2-cell (hotel type: pro-environmental vs. non-pro-environmental) between-subjects design and measured individuals' minimalism. The results revealed a significant interaction between hotel type and people's minimalism in their booking intention ( $p = .040$ ). To be specific, people with stronger beliefs in minimalism show higher booking intention for the eco-hotel ( $M = 6.13$ ) than for the non-eco-hotel ( $M = 5.57$ ;  $p = .001$ ). However, participants with lower beliefs in minimalism did not differ significantly in booking intention for either eco-hotels or non-eco-hotels ( $p > .05$ ).

In study 2, we tested the boundary effect of information type. We applied a 2 (type of information: attribute vs. benefit) x 2 (minimalist: high vs. low) between-subjects design. The



type of information was manipulated with a scenario, and minimalism was measured. The interaction effect of type of information and minimalism is significant ( $p = .025$ ).

### **Summary of Findings**

Corroborating with past research, we find that consumers who prioritize minimalistic values are more likely to make pro-environmental choices. Moreover, adding to the extant literature, we find the interaction effect of consumer minimalism mindset and attribute- vs. benefit-based information presentation on individuals' pro-environmental choices. Specifically, our findings suggest that consumers with a stronger minimalistic mindset are more likely to choose pro-environmental products when provided with benefit-based information that emphasizes the overall environmental benefits of the product. By the same token, consumers with a weaker minimalistic mindset are more likely to choose pro-environmental products when presented with attribute-based information that highlights the specific environmental features of the product.

### **Key Contributions**

First, this research expands upon the established correlation between consumer minimalism and pro-environmental behaviors, originally observed in utilitarian and habitual consumption patterns. Our empirical findings now demonstrate that this connection also holds true in the context of hedonic and infrequent consumption. Second, our research adds to the existing knowledge on the topic of consumer minimalism and pro-environmental choices by highlighting the importance of considering the interaction between consumers' mindsets and the type of information provided.

Besides, our research also offers practical implications for marketers who seek to promote pro-environmental choices among consumers with different values and preferences. Sustainable marketers and policymakers should consider the underlying values and motivations of their target audience when designing messaging and campaigns to promote pro-environmental behavior. This is consistent with past studies, which indicated that by emphasizing the benefits and positive outcomes of sustainable choices, such as improved health and well-being, cost savings, and reduced environmental impact, marketers might more effectively encourage consumers to adopt sustainable behavior (Grimmer & Woolley, 2014).

However, our research also highlights the need for further investigation into the complex relationship between consumer values, information type, and pro-environmental behavior. Future research could explore how different types of minimalism, such as environmental minimalism or ethical minimalism, may influence consumer behavior and decision-making.

## **EXPLORING THE CONTEXT-DEPENDENCY OF FIRMS' PORTRAYALS OF CONSUMER NATURE**

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### Keywords

consumer nature portrayal, concept of human nature, executive communication, transformer model

### Description

This research utilizes transformer models and topic modeling to extract firms' portrayals of consumer nature from earnings call transcripts, providing evidence for firms' context-dependent adaptation of portrayals across industry sectors with the goal to reduce firms' opportunistic instrumentalizations of consumer nature concepts.

## **EXTENDED ABSTRACT**

### **Research Question**

Extant research highlights that concepts of consumer nature vary between the endpoints of consumer libertarianism and consumer paternalism. Marketers might occupy one of these endpoints to legitimize the use of opportunistic marketing efforts. For example, reduced (complicated) choice sets might be justified due to the portrayal of consumers as naïve (sovereign) decision makers. To protect consumers from such practices, it is crucial to examine whether firms in fact adapt their portrayals of consumer nature flexibly. This present research utilizes transformer models and (semi-supervised) topic modeling to extract firms' portrayals of consumer nature from 5,230 quarterly earnings call transcripts. Thus, we provide evidence for firms' context-dependent adaptation of portrayals of consumer nature across major industry sectors. In so doing, this research helps to reduce opportunistic instrumentalizations of concepts of consumer nature in future, thereby increasing consumer welfare in the long run.

### **Method and Data**

This present research utilizes state-of-the-art machine learning techniques to investigate variations in firms' portrayals of consumer nature across different industry sectors. Specifically, we fine-tune the transformer model FinBERT and concatenate unsupervised and semi-supervised topic modeling techniques to extract firms' portrayals of consumer nature from 5,230 quarterly earnings calls (S&P-500-companies between 2015 and 2020). Finally, we analyze the relative topic frequencies (libertarian vs. paternalistic consumer portrayals) within and across eleven industry sectors according to the global industry classification standard (GICS).

## Summary of Findings

Within industry sectors, we observe a bifurcated representation of portrayals of consumer nature for seven out of eleven GICS industry sectors. Specifically, firms operating within Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, and Information Technology exhibit a propensity to portray consumers in terms of either libertarian or paternalistic tendencies, but not both. This aligns with prior research that conceptualizes consumer nature as existing along a continuum with libertarian and paternalistic tendencies as the endpoints (e.g., Henry, 2008; Thaler & Sunstein, 2009).

Across industry sectors, a  $\chi^2$ -test of independence provides evidence that firms' portrayals of consumer nature depend on sector affiliation ( $\chi^2(40) = 3832.894, p < .001$ ). Sectors consumers physically interact with in everyday life (e.g., consumer discretionary, consumer staples) are significantly dominated by consumer libertarianism (pairwise comparisons with all other sectors demonstrates values of  $p < .001$ ). Hence, in subsectors therein (e.g., beverage & tobacco), consumers are portrayed as sovereign decision makers. In contrast, consumer paternalism is most often represented by companies in health care and IT sectors (values of  $p < .001$ ). Therefore, in subsectors therein (e.g., pharmaceuticals, software services), firms consider consumers as vulnerable beings in need of protection and guidance.

## Key Contributions

This present article contributes to the body of literature on concepts of consumer nature (e.g., Botti, Iyengar, & McGill, 2022; Henry, 2010; Zheng, van Osselaer, & Alba, 2016). Specifically, we provide a nuanced empirical examination of real-world portrayals of consumer nature that extends beyond mere conceptualization (e.g., Henry, 2010).

Second, we contribute to the sparse literature on transformer models in the marketing domain (Min, Peng, Shoss, & Yang, 2021; Puranam, Narayan, & Kadiyali, 2017). By fine-

tuning FinBERT, we demonstrate transformers' capability of classifying complex marketing related text documents with high accuracy. In so doing, we hope to accelerate the use of transformer models for marketing research in the areas of ethics, social responsibility, consumer nature, and consumer culture.

Importantly, results provide substantial contributions for consumers. Firms vary in their portrayals of consumer nature context-dependently. This allows, for example, IT firms to legitimize paternalistic restrictions of consumers' decision space (e.g., via modified search ranking algorithms) to their own advantage. In the long run, this article can spark a debate around the instrumentalization of portrayals of consumer nature. Thereby, this present research can help to mitigate firms' opportunistic use of apparently patronizing (or overly complex) decision architectures and eventually reinforce consumer welfare.

References are available upon request.

**EXPLORING THE RELATIONSHIP BETWEEN ESG ACTIVITIES AND FIRM  
PERFORMANCE: THE MODERATING EFFECTS OF EXECUTIVE  
COMPENSATION AND EXTERNAL AUDITS**

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Keywords: ESG Activities, Agency theory, Firm performance, Executive Compensations, External Audits

Description: The paper investigates how each of a firm's ESG activities affects the firm's financial and non-financial performance and explores the role of ESG executive compensations and ESG external audits.

**EXTENDED ABSTRACT**

**Research Question**

A firm's transparent, accurate, and comparable environmental, social, and governance (ESG) is becoming increasingly critical in firm sustainability. Despite the increasing importance of ESG practices in the market, there is still a lack of understanding about how different aspects of ESG impact a firm's performance. Previous research mainly investigated the impact of ESG rating scores on firm performance rather than focusing on specific ESG activities. Therefore, there is a need to explore how different aspects of ESG activities - such as environmental sustainability, social responsibility, and good governance practices - influence a firm's financial and non-financial performance. This study aims to identify how a firm's

ESG activities affect firm performance and explore the potential moderating effects of executive compensation and ESG external audit on this relationship.

### **Method and Data**

The data used in this study was drawn from DataStream through Eikon of Thomson Reuters from 2017 to 2022. The data provides ESG scores with firms' financial and non-financial performance information. The samples were filtered to include U.S. firms with complete data for all six years. The dataset is composed of a balanced panel of 9,138 observations, including 1,523 firms. Since the manufacturing industry is dominant in ESG implementation, this study collected data from firms in the manufacturing industry.

SUR (Seemingly Unrelated Regression) was conducted to identify the relationship between ESG activities and firm performance and to avoid possible correlation among variables. To determine a suitable estimation, the Breusch-Pagan test was conducted. The results revealed the presence of a correlation between residuals, indicating that the SUR is an efficient approach for estimating this model.

### **Summary of Findings**

#### *Financial Performance*

The results indicate a positive impact of environmental and social activities on a firm's financial performance such as Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q. On the other hand, governance activities were found to have a negative influence on financial performance. Moreover, compensation for ESG activities and ESG external audits present a significant positive interaction with environmental, social, and governance activities, respectively, in relation to a firm's financial performance.

#### *Non-Financial Performance*

The results demonstrate a positive influence of environmental and social activities on a firm's non-financial performance, including workforce satisfaction, employee turnover, and



customer satisfaction. Governance activities were found to significantly impact only workforce satisfaction. The compensation for ESG activities only significantly interacts with environmental activities, in relation to workforce satisfaction and employee turnover. The ESG external audits significantly and positively interact with environmental and social activities, in relation to the firm's non-financial performance. ESG external audits interact with governance activities only in relation to customer satisfaction.

### **Statement of Key Contributions**

This study has both theoretical and managerial implications. Firstly, by examining the individual effects of ESG activities on firm performance, the current study offers a comprehensive understanding of the ESG framework. Previous research has primarily focused on the impact of integrated ESG rating scores on firm performance, rather than analyzing the specific effects of each ESG activity.

Secondly, considering that ESG requires a long-term perspective, understanding the process cycle of ESG is necessary for firms. Extending the discussion, the current study attempts to answer how internal or external factors motivate ESG and firm performance. Adopting the agency theory, this study presents that taking a carrot-and-stick approach could lead to better ESG performance and firm performance.

Third, as recent stakeholders place more value on ESG issues and technology, firms imperatively consider how to encourage managers to implement ESG activities. This study reconfirms the agency theory that incentives and monitoring can accelerate a firm's ESG strategic actions. Thus, the findings extend the literature on the agency theory as well as suggest that managers apply such frameworks while they are implementing or establishing ESG strategies.

**I WANT ONLY FOR ME, NOT US: HOW CONSUMERS REACT TO THE  
DIFFERENT TYPES OF INCLUSIVE DESIGN PRODUCTS**

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**Keywords:** inclusive design, diversity, ethical product, equality, inclusion

**Description:** This study investigates the difference in preference of included consumers  
belonging to the majority depending on the type of inclusive design product.

**EXTENDED ABSTRACT**

**RESEARCH QUESTION**

Inclusive design involves creating products which no consumers are excluded from accessing  
and using because of their disadvantaged or minority status. Previous studies only concerned

the judgments made by people who are excluded from using regular, non-inclusive design products. This research takes the perspective of *included* consumers and investigates how their judgments are affected by two different types of inclusive design: the “integrated type,” which can be used by both excluded and included consumers (ambidextrous scissors) and the “separated type,” which offers different versions for excluded and included consumers separately (left-handed scissors and right-handed scissors).

Minorities are motivated to assimilate with the majority, but on the contrary, the majority are motivated to differentiate from the minority. For included consumers, using integrated products can act as a signal that they may be mistakenly seen as a minority. Therefore, included consumers who belong to the mainstream will prefer products that are more identified with the majority to which they belong. We argue that included consumers are more likely to prefer the separate type (vs. integrated type) of inclusive design products, and identification with the product will mediate this effect. This effect is attenuated when a product or person's moral/ethical characteristics are high.

## **METHOD AND DATA**

Five experimental studies were conducted using online panels from Amazon MTurk, and the dependent variable of all studies was purchase intention for inclusive design. Study 1 tested

the main effect, and the design for Study 1 was a 2 (design type: separated type vs. integrated type) design. Study 2 tested the mediating role of perception of identification with the product. The procedure was virtually identical to the procedure of Study 1, we additionally measured participants' perception of identification with the product. Study 3 employed a mediation-by-moderation approach by directly manipulating participants' perception of identification rather than measuring it. The design for Study 3 was a 2 (design type) x 2 (guarantee of identification vs. control) design. Study 4 tested to moderating role of moral identity in various contexts of disadvantage. The design for Study 4 was a 2 (design type) x 2 (disadvantage: blind vs. left-handed) design. The blind condition used the braille computer keyboards as stimuli. After measuring purchase intention for product, all participants reported items about their personal moral identity. Study 5 confirmed the moderating role of the ethical framing. The design for Study 5 was a 2 (separated vs. integrated) x 2 (ethical frame vs. control) design.

## **SUMMARY OF FINDING**

In five studies, all participants viewed product advertisements of the inclusive design type that matched the conditions to which they were randomly assigned. Results across the five studies corroborated our predictions. Study 1 found that included consumers preferred inclusive design of separated type over integrated type product ( $M_{\text{separated}} = 4.51$  vs.  $M_{\text{integrated}} = 3.24$ ,  $p = .000$ ).

Study 2 showed that product identification mediated differences in consumers' purchase intentions depending on inclusive design types ( $\beta = -.42$ ,  $SE = .06$ ; 95% CI =  $[-.54, -.31]$ ). In Study 3, providing a guarantee message for high identification with the product (vs. control) increased purchase intention for the integrated type condition ( $M_{\text{Identification}} = 3.83$ ,  $SD = 1.88$  vs.  $M_{\text{control}} = 3.38$ ,  $p = .077$ ). Study 4 examined the moderating effect on moral identity. As a result, it was found that the higher the moral identity, the higher the preference for the integrated type inclusive design product ( $p = .053$ ). Finally, Study 5 confirmed that the preference for integrated inclusive design increased when the inclusive design was framed as an ethical product rather than a multi-targeted one ( $F(1,170)=4.319$ ,  $p=.039$ ,  $\eta_p^2 =0.25$ ).

### **STATEMENT OF KEY CONTRIBUTION**

In contrast to existing research that only focused on the judgments made by people who are excluded from using regular, non-inclusive design products (Brough et al. 2016; Mittal, Griskevicius, and Haws 2020; Stayman and Deshpande 1989), this research investigates how included consumers react to inclusive design products. Furthermore, by examining two different types of inclusive design (“integrated type” and “separated type”), we demonstrate that included consumers prefer the separated type over the integrated type. This has not previously been reported. In addition, we show that the difference is mediated by perception of identification with the product, contributing to the social identity theory and consumer

identification literature.

Marketers can increase consumer preference for integrated-type inclusive design products by using messages that guarantee consumer identification. Additionally, companies can provide additional devices suitable for each consumer group when producing integrated-type inclusive design products. In addition, the preference for integrated type inclusive design can be increased if advertising copy that increases individual morality or that emphasizes the ethics of inclusive design is used. Like our research, knowing how to market mainstream consumers could make more feasible and realistic inclusive design strategy for the companies.

*References are available upon request.*

## **IMPACT OF SUSTAINABILITY CUES IN CONSUMERS' PREFERENCE AND PURCHASE DECISIONS**

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**Keywords:** Sustainability cues, sustainable products, green packaging, purchase intentions

**Description:** Study highlights the impact of sustainability cues on product preference and purchase decisions

### **EXTENDED ABSTRACT**

#### **Research Question**

In the past few years, research on sustainable consumption has been talked about a lot because climate action and sustainability are becoming more important around the world. The objective of this paper is to investigate the impact of sustainability cues on consumers' preferences and decisions about sustainable product purchases. The study provides new insight into how sustainability cues on products are used by companies, i) how well they are identified by consumers, and ii) how much of an influence they have on consumers' purchase decisions.

#### **Method and Data**

As a part of the qualitative study, in-depth interviews were held with 21 participants. The research notes and audio recordings were translated so that they correspond with the topics of the study. This study included purposeful sampling (Palinkas et al., 2015). COREQ (Consolidated criteria for reporting qualitative research) comprehensive checklist is employed for data analysis (Tong et al., 2007). Concerned about the impact of product packaging cues are collected by asking following questions 1) Do you think product is design to reduce waste in environment? 2) Do you find company use 100% recyclable materials? 3) Does product provide protection against damage? 4) Which type of packaging captures your attention the most and why? In conformity with ethical research norms, participants consented voluntarily

and actively to participate in the study. Participants were not compensated or incentivized for their participation in the intervention or completion of data collection.

### **Summary of Findings**

Our study shows that displaying sustainability cues on a product is an excellent marketing tactic to influence consumers. Using recycled and low-impact materials, companies undertake extraordinary efforts to make sustainable products. Sustainability is low on consumers' priority lists compared to other factors like price, quality, brand, and accessibility. Study found that, presence of a sustainable cues on product typically attracts the attention of consumers who wish to flaunt their sustainable purchasing decisions. Utilisation of eco-friendly or recycled materials was one of the most frequently mentioned factors by respondents concerned with sustainability. In terms of customer interest, recyclable plastic packaging and fiber-based packaging receive roughly similar attention. Most consumers hope to see an increase in the availability of compostable packaging in the near future (promote positive consumer responses and increase intentions to purchase sustainable products).

### **Key Contributions**

The research offers fresh understanding into how businesses make use of sustainability cues, how effectively consumers are able to recognise them, and how much influence these cues have on the purchasing decisions of consumers. These results show that contextual signals, such as packaging cues, may be useful for encouraging customers to reduce their climate effect. It's clear that not all products benefit equally from the same sustainable cues. Consumers' expectations of a product's lifespan are affected by both the product and its packaging. This result may have consequences not only for the study of sustainable cues but also for the study of consumer behaviour. Organizations in the modern day are always on the lookout for methods to better serve their customers. Involving responsible stakeholders is a crucial part of every company's strategy to reduce its environmental impact. The young people of India are predicted to be the largest consumers of sustainable and environment goods in the future; thus, this research intends to increase their level of participation.

**References are available upon request.**



**IMPARTING KNOWLEDGE TO A MARKET: SUSTAINABILITY IN BRAND  
COMMUNICATION**

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**Keywords:** communication, sustainability, practice theory, education, fashion

**Description:** How are sustainable fashion brands educating consumers to shop ethically?

## **EXTENDED ABSTRACT**

### **Research Question**

Global apparel manufacturing is a \$825 billion dollar (IBIS World, 2021) that is responsible for 10% of the world's total carbon footprint and represents the 2<sup>nd</sup> largest polluter of fresh water globally (Dottle and Gu 2022). Considering this environmental and social catastrophe, a market for sustainable and ethical clothing has been emerging over the last years and has reached a value of nearly \$6.35 billion in 2019 (The Business Research Company 2020).

However, research on discourses and practices of sustainability prevalent in the global fashion industry are scant. The debate is further complicated by the fact that there is no agreed upon definition what sustainable fashion is, thus making the communication of sustainability particularly complex and brands susceptible to allegations of green washing (Changing Markets 2023). Generally speaking, the topic of communicating sustainability is fraught with paradoxes: there is both too little (Fashion Revolution, 2022) and too much information (Torma and Thøgersen 2021); consumers actively seek sustainability (Forrester 2021) but also ignore it (Ehrich and Irwin 2005); sustainable brands are criticized for over-communicating but are also 'muted' in that they do not communicate about their social and environmental efforts, partly because doing so exposes companies to criticism and scrutiny (Solér, Baeza, and Svärd 2015). Against this background, this research investigates: (1), how do sustainable brands communicate sustainability? And (2) how do they educate and guide consumers in understanding and embracing sustainable fashion?

### **Method and data**

We conducted a comparative case analysis of sustainable fashion brands (Bartlett and Vavrus 2017). We included a set of six sustainable fashion brands: Patagonia, Tentree, Reformation, Everlane, Girlfriend Collective, and Franc that each include different units of analysis: public interviews, press releases, advertisement on social media and other channels (Yin 2009). We first conducted a generic news search to collect the names of fashion brands that claim to be sustainable or ethically. We then validated the selection of brands through the brand directory of Good on You ([www.goodonyou.eco](http://www.goodonyou.eco)), an online and app-based guide to sustainable fashion that rates brands along three main dimensions: people, the planet, and animals. We eliminated brands that were either not part of this directory or did not have a good ranking. The selection of the final six cases was based on theoretical considerations (Eisenhardt 1989): we chose sustainable brands of different size. Finally, for all brands we collected information pertaining to their communication strategy, slogans, advertisements, and press releases as well as their relation to influencers and their social media presence.

For our data analysis, we identified and contextualized the similarities and differences across data, as well as the emerging patterns (Bartlett and Vavrus 2017). Our data analysis informed and was undertaken concomitantly, with the data collection, and we moved back and forth between data collection, data analysis, and theorization (Belk, Fischer, and Kozinets 2012). Coding was both grounded and theoretically informed.

### **Summary of findings**

Sustainable brands strive to inform consumers and shape their shopping practices in alignment with an eco-friendly teleology through three practices: 1) valorization, 2), demonstration and 3) affirmation.

*Valorization.* First, to communicate the importance of shifting practices, sustainable brands focus on explicitly stating the value of doing so. This does not only refer to the value ascribed to sustainable fabrics, or even sustainable clothing, but to the planet and the aspects individuals should value in life. This is evident in the objects emphasized in their communication, in particular in the visuals, which largely focuses on nature imagery and educational messages rather than the apparel items, which stands in a stark contrast to unsustainable fashion brands.

*Demonstration.* By demonstration, we refer to sustainable brands' messages that showcase their own positive contribution to combating environmental problem through a complete transparency of their supply chains. Everlane's Inatagram page show pictures from the factories in China, a very rare appearance in fashion brands because of the exploitation and bad working conditions of the employees in these factories. This drastic contradiction vis a vis companies that seal away their factories and call for PR crisis management when photos are leaked aids sustainable brands in demonstrating the actual changes implemented.

*Affirmation.* Finally, by affirmation, we refer to sustainable brands messages that upholds the feasibility of behavioral change in combating climate change and saving the planet. Through affirmation, ethical brands ensure to communicate the potential of collective action as the cumulation of small changes by many citizens can lead to real change. Since the proximity, or even possibility, of bringing a halt to climate change is not easily evident, consumers might easily feel discouraged to pursue their sustainable pursuits (Jhang and Lynch 2015). Affirmation enables consumers to validate the possible achievement of the practice teleology.

**Key contributions**

This research contributes to prior work on green advertising by analyzing and documenting the dissemination practices of sustainable brands. These do not communicate sustainability to increase brand attitudes or purchase intention (Matthes and Wonneberger 2014; Schmuck et al. 2018) but instead have the deliberate intention to inform and educate consumers about (un)sustainability in the field of fashion. Our findings extend prior work that describes the writing and imagery used by sustainable fashion brands on Instagram (Zhao et al. 2022) by carving out the underlying communication strategies that allow these brands to impart a shared understanding of sustainability on the market. Communicating and advertising green credentials has largely been encountered with skepticism and distrust (Do Paço and Reis 2012) and blamed to enable greenwashing and erode investor confidence (Delmas and Burbano 2011). Our research paints a different picture and shows how communication practices of sustainable brands can help legitimize sustainability in fashion (Solér et al. 2015).

**References provided upon request**

**INVESTIGATING CONSUMER MOTIVATIONS AND WILLINGNESS TO ADOPT  
CIRCULAR REUSABLE PACKAGING IN ONLINE SHOPPING**

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**Keywords:** circular packaging, intrinsic motivation, external motivation, incentive magnitude, consumer generation

**Description:** This study explores the interaction between marketing appeal, incentive magnitude, and consumer generation on consumer motivations and willingness to adopt circular packaging.

**EXTENDED ABSTRACT**

**Research Question**

Due to the development of related technologies and the COVID-19 epidemic, the demand for online shopping has increased, leading to a significant rise in delivery packaging waste and carbon emissions. To reduce the burden of packaging waste on the environment, some e-commerce companies have launched circular packaging programs that require consumers to use reusable packages and return them to specific recycling spots for reuse. However, they have yet to trigger active consumer participation. Therefore, this study aims to identify important factors influencing consumer willingness to use it to assist companies in improving their circular packaging programs.

Based on motivation theory and green marketing literature, this study suggests that the type (intrinsic/external) and intensity of consumer motivations to adopt circular packaging may be influenced by the marketing appeals (egoistic/altruistic) and the incentive magnitude provided by the program. Moreover, different generations of consumers have different environmental consciousness, which may also affect their willingness to adopt circular packaging. Therefore, this study attempts to identify the effects of marketing appeals, incentive magnitude, and consumer generations on the motivations and willingness to adopt circular packaging.

## **Method and Data**

A 2 (marketing appeal: egoistic/altruistic) x 3 (incentive magnitude: small/medium/large) x 4

(consumer generation: baby-boomer/Gen.-X/Gen.-Y/Gen.-Z) experiment was conducted with 314 participants. Marketing appeals and incentive magnitude were manipulated to generate six circular packaging ads. Participants were randomly assigned to view one of the six ads and were classified into one of the four generations according to their birth year. Their intrinsic motivation, external motivation, and willingness to adopt were then measured.

The results of ANOVAs showed several main effects. The main effects of generation on intrinsic motivation and adoption willingness indicated that older consumers have higher intrinsic motivation and adoption willingness. The main effects of incentive magnitude and generation on external motivation indicated that large and medium incentives are more effective in triggering external motivation than small ones; Gen.-Zers have higher external motivation than other generations. Two-way interactions revealed that, when using egoistic/altruistic appeals, a small incentive leads to a higher/lower adoption willingness. Besides, baby boomers' adoption willingness increases with incentive magnitude; Gen.-X's/Gen.-Z's adoption willingness is lower when given a small/large incentive; Gen.-Y's adoption willingness does not change across incentive magnitudes. Finally, the regression results revealed that intrinsic motivation (vs. external motivation) has a stronger effect on adoption willingness.

### **Summary of Findings**



This study draws several conclusions: (1) intrinsic motivation, but not external motivation, contributes to the willingness to adopt circular packaging; (2) older consumers have higher intrinsic motivation and willingness to adopt circular packaging than younger consumers do; (3) greater incentives given to older consumers and smaller incentives given to younger consumers induce a greater adoption willingness; and (4) greater incentives given when using altruistic appeals and smaller incentives given when using egoistic appeals induce a greater adoption willingness.

### **Statement of Key Contributions**

This study contributes to green marketing literature by clarifying intrinsic and external motivation's relative effect on willingness to adopt circular packaging. In addition, it adds to cause-related marketing literature by understanding the influences of consumer generation and incentive magnitude on the effectiveness of altruistic marketing appeals. For practitioners, this study assists governments and online shopping companies in improving circular reusable packaging programs to get consumers engaged. Specifically, when promoting recycling programs, governments should prioritize educating the public through the media about the significance and importance of recycling to stimulate stronger intrinsic motivation. In the early stage, governments better target baby boomers and Gen.-Xers because they have higher

intrinsic motivation and willingness to adopt. In addition, online shopping companies can offer the right incentive magnitude depending on the age range of their target consumers. For e-commerce targets middle-aged and elderly consumers, a higher incentive rate would be more effective; for e-commerce targets young consumers, a lower incentive rate would trigger a better willingness to adopt circular packaging. Also, companies can lower the incentive rate to reduce costs when implementing an egoistic program; conversely, using a higher incentive rate for an altruistic program is more attractive.

## **Investigating sustainability factors and consumers' ethnocentrism on their cross-border e-commerce purchase intentions**

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**Keywords:** Cross-Border, sustainability, ethnocentrism, online buying behavior

**Description:** The increasing consumer attention to sustainability issues and the simultaneously increasing environmental impact of consumers' growing cross-border e-commerce activities represent two opposing trends, showing in our study that environmental knowledge and subjective norm surprisingly have a positive effect on the cross-border e-commerce attitude, while negative effects of environmental awareness and ethnocentrism on the cross-border e-commerce attitudes can be found.

### **EXTENDED ABSTRACT**

**Research Question:** Consumers' rising e-commerce activities during the COVID-19 pandemic have also boosted cross-border e-commerce tremendously. However, consumers are not always aware of the impact that their online shopping behaviour has, but still, the observable climate change is increasing people's awareness of environmental issues and their intention to increase more environmentally friendly consumption. So, while sustainable production and consumption is becoming more and more important for consumers, the COVID-19 pandemic also increased the popularity of regional and local products and strengthened a stronger focus on the domestic market. Concluding, two, apparently contradictory consumer behaviour trends are observable: On the one hand, there is the consumption of more sustainable and regional or

local products and the increased support of the own economy and national retailers. However, on the other hand, consumers are buying more from abroad, which potentially leads to a lower sustainability value and harms domestic retailers. Based on this, the following research question can be identified: *Do sustainability factors and ethnocentrism influence consumers' cross-border e-commerce attitudes as well as their cross-border e-commerce purchase intentions?*

**Method And Data:** To answer the research question of this study, a quantitative online study was conducted in the German market. At the beginning of the survey, a short explanatory text explained to the participants what cross-border e-commerce is. This was to ensure that all participants had the same basic knowledge and understanding of cross-border e-commerce. Also, the participants were asked what prior experience they had in dealing with cross-border e-commerce. Participants were not given any further information about the effects and consequences of cross-border e-commerce so as not to influence them in advance. Before analysing the data, the dataset was cleaned to remove incomplete or erroneous data. In addition, participants who took less than half the median time to answer the question were excluded as speeder respondents. As a result of the data cleaning process, 37 participants were removed, leaving a total of 296 participants (female: 66.9%; diverse: .7%) with a mean age of 33.80 years (SD=13.07) included in the final analysis.

**Summary of Findings:** First, we analysed the impact on cross-border e-commerce attitude. Results show a significant negative influence of environmental awareness on the cross-border e-commerce attitude. Furthermore, the environmental knowledge has a significant positive impact on the cross-border e-commerce attitude, while a negative effect was assumed. Also, results show a significant positive impact of the subjective norm on the cross-border e-

commerce attitude, although a negative effect was expected, too. However, there is a negative significant effect by ethnocentrism on the cross-border e-commerce attitude, which is also the strongest effect on the attitude. With regard to the postulated impacts on cross-border e-commerce purchase intention, results show that environmental awareness, environmental knowledge, or subjective norm have no significant effect on the cross-border e-commerce purchase intention. However, the result shows a significant negative influence of ethnocentrism on the cross-border e-commerce purchase intention. Additionally, results show a significant positive influence of the cross-border e-commerce attitude on the cross-border e-commerce purchase intention.

**Statement of Key Contributions:** So far, only a few studies on the influence of sustainability aspects on cross-border e-commerce have been conducted. Therefore, this work can create added value both for practice, by formulating concrete recommendations for action for retailers, consumers, and policymakers, as well as for research. For example, foreign online retailers can benefit from this work by better adapting their offerings or services to the various influencing factors that ultimately determine the cross-border online shopping behaviour of their consumers. In doing so, this study focuses primarily on the importance of sustainability factors and current consumption trends for cross-border e-commerce purchase intentions, which are increasingly shaping consumer behaviour in other areas as well. In terms of research, the present study contributes to new insights related to the applicability of various sustainability factors in cross-border e-commerce and thus expands existing knowledge on consumer behaviour, in a constantly sociologically and politically changing world.

**ORGANIZATION- VERSUS EMPLOYEE-LEVEL DIVERSITY EQUITY INCLUSION PERFORMANCES:  
THE CASE OF HIGHER EDUCATION**

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**Key Words:** DEI initiatives, Higher Education, Brand Image, Brand Engagement, Consumer Identification

**Description:** An exploration of the relationship between university and faculty DEI initiatives on the university’s brand image and engagement.

**EXTENDED ABSTRACT**

Diversity, Equity, and Inclusion (DEI) has become an organizational hot topic during the past few years, with companies seemingly racing to communicate their overarching strategies. However, what benefits do organizations gain from investing more resources into DEI apart from the apparent feel-good value? Understanding the interplay between focusing on DEI and brand performance is critical to organizations as they can make a more favorable impression on their stakeholders by engaging in social responsibility platforms such as CSR, ESG, and DEI. We focus on higher education institutions because of the vital target group that universities serve, students, who are arguably society’s future leaders and consumers.

DEI in higher education, much like other industries, tends to focus more on stakeholders’ perception of the diversity, equity, and inclusion of the operating environment, be it the classroom or workplace. The range of demographic categorizations commonly measures diversity in this context. Meanwhile, equity is the organizational ability to provide equal access and opportunities to

each employee or stakeholder. Finally, inclusion refers to including all groups in the organization, i.e., not excluding any, regardless of size or importance.

According to institutional theory, an organization's search for legitimacy is often motivated by social acceptance, which is inherently driven by the organization's ability to engage in socially relevant issues. Consumers generally will identify more with an organization or its brands when they are duly engaged. Similarly, university students will show stronger identification with their higher education institution when they are more integrated into the university's image, which usually leads to positive WOM. Student identification with their university is anchored in organizational trust since students share similar values and beliefs with their higher education institution. Stronger identification leads to a more positive image and higher satisfaction with the institution.

### **Research Questions**

1. Does student preference for their university moderate the relationship between student identification and their engagement with the university?
2. Does the student identification with their university mediate the relationship between the university's DEI initiative and brand image?
3. When predicting brand image and engagement, are there significant differences between the beta weights of the predictors, university DEI initiatives and faculty DEI initiatives?

### **Method and Data**

Data was collected via voluntary and anonymous participation in an online survey among enrolled (82% full-time, 65% face-to-face) students at a major U.S. public university with 1,024 valid completions. 37% of the participants were first-generation college students, roughly 14% were

international students from 28 countries, and 68% were undergraduates. The median age was 22, and 57.5% of the sample was female. Two regression moderation, four bootstrapping mediation, and two independent confidence interval analyses were employed to test the hypotheses.

### **Summary of Findings**

Organization-level DEI initiatives are significantly more rewarding than employee-level DEI initiatives. Brand preference moderates the relationship between consumer identification and post-purchase consumer engagement. However, the pre-mediated preference for the brand does not necessarily change consumers' view of the brand image in the presence of consumer identification. Finally, consumer identification is the underlying mechanism linking an organization's DEI initiatives and marketing outcomes.

### **Key Contributions**

The study contributes to the institutional theory literature by validating the role of consumer identification on the organization's brand image and post-purchase consumer engagement outcomes. DEI initiatives only produce desired outcomes for an organization when its stakeholders share the same beliefs and values through a consumer identification mechanism. Ultimately, institutional legitimators such as CSR, ESG, and, finally, DEI are important metrics derived from the struggle for resources, legitimacy, authenticity, and mission to benefit the served group. The mediating relationship explains the underlying mechanism linking an organization's DEI initiatives and marketing outcomes. The study identifies the moderating role of brand preference on consumer identification and marketing outcomes. By design or chance, brand preference attainment processes generate divisions of results that are un-diverse, unequal, and/or exclusive, which arguably is un-DEI. Divisions of results for the consumers are inevitable. Thus, as the organization strives to be



diverse, equitable, and inclusive for stakeholders, the decision to focus on the DEI process or outcome is significant.

**Rethinking Corporate Social Responsibility : Thoughts on the Future of  
Business Ethics**

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Keywords: Corporate social responsibility, business ethics, artificial intelligence

**Extended Abstract**

**Research Questions**

In today's digital environment, the benefits from AI-related products and technologies are greatly changing people's lives. However, the ethical related issue concerns emerging from the application of AI technologies have also arisen. This study attempted to respond to two research questions.

1. What are the AI-related CSR activities?
2. How AI-related CSR strategies can balance be achieved between economic interests and social benefits?

**Summary of Findings**

Based upon stakeholder theory perspective, the study construct a model depicting the nature of the AI-related corporate social responsibility and the relationship among operational performance and organizational performance.

**Key Contributions**

This study made a number of contributions to the studies of AI, business ethics,

and CSR. First, we adopted a multi-level perspective—product, customer and society level — to examine AI-related CSR activities. A total of six key activities in technological ethics were identified, namely, AI bias, ethical design, privacy, cybersecurity, autonomy, and unemployment, so companies can revisit their CSR natures in the digital environment. Second, this study provided a conceptual framework to articulate how AI-related CSR activities affect consumers’ assessments and thus corporate performance, which could provide insight into AI-related CSR strategies for companies.

“References are Available on Request”

## **SHOULD WE DROP DISNEY PRINCESSES ALTOGETHER? FEMINIST REPRESENTATION AND A BRAND NARRATIVE**

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**Keywords:** Disney Princesses, Feminist Theory, Brands

**Description:** A comparative case analysis of the Disney Princess Franchise (DPF) and its failure to present powerful feminist role models to young consumers.

### **EXTENDED ABSTRACT**

#### **Research Question**

Media can be used to interpret, challenge, and reflect on the current sociocultural norms (Hepp and Krotz 2014) and it can play an important part in either perpetuating or challenging hegemonic ideologies. Movies not only normalize human behavior by justifying societal tendencies, but they also inform audiences and inspire change (Breen

et al. 2017; Cooper, Schembri, and Miller 2010). Audiences use movies to develop their identities and understand the role that gender plays in the non-fiction world (Maity 2014). This is well known to companies in the film industry, which seek to stay relevant to their target market by aligning their brands to wider cultural values and meanings.

The Disney Princess Franchise (DPF) has been lauded for introducing independent female characters. Yet it is also criticized for propagating some stereotypical gender norms. To examine this further, we argue that the DPF is failing to absorb and restructure its offerings to match the evolving socio-cultural norms in feminist representation. Through an analysis of gender roles, performativity, and body image we analyze the factors that hinder the DPF from successfully presenting powerful feminist role models to young consumers, which inadvertently results in the perpetuation of sexist ideologies.

### **Method and Data**

We conducted a critical comparative case study (Bartlett and Vavrus 2017; Gagnon 2010; Gomm et al. 2000) of six Disney princesses in seven movies of the DPF that correspond to the four feminist waves. Within each movie, we carried out verbal, textual, and visual coding (Berger et al. 2020; Björkvall 2017; Schroeder 2006; Schroeder and Borgerson 2015).

To understand whether the DPF adjusted to changing socio-cultural conditions, we depicted details related to the main female character, her interaction with other characters, her behavior, her apparel, and her speeches. Each author saw the movies

separately, taking extensive notes while watching and reflecting upon the termination of the movie. The authors then discuss their notes in joint meetings to reach a consensus.

We also triangulated our analysis with reviews from Rotten Tomato and archival data analyses. In the reviews, we focused only on coding and analyzing relevant reviews to our research questions. Finally, to complement these data points, and to provide a contextual analysis of the cultural and historical environments in which these movies were created, we collected archival data, including newspaper articles and books, to identify how the various feminist waves correspond to the production era of each movie.

### **Summary of Findings**

Despite the DPF's intention to imbue values of good citizenship and modernity in its movies, it still fails to incorporate modern notions and it still perpetuates sexist ideologies. We pinpoint three anchors to explain DPF's failure: (1) hegemonic gender roles; (2) counter-feminist performativity, and (3) un-inclusive body materiality.

First, the DPF movies propagated cultural stereotypes of gender by promoting hegemonic values through the depiction of powerless female leads. It has framed and assured the hegemonic gender roles of women within the household throughout its films.

Second, throughout the different eras, DPF has also reflected and reinforced counter-feminist performativity in their female leads. This is evident in our analysis of the behavior of Disney princesses when their interactions with others in her social circle. The princesses appear lost and in need of guidance from authoritative figures, which ranging from parents to prospective significant others

Finally, the DPF has failed to evolve its brand narrative as depicted in its un-inclusive body materiality. Almost all princesses, except for Pocahontas due to its historical roots, are white. They appear slim with unrealistic body curves that do not reflect the actual body types of an average woman.

### **Statement of Key Contributions**

Our paper contributes to the literature on socio-cultural norms and their effect on brand evolution. Prior studies explore how brands adapting to modern norms are perceived, but they do not identify whether these modifications are meaningful and representative. First, to address these gaps, we adopted a feminist theory to systematically analyze Disney Princess movies within the four waves of feminism. Second, we integrated data from archives, movie reviews, and visual content to critically evaluate actions that are in line with traditional ideologies and actions that are truly revolutionary. Third, we discussed the behaviors and interactions of the main characters within these movies to demonstrate when the Disney brand fails to integrate social-cultural conditions in a meaningful way. This paper, therefore, adds to the existing research on the intersection of brands, feminism, and dominant ideologies.

Marketing managers who wish to align their brands to modern social-cultural norms should introduce powerful feminist role models to young consumers, rather than further normalize sexist ideologies. Modern feminist ideologies should also be incorporated meaningfully to connect to younger audiences. Policy makers can formulate laws and regulations to prevent unnecessary harm against female consumers and can provide toolkits to combat existing gendered and racial stereotypes.

## **TITLE SMART CITIES: THE PREMISE, THE PROMISE, THE REALITY AND WHAT WE CAN DO NEXT**

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Key words: Smart cities, citizens, aging, salutogenesis

The paper explores the evolving domain of smart cities, current emphases, challenges and opportunities, with a focus on the necessary nexus of policy, practice and governance; with a focus on local government and enabling citizens, including the aging, to thrive and flourish.

### ABSTRACT

The research focuses on ‘place’, a locality that enhances the lives of its citizens, visitors and stakeholders, within the evolving construct of ‘smart’, and all those stakeholders it encapsulates.

We also focus on the construct of age-friendly communities, as an opportunity for smart city thinking and thinkers.

### INTRODUCTION

The Smart City ‘revolution’ started with excitement and pomp. The concept seemed well-timed. The new millennium loomed as a shining light and the idea of smart cities stood out as a shiny artifact. This paper explores the promises of the smart city revolution. Using extant literature and the insights of smart city proponents, we provide a brief journey map to the present. We provide a summation of what went well and what went wrong. We examine who benefited and who was left off the smart trajectory. Finally, through especially marketing and user-centricity and public policy mindset, provide some guidance for the future of ‘smart’, as the concept of community evolves as do user-focused technologies.

“We seem divided between an urge to override our senses and numb ourselves to our settings and a contradictory impulse to acknowledge the extent to which our identities are indelibly connected to, and will shift with, our locations”. Alain de Botton, (2008). *The architecture of happiness*.



## **THE SMART CITY: A VALID CONSTRUCT?**

Whilst the engaging writer and philosopher de Botton refers more generally to architecture in his musings (De Botton, 2008), the insights remind us that whilst the language and imagery of ‘smart city’ infers a veneer of technology and tangibility, the notion of a smart city is constructed by people, with people and for people. As such, we must acknowledge the complexity, variability and contradictions that the human condition conveys.

Societies as a researchable construct have long held fascination for philosophers, leaders, city planners and the members of such societies (Venkataraman, 2020). Such research endeavours explore and extol shared values, wise practices and good governance guiding wise decisions. It is posited that these societies have populations that focus on and consciously advance their collective futures (Desouza et al., 2020).

Previous research has explored the notion of smart cities and smart citizens as evolving and related concepts and constructs (Bisani & Choi, 2016; Cardullo & Kitchin, 2018a; Kummitha & Crutzen, 2019). Building on this research and other research, we conduct a comprehensive review of recent literature related to the meaning and application of smart city thinking and initiatives. The current study explores these concepts with a semi-structured interview schedule involving smart city protagonists at local and state government levels in the Australian context.

### **The Research Purpose and Process**

We test a set of strategic considerations that relate to policy makers, marketers, citizens and key stakeholders who are focused on tangible outcomes in the context of building, resourcing and aiming for sustainable and valuable smart city initiatives. Previous work informs the set of propositions that we test in this research (Barba-Sánchez et al., 2019; Dixon, 2018; Johnson et al., 2020; Manchester & Cope, 2019; Melo, 2019; Peloso et al., 2021).

Depth interviews with smart city strategists, policy makers and city managers yielded insights into the current state of the smart city movement, as well as a potential ‘ideal’ state of smart city practices. Our findings suggest that despite significant focus on building the theory and practice of smart city enablement, many cities, despite good will and intention, struggle to foster the mandates and resources to effectively change and execute on the smart city promise. However, there are suggestions that a new language, a renewed focus and realignment and also a way of conversing is emerging that may represent new options and possibilities to enable success.

We investigate perceptions of these protagonists to ascertain current and future state perceptions of the drivers of smart city interventions and smart city ‘thinking’ and culture in the Australian context, the perceived role and participation parameters and constraints of citizens, the viability and utility of smart city ‘branding’, and the role, nature and purpose of marketing endeavours in the smart city space, with a specific focus on citizens, vendors and other stakeholders in the smart city space.

### **The current state of Smart City thinking**

Despite evidence that theory and practice have evolved and matured since early work, especially that led by the Brookhaven National Laboratory in the US (Bowerman et al., 2000), the somewhat chaotic and unruly nature of execution continues, even as the concepts and strategies of the smart city movement have become mainstream.

We define both acknowledged and aspiring smart cities as urban environments that consciously seek through various means to embrace technology to enable service solutions and encourage its citizens to recognize and enable actions in relation to the development of mechanisms and systems so that such technology and citizen and stakeholder engagement ideally realize consequent benefits (Bisani & Choi, 2016; Cardullo & Kitchin, 2018a; Desouza et al., 2020).

Our review suggests that theoreticians and practitioners in the smart city space ponder, among other factors, four specific strategic considerations. A fundamental question addresses the evolving sense of ‘what is a smart city’. We explore and identify the purpose, the ‘why’ of its smart city journey. We note that success stories in the smart city space tend to focus on three distinct elements of execution: enabling, disrupting and unknowns (Bisani & Choi, 2016; Johnson et al., 2020; Kummitha & Crutzen, 2019).

Enabling purposes center around using technology and smart city thinking to enact existing services and city functions in a more convenient and efficient manner. This includes city functions such as payments, inquiries and digitization of development and tax collection processes such as development approvals and record management. Disruption purposes focus on technology-based solutions for efficient energy waste and energy management, movement and logistics management and citizen participation that were not previously or feasibly possible. The possibilities of unknowns for users can result in unexpected and previously unimagined solutions to create value for those users and more broadly the community.

A second strategic factor addresses the role of citizens within an identified urban setting. A citizen-centric continuum might range from ‘citizens as service recipients’ to ‘citizens as participants in the problem-solution process (Barba-Sánchez et al., 2019; Johnson et al., 2020).

A third strategic factor involves the explicit and implicit branding and positioning of a city and its citizens as ‘smart’, and to what degree of ‘smartness’ (Cardullo & Kitchin, 2018a, 2018b).

Smart city endeavors that are ill conceived can foster perceptions of hype and lack of substance with limited public value as the outcomes (Dixon, 2018).

A final strategic factor, related to the branding and positioning of a city as ‘smart’, encompasses the conscious marketing of the city and benefits and rationale that may accrue as a result of such

conscious marketing. Entwined with this factor is the nature of the citizen participation ‘scaffold’ and the citizen interaction models (Bisani & Choi, 2016; Cardullo & Kitchin, 2018a, 2018b; Manchester & Cope, 2019).

### **Methodology**

Using government reports, industry analyses, other published sources and recommendations from noted smart city protagonists we identified specific categories of knowledge repositories which we believed would provide suitable insights for our research. We attempted to invite a suite of potential respondents to balance city size, regional versus major city locations, smart city professions versus city managers, and also input from state and local smart city policy professionals.

Six respondents were selected from our search, all of whom participated in the depth interview process, including senior smart strategists, city planning directors, city general managers, and environmental policy experts.

We developed an interview protocol based on subsets of the four strategic factors identified previously in this paper: the ‘why’ of the respondent’s identified smart city within enabling, disrupting and unknowns; the role of the citizen as recipients or participants within the system; the nature of branding of the city balancing smart city versus smart citizens; and the efforts and impacts of implicit or explicit marketing strategies.

Each interviewee was provided with an overview of the purpose of the research and also an overview of the four strategic factors to be explored. The interviews lasted 45 minutes each and were each conducted by two of the researchers on our team. Each interview followed the same protocol.

We scribed the interviewees’ responses, shared and compared notes following each meeting, and highlighted insights from the collated notes, under the themes of the four factors we identified

previously in this paper. A third researcher who did not participate in the interviews reviewed our insights in the context of our provided notes as a control.

## **Findings**

Of particular interest to us in our research, is the notion that inherently, the process of developing a smart city is not just technical but strategic and political (Meijer, 2018). At this stage, however, it is unclear what forces influence the various strategic decisions cities make and how this influences their policy agenda (Clement & Crutzen, 2021).

It appears that in an ad hoc fashion, each country is developing towards its own vision of cities intertwined with technology (Matta et al., 2020). Our research focuses on the current and future state of the smart city movement in Australia, a country which has had a significant impact and successes in the smart city development trajectory.

Clearly, governments have a central role in the development of legitimacy for smart cities and the rules and decisions (Meijer, 2018). Our research aims to explore how local governments market their smart city agenda and how this interacts with the following strategic decisions.

The first is the 'why' behind smart cities: what do policy makers consider as the drive behind the adoption of smart cities. Next, what is the scope of smart cities. Are cities focused on enabling better services and service provision alone, are they intent on enabling disruption and creation, or is there an alternate model or nexus in terms of scope. Lastly, what is the role of the citizen in a smart city: are and should smart cities be technology-centred, citizen-centred, or both?

Intertwined with these questions is the imperative of gaining public and financial support, within the frame of legitimacy, resources and public value. To do so cities must market themselves to the public, officials, investors and disparate stakeholders. An important question that has emerged in this research and in the literature is the nature and value of specific 'smart' branding

elements. Should a city be explicitly branded as a smart city or is the ‘smart’ implicit in the services models and overall branding and positioning? Does ‘smart’ mean digitally enabled, convenient or are there other aspects and features of ‘smart’ that are salient to the complex set of stakeholders in a smart city landscape?

Broadly speaking, citizens in a smart city are both consumers and key inputs into smart services and other offerings. When cities design policy and projects the process often pivots around considering citizens as recipients of a service or other offering to be customized for, or as participants in the problem-solution process.

Our hypothesis was that the cities would, explicitly or otherwise, make choices that push them along the decision tree. A smart city driven by technology opportunities would likely focus on enabling greater efficiency through technology focused projects (Kummitha & Crutzen, 2019).

Contrary to expectations, the participants did not engage with the static choices presented.

Rather they understood them as progressive or cumulative. For example, enabling was the initial focus of many of the smart city programs. However, participants flagged that this was a necessary and restricted choice. After developing capability, trust and internal support the focus is expected to shift to disruption and creation. Similarly, participants flagged the importance and overall goal of citizen centricity. However, due to political constraints, projects were often technology focused.

An instructive insight for policy makers is that participants from more mature or successful smart cities programs indicated that past successes enabled marketing of smart cities that was less specific and more focused on future possibilities. Without dedicated resources it is hard to develop and market policy that includes disruption and creation. Additionally, a lack of long-term resourcing can force a smart cities team to prioritize popular projects to increase internal

support and push for permeance rather than transfer power to citizens. It has been noted however that platforms that enable citizens to participate with the urban transformation conversation tend to result in greater buy-in from the public, which has been described as a pathway towards more complex engagement and participation (Desouza & Bhagwatwar, 2014; Desouza et al., 2020). Komninos, et al. (2021) highlight that smart cities are often hampered by compartmentation and a focus on efficiency (Komninos, Kakderi, Collado, et al., 2021; Komninos, Kakderi, Mora, et al., 2021). Our results suggest that without exogenous forces, this may be a necessary first step. There is a tug-of-war between what 'best practice' is for smart cities and what smart city policy makers can 'sell' to citizens, leaders and investors. As Subject E noted, smart places in Australia are about becoming more effective and efficient, but the biggest promise comes from unknowns: “In Australia we’ve let ourselves down, due to our focus on cost reduction, not doing enough to create an innovation ecosystem”.

### **What about the aged and aging?**

What does the smart city concept mean for the aging? A huge opportunity exists for smart city thinking to encompass the aging and one emerging concept is that of salutogenesis (Kreiserberg & Huffaker, 2018), which is a central factor in the future directions of responding to an ageing society. The concept of salutogenesis (Mittelmark & Bauer, 2022) seeks to shift the focus of care of any group with diseases and focusing on finding the causes of and treating disease, toward an approach that seeks to understand what ‘causes’ wellbeing and health; and how a stronger sense of wellbeing might help respond to the impact of physical and mental challenges.

Considering a salutogenic approach entails focusing on how older people can experience and perceive a life worth living, rather than being protected from harm or restricted from possibilities (Golembiewski & Zeisel, 2022). We believe that smart city thinking can have a role to play by

adapting advances in technology to specific situations and solutions for the aging particularly those with inhibiting conditions (McCuaig & Quennerstedt, 2018).

### **Discussion**

Setting up our hypothesis about the strategic decision factors, contrary to our expectations, the participants did not engage with the static choices presented. Rather they understood them as progressive or cumulative. For example, enabling was the initial focus of many of the smart city programs, but after developing capability, trust and internal support the focus is expected to mature, or has matured in some cases, to encompass disrupting and unknowns. As most participants were still in the early phases, this raises the issues of interpreting their response to how to market smart cities.

The majority highlighted the importance of marketing smart projects, rather than smart cities, and tangible outcomes, rather than the innovative process and technology that make them and other outcomes possible. However, participants from more mature or successful smart cities programs, did indicate that past successes enabled marketing of smart cities that was less specific and more focused on future possibilities.

In terms of effects on practitioners, we believe the insights enable the work of smart city protagonists. They highlight a tug-of-war between where 'best practice' is for a smart city and what smart city policy makers can 'sell' to citizens, leaders and investors. As Simon Hunter pointed out, smart places are about becoming more effective and efficient, but the biggest promise comes from unknowns: in Australia we've let ourselves down, due to our focus on cost reduction, not doing enough to create an innovation ecosystem.

In terms of theoretical and managerial implications, from a marketing perspective the insights of Subject A are instructive. This participant noted that without dedicated resources it is challenging



to develop and market policy that includes unknowns. After the respondent's city employed a dedicated communications and engagement professional, indicative of committing more resources to smart cities, the city's marketing and policy developed to have a more citizen centric, perhaps best practice, focus. A lack of long-term resourcing has since forced the team to prioritise popular projects to increase internal support and push for permeance, again highlighting this internal tug-of-war. Next steps will focus on how to cross this boundary between the focus and marketing of specifics to the promises of unknowns.

### **Managerial implications and final observations**

From a practitioner's perspective, perhaps one of the most interesting insights was encouraging smart cities to create a new 'language' as a new way of communicating. The subsequent proposal suggests a government to citizen, citizen to government, government to the world approach. This is an insightful observation. Digital technology is indeed fundamentally changing the how we talk about, plan, and create our cities and communities.

Big data is the most obvious expression of this linguistic evolution. We can now have more conversations about city challenges, aspirations, and priorities that are based on actual evidence, rather than traditions, anecdotes and fears. Quite literally, we speak a different language when conversations are rooted in data. Equally, the advent of 'digital democracy' represents a distinct change in how governments and citizens can and perhaps should converse and interact.

Given the emergence of this new language, cities need to give greater attention to how they adapt to this new linguistic environment. To continue the analogy, they need to build proficiency, both within government and externally. Formalised language definitions and conventions are key.

City professional should determine who they want to converse with, and when. As in other endeavours, practice is key. This means, in reality, building bureaucratic and citizen data and

digital literacy, constructing holistic smart city communications strategies, designing and embedding digital democracy tools into governance, and modernising city branding.

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**THE BRAND REPUTATION IMPACT OF ACTIVISM DEPENDS ON THE ISSUE  
ADDRESSED AND ON THE BRAND CATEGORY**

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**Keywords:** Brand activism, sustainability, brand reputation, brand equity, DEI

**Description:** The current paper investigates the differential impact of brand activism on different aspects of brand reputation while controlling for the type of issue and brand category.

**EXTENDED ABSTRACT**

**Research Question**

Corporate sociopolitical activism has gained increasing popularity in today's divided society, sparking disagreement among stakeholders (Bhagwat, Warren, Beck, & Watson, 2020).

Existing literature has presented contrasting results in terms of the direction of the impact of activism on brand attitudes, while focusing on single high-profile events and single brands, overlooking the longitudinal character of activism (Atanga, Xue, & Mattila, 2022; Hong & Li,

2020; Mukherjee & Althuizen, 2020), and ignoring the multi-dimensional and evolutionary character of consumer perceptions (Keller, 2001).

Building on signaling theory (Connelly, Certo, Ireland, & Reutzel, 2011), brands can use activism to signal their sociopolitical values, leading to an improvement in their reputation. Nevertheless, reputation has different dimensions. While some do not expect brands' efforts toward societal enhancement to affect the more-rational aspects like product quality, others may receive more utility from activist brands, besides having higher positive attitudes towards them, as they address issues of high personal importance, and thus being able to identify and establish meaningful relationships with them.

Therefore, we aim to answer the following research questions: How does brand activism impact different dimensions of brand reputation? And in particular, how do different partisan issues impact different aspects of reputation?

### **Method and Data**

We examine the reputational impact of brand activism by investigating separately its effect on value equity, brand equity, and relationship equity by employing panel EGLS (two-way random effects) regression. Our data consists of the public Brand Reputation Tracker by Rust et al. (2021), 30-months (July 1<sup>st</sup>, 2016 to December 31<sup>st</sup>, 2018) weekly net z-scores obtained by mining consumers' Tweets about top global brands to obtain different dimensions of brand reputation.

*Brand activism* is a pulse dummy with value 1 in the week of a brand's publicized stand on a sociopolitical issue, 0 otherwise. The information about activism events' occurrence was collected on Factiva filtering for keywords such as *LGBT*, *immigration*, etc. selected based on global reports about which issues should be addressed by corporate executives.

To examine how the impact of activism varies across issues, we substitute the previous dummy with different dummies (but operationalized in the same way) corresponding to different partisan issues.

We further control for differences across brand types by creating *digital native brand*, a dummy that categorizes brands into digital native (1), such as Facebook and Google, or otherwise (0), and *service brand*, a dummy that allows categorizing brands into service providers (1), or manufacturers (0).

### **Summary of findings**

Brand reputation and each equity component are positively affected by activism, with the highest coefficients being for brand and relationship equity, as they relate to more emotional aspects, followed by value equity, which relates to rational aspects of the brand/product experience.

When distinguishing digital native brands, reputation, brand equity, and value equity are negatively affected by activism, while only relationship equity is not significantly affected by it.

As we investigate the impact of different partisan issues, only tackling racism allows brands to improve their perceived value, because customers receive higher utility from brands that work toward societal enhancement, such as when they fight racism, seen as a major societal problem by many, or when service brands support diversity of customers and employees.

Moreover, brands who make it their battle to oppose racism and support immigrants distinguish themselves and, by showing their openness, strengthen their relationship with customers, who use brands as symbols to present themselves and identify with those values.

Additionally, activism allows customers to strengthen their attitude toward brands that value diversity both among their employees and towards their customers.

Finally, the effect of supporting LGBT rights is negative for digital native brands, but positive for service brands.

### **Key Contributions**

This work contributes to the marketing literature by investigating the impact of activism on overall brand impression, over time, across different brands and different partisan issues, such as LGBT issues and racism. Conceiving activism as a signal of a brand's societal enhancement intentions, our framework explains the different mechanisms through which this practice benefits the objective and subjective assessment of the brand and the customer-brand relationship. Contrary to some stakeholders' conviction that activism is unrelated to the core business and only affects abstract brand aspects, we show that the differences in terms of the effect of activism on the three equities are small, empirically proving that activism also affects the more-rational value perception of a brand.

Moreover, we present more granular insights to the field by investigating the impact of different partisan issues, and finding that opposing racism and supporting immigration and diversity are mostly appreciated by customers.

Additionally, controlling for brand characteristics, we signal to executives of digital native brands that activism can negatively affect their reputations, especially when opposing racism and supporting the LGBT community. Whereas we advise service brands to be vocal about specific, rather than broad, topics, such as LGBT rights, to establish a brand meaning.

## THE CONTRIBUTION OF ORGANIC PRIVATE LABEL PRODUCTS TO PRIVATE LABEL SHARE OUTCOMES

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### Keywords

Organic Food; Private Label; Product Strategy; Retailing; Sustainability

### Description

In an empirical study of the yogurt product category in the United States from 2008-2011, the role of organic products in driving private label share is investigated.

## EXTENDED ABSTRACT

### Research Question

Retailers have increasingly invested in private label brands over recent decades (Cuneo *et al.*, 2015; Gielens *et al.*, In Press; Girard *et al.*, 2017; Hyman *et al.*, 2010). Notably, generating more private label (PL) market share in product categories allows the retailer to drive higher profit margins (ter Braak *et al.*, 2013) and higher store loyalty rates (Coelho do Vale *et al.*, 2016; Steenkamp and Dekimpe, 1997). A relevant question for retailers to ask when engaging in PL



assortment planning is whether or not organic products may be worthy of inclusion in PL assortments. Organic products are increasing in prevalence and popularity on a general level (Rana and Paul, 2017), but research suggests that consumers respond differently to PL organic products than to national brand (NB) organic products (Bauer *et al.*, 2013; Larceneux *et al.*, 2012; Larceneux and Renaudin, 2016; Ngobo, 2011; Reinders and Bartels, 2017), limiting the potential value of general research on organic when considering fit with PL strategy.

### **Method and Data**

The yogurt category is analyzed from 2008-2011 across 50 distinct metropolitan markets in the United States to test the hypotheses of interest. These data are derived from the store scanner panel provided by Information Resources, Inc. (IRI) in collaboration with the Marketing Science Institute (Bronnenberg *et al.*, 2008). For the purposes of our analysis, the dataset has been aggregated to create an unbalanced panel data structure at the store (i) – year (t) level. Our selected outcome measure is Private Label Dollar Share, which is the decimal percentage of dollar sales commanded by private label SKUs. We seek to fundamentally understand the role that Organic SKUs play in private label assortment strategy by empirically examining the relationships between PL Organic and total private label share. PL organic is measured as the percentage of PL SKUs that are organic. Private label and competing National Brand assortment characteristics are also controlled for with a number of dimensions including display/feature advertising support, prices and nutritional information. Retailer characteristics, year specific effects and market specific effects are also accounted for. Panel regression modelling is used to analyze the data.

### **Summary of Findings**

The main effect of PL Organic is consistently positive and significant. Support is therefore

claimed for **H1**, as tilting PL assortments towards including relatively more organic products has an average positive impact on PL Share. This coefficient becomes negative in Model 4 once key interactions between PL Organic and other variables of interest are included, supporting our proposition that not all retailers will benefit from including organic PL products. Certain supporting conditions must be met for this strategy to be successful. First, the interactions between PL Organic and PL Low Calorie (**H2a**) and PL Low Fat (**H2b**) are both positive and significant, supporting the idea that organic private label strategy is more effective in driving private label share when the assortment includes a higher amount of PL nutritional claims. The interaction between PL Organic and Retail Chain Size is negative and significant, providing support for **H3**. Smaller retailers experience greater PL share gains when they add an organic PL. There is also support for **H4** as the interaction between PL Organic and NB Organic is positive. Adding organic private label products becomes an increasingly effective strategy for PL share gains when national brands have also entered the organic market segment.

### **Key Contributions**

While researchers have looked to understand the general value of organic products to consumers (Marian *et al.*, 2014) and some have specifically investigated organic products in private label settings (Casteran and Ruspil, 2021; Jonas and Roosen, 2005), there has been a void of empirical evidence relating these concepts with actual market sales data. This study makes a novel contribution to both the private label branding and the organic products literatures by revealing the important role that organic products can play in determining private label share outcomes. At the most general level, the research makes clear the importance of examining potential interactions between variables of interest before drawing conclusions about the effectiveness of changes in assortment planning. Once interactions between PL Organic and hypothesized

variables of interest are added, the main effect of adding an organic private label became negative. In other words, stories about the value of changes to PL assortments need to be more nuanced than just examining main effects. Retail managers should seriously consider adding organic products to their private label assortments.

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**THE EFFECT OF PERCEIVED INNOVATION ON CONSUMER FORGIVENESS IN  
THE CONTEXT OF PRODUCT RECALL**

Nesenur Altinigne\*, Istanbul Bilgi University

**Keywords:** Perceived innovativeness, perceived CSR effort, consumer forgiveness, purchase intention, experimental design

**Description:** An experimental study on how perceived innovativeness and perceived corporate social responsibility effort impacts consumer forgiveness in the product recall context.

**ABSTRACT**

This study focuses on the impact of perceived innovativeness and perceived corporate social responsibility efforts on consumer forgiveness within the scope of the product recall context. It further investigates the mediating role of consumer forgiveness on perceived CSR effort and purchase intention. The results confirmed the positive impact of perceived innovativeness on consumer forgiveness and its mediating role.

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## **INTRODUCTION**

While the world is facing the loss of more than one million, the steps to be taken by countries, policymakers, and firms on issues such as sustainability, human rights, and equality are essential for the future of societies. Corporate Social Responsibility (CSR) is one of the strategies companies apply to contribute to the solutions of several societal problems. To respond to increasing public concerns about companies' responsibilities to the community, organizations adopt corporate social responsibility (CSR) initiatives that emphasize the positive impact of their practices (Tian & Robertson, 2019). This surge in needs and investment in CSR initiatives has led companies to place increased value on communicating their CSR efforts because it would be hard for them to benefit from such efforts unless they share them with stakeholders (Dawkins, 2004; Gilley et al., 2000).

Innovation, which is inherent in production processes, is another approach companies can adopt to support the solutions to societal problems. Since innovation is an important driving force for competitive advantage, it increases the welfare of companies and societies by strengthening economic resilience (Ghanbarpour and Gustafsson, 2021). Therefore, investing in the improvement of innovative capabilities and emphasizing the importance of research and development activities may contribute to the welfare of primary and secondary stakeholders (Freeman et al., 2007). However, many companies ignore or do not emphasize their innovative capabilities in their communication efforts (Mithani, 2017). Highlighting a company's current or planned innovations in various channels may increase the goodwill of customers toward the company.

Companies not only share the good news with the public but also should communicate bad news via various channels in different forms and sources. Companies announce product recalls when their products fail to meet an industry standard or could potentially harm consumers. For example, Toyota recalled its vehicles due to braking issues in 2010, and in 2016 Samsung

recalled its Galaxy Note 7 because its lithium-ion batteries caught fire. Prior studies on reactions to product recalls have found that product recalls hurt the market value of the recalling firm in the stock market (Gao and Zhang, 2015; Liu, Shankar and Yun, 2017). In this context, it is vital for firms to understand whether consumers are willing to forgive them because only if they do so can consumer purchase intention be maintained after a failure (Muhammad and Gul, 2020). However, despite its critical role in product recall situations, little attention has been devoted to consumer forgiveness's role in influencing purchase intention in this context. In this direction, this study aims to determine the relationship between perceived CSR efforts, perceived innovativeness, and their effects on consumer forgiveness in the product recall context. The mediating role of consumer forgiveness on the CSR-purchase intention relationship is also investigated.

## **LITERATURE REVIEW**

### ***Perceived CSR Efforts, Consumer Forgiveness and Purchase Intention***

One of the most detailed definitions of forgiveness explains that forgiveness is a “willingness to abandon one’s right to resentment, negative judgment, and indifferent behavior towards one who unjustly hurt us while fostering the undeserved qualities of compassion, generosity, and even love towards him or her” (Enright, Freedman, and Rique, 1998, p. 46). In that sense, in response to a company's wrongdoing (transgression, product recall), love and compassion may arise if consumers can overcome resentment and negative feelings.

It is assumed that there is a pre-established relationship between consumers and their preferred firms. This perspective derives from the brand personality theory that states consumers can think about brands as if they were human (Plummer, 1984). Thus, consumers generate relationships with the firms through their interactions (Fournier, 1998). When consumers forgive a firm, they declare that the failure does not create any stimulus in terms of avoidance

(McCullough, 2001). As mentioned above, to forgive, one needs to minimize, justify, or excuse the wrongdoing (North, 1987). Previous positive experience or knowledge about the wrongdoer (firm) might mitigate the negativity of the wrongdoing (product recall). In that sense, consumers' responses to a product recall may be shaped by their knowledge of the firm's CSR initiatives (Kim et al., 2009). Since CSR is a proactive strategy that managers can implement to build credibility and reputation, perceived CSR efforts of the firm might mitigate the negative impact of a potential product recall (Tsarenko and Tojib, 2015). If consumers are aware of the company's CSR efforts, then they may have a higher tendency to forgive this company.

Hence, it is hypothesized that:

H1: Perceived CSR efforts of a firm has a positive impact on consumer forgiveness.

Consumers can respond to a product recall in several ways. Some may wish to avoid the company or act in an undesirable manner for the firm (Grégoire, Tripp, and Legoux, 2009).

These behaviors represent an ending or weakening of the relationship between the consumer and the firm. Although negative reactions and responses might seem natural, not all consumers respond this way. While those consumers may not overlook the firm's wrongdoing, they may value their relationships with the wrongdoer firm and are motivated to overcome negative thoughts and replace them with positive or neutral ones (North, 1987). In doing so, some consumers can forgive the wrongdoer. Thus, they may sustain their relationship with the company and continue to purchase its products or services.

Hence, it is hypothesized that:

H2. The effect of perceived CSR efforts on purchase intention will be mediated by consumer forgiveness.

### ***Innovation, Consumer Forgiveness and Purchase Intention***

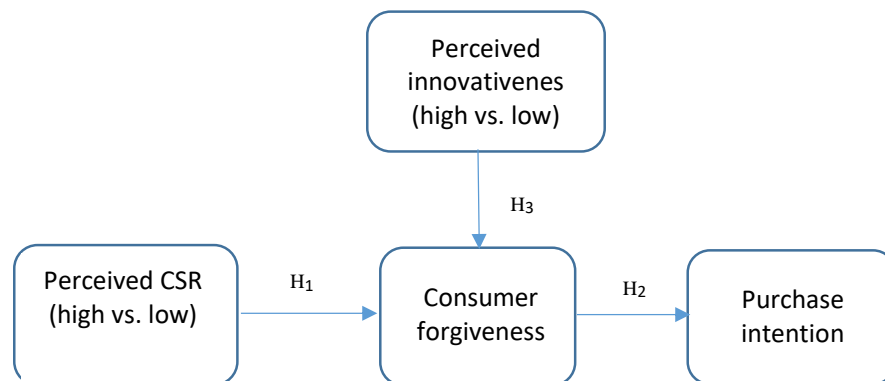
The innovativeness that consumers perceive from a new product/service is vital for a company's success (Leckie et al., 2017; Yang, 2005). That is, if consumers perceive a company as having

high levels of innovativeness, they are more likely to generate positive thoughts and feelings toward this company. From a consumer standpoint, perceived innovativeness is considered as the company's efforts to meet consumers' needs (Stock and Zacharias, 2011). Highly innovative companies are regarded as leaders trying to improve the quality of products and consumers' living standards. Hence, consumers may consider highly innovative companies' failures (product recall) as a side effect of their creative efforts to contribute to individuals and communities. As a result, consumers may have higher tendencies to forgive companies with high levels of perceived innovativeness.

Hence, it is hypothesized that:

H3: Perceived innovativeness has a positive impact on consumer forgiveness.

The proposed model of the study is presented below (figure 1).



**Figure 1. Research Model**

## RESEARCH DESIGN

This study adopts a between-subjects experimental design to assess the causal links between the variables of the study and to answer the following questions: How do perceived CSR effort and perceived innovativeness of a company affect purchase intention through consumer forgiveness?

This scenario-based experimental study involves the manipulation of only two of the independent variables in the context of a product recall: (1) perceived CSR effort and (2)



perceived innovativeness. In our study, self-report questionnaire items consisting of multi-item scales from prior research are used. These items were measured using a seven-point Likert scale anchored by “strongly disagree” and “strongly agree”. Perceived innovativeness was measured by using the items of Kim et al. (2018), perceived CSR effort was measured via the scale of Becker-Olsen et al. (2006), consumer forgiveness was measured with the scale of Xie and Peng (2009), and purchase intention was measured via Zeithaml et al., (1996). The questionnaire also included demographic variables like age, gender, education, and income. Figure one indicates the proposed model of the study.

## **FINDINGS**

Data were collected from 128 university students for course credit. The respondents comprised 55.7 % females and 42.6% males, with ages ranging from 26 to 45 years old.

All the multi-item scales used to measure the constructs mentioned had high reliabilities (perceived CSR effort  $\alpha_{com}=0.968$ , perceived innovativeness  $\alpha_{sen}=0.944$ ; consumer forgiveness  $\alpha_{bcre}=0.941$ ; purchase intention  $\alpha_{int} = 0.917$  (Nunnally, 1978).

Independent samples t-test was used to check for perceived CSR effort and perceived innovativeness manipulations since the homogeneity of group variances were satisfied. There was a statistically significant difference between high and low groups ( $M_{innohigh} = 5.85$  vs.  $M_{innolow} = 3.17$ ;  $F = 72.80$ ,  $p < 0.01$ ; and  $M_{CSRhigh} = 5.96$  vs.  $M_{CSRlow} = 2.76$ ;  $F = 106.94$ ,  $p < 0.01$ ) Following the manipulation check, analyses are conducted to test the hypothesized model according to Hayes (2017), model 8: 10,000 bootstrapped samples. Analyses confirmed the impact of perceived CSR on consumer forgiveness ( $b = 2.6368$ , standard error = 0.7009,  $t = 3.76$ ,  $p < 0.05$ ) (H1 supported); the impact of perceived innovation on consumer forgiveness ( $b = 0.9073$ , standard error = 0.7180,  $t = 3.64$ ,  $p < 0.05$ ) (H3 supported) and the mediating effect of consumer forgiveness on the relationship between perceived CSR and purchase intention ( $b = 0.5040$ , standard error = 0.0874,  $t = 10.4$ ,  $p < 0.01$ , [CI] 0.7342 to 1.0803) (H2 supported).

The study results indicated that perceived CSR (high vs. low) affects consumer forgiveness. Consumers have a higher tendency to forgive companies conducting CSR activities. Also, consumer forgiveness mediates the relationship between perceived CSR (high vs. low) and purchase intention. The analysis also implied that perceived innovativeness affects consumer forgiveness; consumers have a higher tendency to forgive companies with higher levels of innovativeness.

## **DISCUSSION AND CONCLUSION**

The main objective of this study is to understand the effect of perceived innovation and perceived CSR effort on consumer forgiveness. In line with the previous research, the findings support that high levels of perceived CSR effort positively affect consumer forgiveness (Tsarenko and Tojib, 2015). When consumers are aware of the CSR efforts of the firms, they want to give a second chance to them for the sake of their good intentions.

Similarly, this study indicated that consumers are willing to respond more favorably to firms with high levels of perceived innovativeness. Since there are not many studies in the literature focusing on the impact of perceived innovation on customer forgiveness, the current study's findings are valuable for future research. The results of this study also confirmed the mediating effect of consumer forgiveness on perceived CSR efforts and purchase intention.

This study integrates the previous studies and focuses on the effects of perceived innovativeness and perceived CSR efforts on purchase intention through consumer forgiveness. The findings of the study suggest that if firms wish to be forgiven when they fail and sustain their pre-established relationships with their consumers, first, they should strengthen their innovative capabilities and try to make them visible; second, they should embrace and emphasize their CSR efforts.

Previous research on innovativeness and corporate social responsibility (CSR) has been generally focused on their impact on financial performance (Ghanbarpour and Gustafsson,

2021) and their antecedents (Salagrama, Prasher and Tata, 2021). However, how customers perceive these firm activities have not been fully explored and there is limited research investigating the effect of perceived innovativeness on consumer forgiveness in the context of product recall.

This research focuses on the relationships among perceived innovativeness, perceived CSR effort, consumer forgiveness and purchase intention. The significance of this study is not only integrating the perceived innovativeness and perceived CSR effort but also examining the mediating role of consumer forgiveness in the product recall context.

Additionally, this study helps firms and marketers to create more effective marketing strategies that utilize proactive ways by embracing innovativeness and CSR. In fact, the results of this study assist in exploring a method that will enable small-scale businesses or startups that cannot allocate a budget to CSR studies to establish deep bonds with their customers.

#### **LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH**

This research might be enlarged for future research by including participants from different countries. Additionally, since the study was conducted in the product recall context, the severity level of the situation might be manipulated for further research to see the differences in the outcome.

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**The emotional side of touristic experience in a sustainable context:**

**The differential role of gratitude and altruism.**

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**Keywords:** Sustainable Behavior, Gratitude, Altruism, Touristic Experience, Positive Emotions

**Description:**

The aim of this study is to examine the orientation of the tourism experience involving social interaction with the local population or immersion in nature and the effect of gratitude on altruism and sustainable behavior.

**EXTENDED ABSTRACT**

**Research Question**

Based on the literature on sustainable behavior and gratitude as a positive emotion, we propose that gratitude can increase sustainable tourism behavior. According to “*The broaden – and– build theory of positive emotions*” (Fredrickson, 2001; 2004) we suggest that positive emotions (gratitude generated by tourism experience) expand consciousness and encourage new actions (sustainable behaviors).

This study attempts to answer the following key question: can gratitude (positive emotion) effectively encourage altruism and tourism sustainable behavior? It also proposes a theoretical model testing the following hypotheses:

H1a: Gratitude towards the local population positively influences the intention to recommend.

H1b: Gratitude towards nature positively influences intention to recommend

H2a: Gratitude towards the local population positively influences altruism

H2b: Gratitude towards nature positively influences altruism

H3: Altruism positively influences sustainable behavior

H4: Sustainable behavior positively influences intention to recommend.

### **Method and Data**

In order to test the hypotheses and analyze whether the relationships between the variables differ according to the orientation of the tourist experience, an experiment is carried out. The nature of the experience is manipulated by focusing either on the local population or on nature discovery. Each of the two groups of respondents is exposed to a scenario accompanied by one photo chosen and validated through a pilot study in order to be sure it perfectly matches each scenario.

The final sample is made up of 325 French respondents (159 for the nature scenario: 49% men and 51% women; 166 for the local population scenario: 51% male and 49% female). The average age of the respondents is 30 years old. Respondents were randomly exposed to one of two scenarios. The survey was designed with Qualtrics and data collection was done online with panelist Prolific.



In terms of the analytical procedure pursued on, we proceeded in two main steps: (1) a careful specification and evaluation of the research model fit; (2) a formal test of the proposed hypotheses by means of a PLS-SEM investigation.

### **Summary of Findings**

For both experimental conditions, all hypotheses are verified, except for one in the nature-oriented scenario. Indeed, the effect of gratitude towards nature on altruism does not seem to be significant ( $\beta = 0.027$ ). This seems rather logical as altruism is by definition more linked to personal relationships. Overall, the impact of gratitude towards others on altruism is similar in magnitude, as is the impact of altruism on sustainable behavior. Interestingly, in addition to being a direct predictor of sustainable behavior, altruism is a full mediator of the influence of gratitude towards nature on sustainable behavior, as the direct paths are not significant for either condition. It remains a partial mediator for gratitude towards others for both conditions.

Nonetheless, there are worth noticing differences regarding the other path estimates between the two conditions. Overall, the explanatory power of the model is higher for the nature condition compared to the population condition. Indeed, altruism has a stronger impact on sustainable behavior for the nature condition compared to the population condition ( $\beta = 0.598$  vs.  $\beta = 0.465$ ). This result, is in a sense counterintuitive, as we were rather expecting an opposite pattern, altruism being a stronger antecedent of the sustainable behavior in the case of the population condition. It may be the case that tourists are more aware of their potential and long-term impact on nature, than when interacting briefly with the local population. Regarding the influence on recommendations, as expected from a logical standpoint, the relationship is higher regarding gratitude toward others in the case of the population condition, compared to a higher impact of gratitude toward nature in the case of the nature condition.

## **Key Contributions**

Adopting the theory of constructive broadening of positive emotions “*The broaden – and– build theory of positive emotions*” (Fredrickson, 2001; 2004), in the context of the tourist experience, is a real theoretical contribution. Through positive emotions, the tourist, becomes aware and adopts a behavior in favor of others (altruism). The creation and strengthening of social ties is revealed through sustainable behavior and the intention to recommend. Positive emotions can thus set up a positive spiral that takes place through a cycle of enlargement and construction (Fredrickson, 2004).

From a managerial perspective, the involvement of the local population in the tourist experience allows them to play an active role in the development of tourism instead of being affected by it (Haywood, 2020). Building up communications strategies relying on positive affective feelings such as gratitude or altruism would therefore be worth investigating.

However, some limitations should be noted. The lack of a control group is one of the major limitations of this work. In future research, we can integrate an additional condition (the interaction with staff in contact) because tourism professionals contribute to the tourist experience.

References are available upon request

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## **THE INFLUENCE OF CONSUMPTION VALUES ON THE PURCHASE INTENTION OF FAST FASHION IN SOUTH AFRICA**

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Keywords: Consumption Values, Attitudes, Fast Fashion, Purchase Intention

Description: This research paper examines the influence of consumption values on the attitudes of millennials towards the purchase intention of fast fashion products in an emerging marketing context.

### **ABSTRACT**

This study analysed millennials' consumption values and their impact on attitudes toward fast fashion purchases. The study used Structural Equation Modeling with 172 respondents and found that emotional value significantly influenced attitudes. Value for money and durability had no influence. The research contributes valuable insights into the fast fashion industry.

### **1. INTRODUCTION**

The fashion and apparel industry has evolved significantly in the past two decades (Todeschini, Cortimiglia, Callegaro-de-Menezes, Ghezzi, 2017). In 2019, the industry was valued globally at 36 billion USD and is estimated to reach 43 billion USD by 2029. As globalisation and the influence of the media have grown, along with easy access to an abundance of information, consumers are increasingly up to date with the latest international trends in fashion, thus creating a demand for new, 'in-season' fashion products (Gabrielli, Baghi, Codeluppi, 2012).

While fast fashion has been researched extensively as a business model or from a supplier's point of view, more research must be done from a consumer's perspective. Particularly under-researched areas include the impact of consumers' consumption values on their attitudes towards fast fashion, focusing on millennials (Park, 2015). Additionally, at the time of writing, there has yet to be much research on the fast fashion consumer climate in South Africa. Recent literature has highlighted the importance of doing this research; exploring the relationship between fast fashion and consumer behaviour enables retailers to develop strategies to improve their profitability and success (Bhardwaj & Fairhurst, 2010; Gabrielli et al., 2012).

The theory of consumption values has been primarily influenced by Sheth, Newman & Gross (1991). Adaptations of their models in a study conducted by Park (2015) have led to the creation of a model measuring the relationships of six consumption values and attitudes toward purchasing fast fashion products. This study differs because it examines the influence of all six consumption values on consumers' attitudes towards purchasing fast fashion products. More recent literature shows evidence of changing consumer behaviour and, thus, increasing pressure on fast fashion retailers (Stein, 2019). For example, in 2018, H&M suffered significantly reduced profits after accumulating \$ 4 billion in unsold inventory – because of which it announced the closure of 160 stores and a scaling back of operations (Stein, 2019). To this end, the study sets out to answer this research question:

*Do the consumption values of millennials influence their attitudes toward purchasing fast fashion products?*

## **2. LITERATURE REVIEW**

### **2.1. Theory of Consumption Values**

The theory of consumption values aims to describe and explain the reasoning for consumers' choices to purchase (or not to purchase) specific goods or services (Sheth, et al., 1991). A

consumer's values are defined as principles that guide and motivate their behaviour (Parks & Guay, 2009). Although old, it is still widely used in studies involving consumer choice behaviour in various contexts. It comprises five fundamental consumption values influencing a consumer's choice behaviour: functional value, conditional value, social value, emotional value, and epistemic value (Sheth et al., 1991).

Sweeney and Soutar (2001) adopted the social value, emotional value, and functional value dimensions of Sheth's model when they constructed a perceived value scale - commonly known as the PERVAL scale - to analyze consumers' perceptions of the value of a durable good at a brand level. They included two more dimensions in the PERVAL scale, which were price (value for money) and quality value (which replaced functional value) (Sweeney & Soutar, 2001).

A study by Park (2015) sought to investigate the influence of consumption values on fast fashion brand purchases. Park (2015) constructed a model in which he adapted the four-dimension PERVAL scale by replacing the quality value dimension with two new value dimensions – durability value and consistency value. He also included one more value dimension in his model, labelled as eco-value, which he adapted from a study conducted by Chan and Wong (2012), which uses three items to measure a consumer's eco-fashion consumption decisions.

### *2.1.1 Emotional values*

Emotional value is the perceived utility a consumer gains from a product's ability to evoke emotions or affective states (Sheth, et al., 1991). These emotions are influenced by the benefits that a consumer realises from that product or service (Sweeney & Soutar, 2001). Regarding fashion products, a consumer's emotional values play a significant role in their purchase behaviour, mainly as it allows for self-expression (Rodríguez, 2016; Yoo, 2014). The literature

has also identified a positive link between a consumer's emotions and fashion consumption (Rodríguez, 2016; Park, 2015; Yoo, 2014). Park (2015) found that a consumer's emotional value had the most significant influence on their attitude towards purchasing fast fashion products, and this influence was found to be positive. The idea that fashion is strongly positively linked to consumers' emotions is specifically established and explained in literature by Rodríguez (2016) and Yoo (2014). Therefore, this research hypothesizes that:

H1: Consumers' emotional value will influence their attitude toward purchasing fast fashion products.

### *2.1.2 Social values*

Social value is the perceived utility a consumer gains from a product's association with a particular image or social group (Sheth et al., 1991). Sweeney and Soutar (2001) posit that a consumer's social value is associated with self-image. Like emotional value, the literature around a consumer's social value and attitudes toward fashion supports the hypothesis that social value influences consumers' attitudes. That is mainly due to the nature of the product – namely, that clothing is expressive by nature (Rodríguez, 2016). Fashion consumers purchase brands that represent their self-image or the image they aspire to be aligned with (Gabrielli, et al., 2012). Therefore, this research hypothesizes that:

H2: Consumers' social value will influence their attitude toward purchasing fast fashion products.

### *2.1.3 Price/value for money*

Price or value for money was defined by Sweeney and Soutar (2001) as the value or utility that a consumer gains from a product because of the reduction of that product's short-term and longer-term costs (Sweeney & Soutar, 2001). Park (2015) found that value for money was the second most influential consumption value on attitude toward fast fashion. The literature

concludes that the more consumers feel they are receiving value for money, the more positive their attitude towards purchasing fast fashion products will be (Park & Kim, 2016). Due to the nature of fast fashion products being regarded as 'disposable' or 'throwaway fashion' (Bhardwaj & Fairhurst, 2010), consumers do not purchase fast fashion with the expectation of receiving long-lasting, high-quality products. Instead, younger Generation Y consumers prefer purchasing more low-quality, cheap, fashionable clothes rather than fewer higher-quality items (Bhardwaj & Fairhurst, 2010). Therefore, this research hypothesizes that:

H3: Consumers' value for money will influence their attitude toward purchasing fast fashion products.

#### *2.1.4 Durability value*

This study defines durability value as the value or utility a consumer gains from a product's capacity to be used over a more extended period before repair or replacement is required (Park, 2015). Fast fashion products are of relatively low quality and intended to last only a short time (Bhardwaj & Fairhurst, 2010), which aligns with the fast pace and constant change and updating of products and designs. Park's (2015) study found that while consumers seek durability value in purchasing fast fashion products, durability value only significantly impacts consumer attitudes toward purchasing fast fashion brands. Thus, these products are quickly disposed of or disregarded and replaced by new items. Therefore, this research hypothesizes that:

H4: A consumer's durability value will influence their attitude toward purchasing fast fashion products.

#### *2.2.5 Eco-value*

Eco-value is the perceived utility a consumer gains from a product's ability to maximize benefits to people and society while minimizing adverse environmental impacts (Chan &

Wong, 2012). Previous studies have noted that as consumers become increasingly concerned about the environment, their green consumption behaviour will become more prevalent, illustrating a positive relationship between the two (Rex & Baumann, 2007). In addition, literature has indicated that consumers of fast fashion products do not exhibit high levels of eco-value (Bhardwaj & Fairhurst, 2010; Park, 2015).

H5: Consumers' eco-value will influence their attitude toward purchasing fast fashion products.

#### *2.2.6 Consistency value*

This study defines consistency value as the value or utility a consumer gains from a product's capacity to consistently perform its purpose over long-term use (Park, 2015; Yoo, 2014). When it comes to fast fashion products, consistency value can be seen as the product's ability to be worn by a consumer without any changes in its appearance, performance, or quality (Park & Kim, 2016). Consistency value (along with durability value) was one factor that significantly influenced consumers' attitudes towards purchasing fast fashion brands (Park, 2015). Most consumers who purchase fast fashion do so without the need/desire for high quality and consistency (Park & Kim, 2016). Therefore, this research hypothesizes that:

H6: Consumers' consistency value will influence their attitude toward purchasing fast fashion products.

### **3. METHODOLOGY**

The research method used in this study was online surveys. The study used a sampling size of 172 respondents. The sample was accessed through social media platforms shared by the researchers. This study followed the exact measurement and scaling techniques as Park's (2015) study. Yoo (2014) has also used these items to measure consumers' attitudes toward fast



fashion retailers. Respondents evaluated all items on a seven-point Likert scale, ranging from 'strongly agree' (1) to 'strongly disagree' (7).

#### **4. RESULTS**

Once data were gathered from the respondents, analysis was conducted using SPSS and PLS-SEM. In testing for the reliability of the summated consumption value and attitude scales, Cronbach's alpha and the composite reliability for each summated scale were tested and examined. This study followed the general rule requiring summated scales to have a Cronbach's alpha value of greater than 0.7 and composite reliability score greater than 0.8 to be accepted as internally consistent and reliable (Malhotra, 2010). All summated scales besides consistency value reported Cronbach's alpha values greater than 0.7.

The indicator reliability of the measurement model was determined by examining the outer loading values. The rule in assessing this is that loading values should be greater than 0.7 (Garson, 2016). All outer loadings had values greater than 0.7, indicating that the items used to measure their respective constructs did so and that the measurement model was sufficiently reliable.

The Average Variance Extracted (AVE) values were examined to assess the convergent validity of the measurement model (Malhotra, 2010). All latent variables/constructs in the measurement model reported AVE values greater than 0.5, indicating a satisfactory level of convergent validity.

In assessing the discriminant validity, the Fornell-Larcker criterion results were examined. It posits that for any latent variable/construct, the variance shared with its own construct should be higher than the variance it shares with any other construct (Garson, 2016). The results showed that all constructs had a variance value that is highest shared with their same associated constructs, implying sufficient discriminant validity within the model.

The results of the PLS-SEM test provided insights into the fit and strength of the model. The model had an R-square coefficient of 0.58 on the attitude toward purchasing fast fashion products construct. The R-square coefficient indicates the percentage of the variance of the dependent variable, explained by the independent variables (Malhotra, 2010). This value also indicates the overall effect size of the structural model (Garson, 2016). The R-square value of 0.58 implies that 58% of the variance in the attitude toward purchasing fast fashion products variable is explained by the model. In assessing model fit/strength, R-square results above the cut-off values of 0.67, 0.33 and 0.19 are said to be 'substantial', 'moderate' and 'weak', respectively (Malhotra, 2010). That implies that the model is of moderate to substantial fit and strength.

The Standardized Root Mean Square Residual (SRMR) and the Normed Fit Index are reported and analysed to assess the goodness-of-fit. The measurement model had an SRMR value of 0.09. The model showed a good fit, as SRMR values should be below 1.0 (Malhotra, 2010).

Path coefficients represent the strength of one variable's effect on another. This value should be larger than 0.2 to be considered a sufficiently strong effect (Wong, 2013). While path coefficients explain the strength of the effect, f square explains the magnitude/meaningfulness of the effect (Garson, 2016). The general criteria for assessing these values are as follows: effect sizes of 0.02, 0.15, and 0.35 indicate small, medium, and significant effects, respectively (Wong, 2013). T-test values are required to be greater than 1.96 to be considered significant (Wong, 2013).

## **5. DISCUSSION AND IMPLICATIONS**

This study found that consumers' emotional value was the most significant and influential out of all the six consumption values, following the finding that it strongly influenced consumers' attitudes towards purchasing fast fashion products at a path coefficient of 0.38 and T-statistics

of 4.58. That aligns with literature identifying a positive link between consumers' emotions and fashion consumption (Rodríguez, 2016; Gabrielli, et al., 2012). That is important for marketing managers of fast fashion retailers as it indicates that products and brands should be able to evoke some form of emotion or affective state in consumers. This study found that consumers' social value positively influences their attitudes toward purchasing fast fashion products at a path coefficient of 0.15 and T-statistics of 2.40. Gabrielli et al. (2012) concluded that fast fashion products give consumers a sense of belonging with similar individuals. Thus, marketers of fast fashion retailers should continue to leverage new fashion trends and communicate these through product designs and promotional efforts.

Consumers' price/value for money influences their attitude toward purchasing fast fashion products. This study found that consumers' price or value for money does not significantly influence their attitudes toward purchasing fast fashion products at a path coefficient of 0.02 and T-statistics of 0.31. That is in line with Gupta and Gentry's (2018) finding that fast fashion consumers generally have relatively high levels of disposable income, allowing them to make purchases frequently and dispose of products relatively soon after purchase. Instead, promoting and communicating other aspects that key consumer groups value, such as the eco-friendliness of products, maybe more fruitful.

This study found that consumers' durability value does not significantly influence their attitudes toward purchasing fast fashion products at a path coefficient of 0.07 and T-statistics of 1.00. Park (2015) and Yoo (2014) present similar findings that support this. Marketers should continue to monitor trends in consumerism and fashion consumption as there is evidence that consumers are becoming more conscious of the fashion they consume and are also becoming increasingly critical of the 'disposable/throwaway' essence of fast fashion (Stein, 2019).

It was found that consumers' eco-value positively influences their attitudes toward purchasing fast fashion products at a path coefficient of 0.25 and T-statistics of 4.24. The literature has highlighted that millennials are characterized by their demand for constant change and self-gratification, making them a prime target and large customer base for fast fashion retailers (Park & Kim, 2016; Bucic, et al., 2012). Eco-value could become much more critical for marketing managers of fast fashion retailers as the general trend towards more aware and conscious consumerism rises.

At a path coefficient of 0.21 and T-statistics of 3.50, consumers' consistency value positively influences their attitudes toward purchasing fast fashion products - although consistency value was also found to have an insignificant influence in Park's (2015). On the contrary, Gabrielli et al. (2012) found that fast fashion consumers were willing to sacrifice quality to a large degree to settle for the low prices offered by fast fashion retailers. As consumer behaviour and consumption values evolve toward sustainability and eco-friendly consumerism, especially amongst younger consumers, fast fashion products' quality (and thus consistency) may become an area of potential importance for fast fashion retailers.

## **6. LIMITATIONS AND FUTURE RESEARCH**

In future, researchers should attempt to obtain a more significant number of responses from their specific target population. Researchers could examine consumers from other countries. Another limitation is the six specific consumption values that were examined. As research in this area progresses, future studies should examine alternative or new consumption value constructs and their influences on attitudes toward fast fashion.

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## **TOWARD A ZERO-WASTE LIFESTYLE: HOW CONSUMERS' MOTIVATION SHAPES THEIR PERCEIVED VALUE?**

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**Keywords:** zero-waste practices; perceived sacrifice; perceived benefit; self-determination motivation; sobriety.

**Description:** the role of motivation in framing consumer value perception and its impact on zero-waste practices.

### **EXTENDED ABSTRACT (175 WORDS)**

The zero-waste lifestyle is a promising approach to respond effectively to the environmental issues. However major questions raise related to the acceptance of this new lifestyle by the consumers and their intention to make efforts and sacrifices in pursuing this goal. Despite its interest, perceived sacrifice has not been dealt with in depth particularly in the literature related to zero-waste practices ZWPs (i.e. reduce, reuse and recycle). This research aims to offer a better understanding of the concept from the perspective of consumers, emphasizing its antecedents (motivation) and determine whether and how sacrifice along with perceived benefit affect ZWPs. We conducted a quantitative study with 241 participants in France. Results showed that the level of motivation (autonomous, controlled, amotivation) frames differently the perception of sacrifices: as a positive transcendence for the highly motivated individuals and as a negative loss for the less motivated, leading to bivalent consequences on consumer's adoption of ZWPs. The positive effect of sacrifice is original for the marketing literature which is interested in pro-environmental behavior and more particularly in the zero-waste context.

**Research Question:**

The topic of zero-waste is right at the top of political agenda across Europe and in other developed countries. The zero-waste perspective seeks to satisfy consumer basics need in more sober way and with a minimum waste generation, following the principle of ‘3R’ Reduce, Reuse and Recycle waste (Patwa et al, 2021; Säfpläfcán & Márton, 2019; Ma et al., 2018; Pietzsch et al., 2017; Oliveira et al., 2016; Ferreira et al., 2017, Basci, 2014; Andrew et al., 2001). The zero-waste approach has a direct impact on the environmental sustainability (Patwa et al., 2021; Säfpläfcán & Márton, 2019). However, many researchers highlighted the difficulty for consumers to implies global changes in many aspects of life (product and supply store choice, household organization, etc.) resulting in “green-gap (ElHaffar et al., 2020). Despite the benefits of this new sustainable lifestyle, not all consumers are highly motivated to adopt ZWPs and many consider that this change requires a considerable effort and sacrifice. This paper seeks to address this issue by examining the impact of perceived sacrifice along with perceived benefit on the intention to adopt ZWPs. It also aims to explain the value perception by the consumers level of motivation toward the environment (autonomous, controlled, amotivation) (Deci & Ryan, 1991; Pelletier et al., 1997).

**Definitions of Study Constructs:**

**Sacrifice:** a willingness to give up something valued, aiming the acquisition of something else of greater value (De Pontes Gomes et al., 2018; Davis et al., 2011). In the marketing literature, the concept includes six components: effort, money, hedonic, social, cognitive and emotional sacrifice (Kolli, 2022; Aurier et al., 2004; Lambey, 2000).

**Benefit:** the term has usually been associated with the consumer’s perceived value (Zeithaml, 1988). It includes three major dimensions. First, utilitarian benefits (ex. healthier lifestyle and financial savings). Second, eudemonic benefit which refers to personal growth, satisfaction, well-being, and autonomy in actions. Third, social benefit



which include the self-image and social relationships (Innocent & François-Lecompte, 2020; Zavestoski, 2002; Shaw & Newholm, 2002).

**Autonomous motivation:** initiating a behavior by the self and perform it for intrinsic reasons such as pleasure and satisfaction (Deci & Ryan, 1991; Pelletier *et al.*, 1997).

**Controlled motivation:** behavior regulated by external factors, for instance acting for reward, behaving to avoid punishment, or trying to avoid feelings of guilt (Deci & Ryan, 1991; Pelletier *et al.*, 1997).

**Amotivation:** absence of motivation, lack of autonomous or controlled regulation (Deci & Ryan, 1991; Pelletier *et al.*, 1997).

### **Hypotheses:**

In this research, we align with the studies that acknowledge a positive effect of benefit and a negative effect of sacrifice on environmentally consumption (Chwialkowska & Flicinska-Turkiewicz, 2021; Confente *et al.*, 2020; Innocent, 2017). Furthermore, we argue that the degree of motivation is driving the consumer perceived value of ZWPs. We derive five hypotheses.

**H1.** Consumer perception of sacrifices influence negatively their intention to adopt zero-waste practices

**H2.** Consumer perception of benefits influence positively their intention to adopt zero-waste practices

**H3.** Autonomous motivation positively influences the consumer perceived benefits and the intention to adopt the ZW practices, and negatively influences the perceived sacrifice.

**H4.** Controlled motivation positively influences the consumer perceived benefits, the perceived sacrifices and the intention to adopt the ZW practices.

**H5.** Amotivation negatively influences the consumer perceived benefits and the intention to adopt the ZW practices, and positively influences the perceived sacrifice.

## **Method and Data**

A quantitative study was conducted in order to test our conceptual model. Data were collected using an online panel of 414 participants from a French research firm. Participants aged over 18 years old (male=44,2%; female=55,8%). The empirical study uses the method of Structural Equation Modeling SEM in AMOS23 program to test the hypothesis. With regard to the hypotheses H3, H4, H5 of the effect of the motivation on the value perception, including sacrifice and benefit, and the intention to adopt ZWPs, a mediation test was conducted to examine the direct and indirect effect of motivation on intention through the perceived value. We used a 95% *bootstrap* confidence interval (CI) based on 2000 bootstrap samples (Jolibert & Jourdan, 2011).

Different measurement scales were used in this research. The measure of zero-waste practices consists of a list of 13 practices related to the three objectives of ZW (reduce, reuse, recycle) identified in the literature (c.f. Săfplăfcan & Márton, 2019; Zralek & Burgiel, 2020). Following the approach of Innocent & François-Lecompte (2020), the set of practices were implemented in a one-dimensional index that measure the intention to adopt the zero-waste practices. The index represents the zero-waste mix of each individual. This measure reflects both the intensity and the diversity of zero-waste practices. The other variables were measured using scales from past research. All scales reported satisfactory psychometric results.

## **Summary of Findings**

The study's results demonstrate that both hedonic and emotional sacrifices have a negative impact on the intention to adopt ZWPs. Surprisingly, cognitive and social sacrifice has a positive and significant effect on the intention to adopt, which contradicts the common belief that sacrifice negatively impacts sustainable behavior. Thus, H1 is partially confirmed. In addition, utilitarian, eudemonic and social benefits have a positive and significant effect on the intention to adopt ZWPs. Thus, as expected H2 is supported.

Furthermore, results indicate a positive and significant effect of autonomous motivation on the perception of utilitarian, eudemonic and social benefits. Also, the results show that autonomous motivation reduce significantly the emotional sacrifice as well as the hedonic sacrifice. Moreover, if autonomous motivation positively influences zero-waste practices indirectly via the perceived benefits and sacrifices (cognitive, hedonic, and emotional sacrifice),

it also influences directly the ZWPs (0.306,  $p < 0.001$ ), which allows us to conclude of a partial mediation effect of H3.

Further, the results show that controlled motivation has a positive effect on utilitarian, eudemonic and social benefits, as well as the perception of social sacrifice. Thus, H4 is partially supported. Finally, results indicate that amotivation has a positive effect on all the dimensions of sacrifice. It has no effect on utilitarian and eudemonic benefits. However, contrary to what we thought, it positively influences social benefits. Thus, H5 is partially supported.

### **Key Contributions**

Our research contributes the existing literature by examining the zero-waste practices from a broad perspective including the reduce, reuse, and recycle practices. In this context, we shed light on the positive impact of perceived benefit and the negative impact of perceived sacrifice, as discussed in prior studies (Rivière & Mencarelli, 2012; Sakalli, 2019; Innocent & François-Lecompte, 2020). However, our research offered a new and original perspective to the concept of sacrifice by emphasizing its bivalent influence on consumer behavior. In addition, our research demonstrates that highly motivated individuals perceive sacrifice as positive transcendence, while less motivated individuals view it as negative loss, which affects their adoption of zero-waste practices.

For managerial contributions, this study guides marketers to develop social campaigns that encourage ZWPs for different type of consumers. For less motivated consumers, we suggest to focus on strategies that enhance the consumer perceived benefits and reduce the hedonic and emotional costs, considered as the two dimensions with the most negative impact on ZWPs. In contrast, for consumers with high level of motivation, campaigns can originally focus on the positive sacrifices, in particular cognitive and social sacrifice as a form of transcendence for a greater cause (i.e. environmental protection) in order to promote the adoption of ZWPs.



## **Toward greater understanding of the relationship between nonmarket strategy and firm social performance: An institutional perspective**

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Keywords: Corporate social responsibility, corporate political activity, nonmarket strategy

### **Extended Abstract**

#### **Research Questions**

Firm are increasingly using various nonmarket strategies to improve their performance in today’s highly competitive environment. However, recent studies argue that researchers need to recognize that nonmarket strategies involves two key forms: corporate social responsibility (CSR) and corporate political activities (CPA). Together, these two forms of nonmarket strategies represent a cohesive picture of how they influence firm’s performance. The present study pursue two objectives. First, we integrate the two forms of nonmarket strategies — CSR and CPA — to understand how they work differently in influencing corporate social performance. Second, we demonstrate the key role of legitimacy and political tie in mediating the relationship between CSR and CPA and corporate social performance.

#### **Method and Data**

To test our model, we drew on the enterprises in Taiwan. The key respondents in this study were the heads of marketing departments, public relations departments, or

those with sufficient knowledge to respond to the companies' external CSR activities and political contributions. During the 5 year collection period, 303 questionnaires were collected by multiple collection methods.

### **Summary of Findings**

CSR and CPA improves corporate social performance indirectly through both legitimacy and political tie. Furthermore, the results suggest that CSR has a stronger positive impact overall on legitimacy and political tie than CPA. These empirical results are useful for firms developing and managing aggregate activities of nonmarket strategy.

### **Key contribution**

This paper mainly contributes to the growing literature on nonmarket strategies. Although a large body of research emphasizes that nonmarket strategy plays an important role in terms of firm performance, the underlying mechanisms that explain how CSR and CPA influence firm's social performance, especially for the institutional-level implications, remain unclear. The present study used institutional theory to explain the relationship between nonmarket strategies and corporate performance. Moreover, it follows the two mechanisms proposed by Mellahi et al. (2016), namely bridging and buffering mechanisms, to examine the underlying mechanism. The two mechanisms represent the different forms of active and passive nonmarket strategies when organizations face institutional members. The results show that, CSR has a stronger positive impact on legitimacy and political tie than CPA. These findings are useful for manager to develop and invest nonmarket activities.

“References are Available on Request”

## **VIRTUAL FASHION, REAL IMPACT: EXAMINING THE RELATIONSHIP BETWEEN IN-GAME SUSTAINABLE FASHION AND REAL-WORLD BEHAVIOUR**

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**Keywords:** Gaming; sustainable virtual fashion; psychological ownership; gamer interaction; self-expression

**Description:** This research investigates the influence of in-game sustainable fashion on real-world sustainable behaviour, exploring the role of gamer interactions, cognitive absorption, in-game self-expression, and psychological ownership in shaping attitudes and purchasing intentions towards real-world sustainable fashion.

### **EXTENDED ABSTRACT**

#### **Research Question**

The study explores the relationship between in-game sustainable fashion and real-world sustainable behaviour, specifically aiming to understand:

1. How gamer-NPC and gamer-gamer interactions relate to in-game self-expression?
2. The impact of cognitive absorption on these relationships?
3. The influence of in-game self-expression and psychological ownership of in-game sustainable fashion on attitudes towards real-world sustainable fashion?
4. The link between attitudes towards real-world sustainable fashion and intentions to purchase real-world sustainable fashion items?

#### **Method and Data**

This study focused on The Sims 4: Eco Lifestyle gamers in Fiji, particularly relevant as the game mimics real-world fashion choices and promotes sustainable fashion. This expansion pack offers features such as tracking and reducing environmental impact, and the option of clothing made from recycled materials. After addressing minor issues found in a 30-person pilot study, the final data collection took place via Facebook advertisement, with 348 participants. Pre-validated scales and

expert academic consultation ensured reliability and validity of the measures, with variables measured using a 7-point Likert scale. Variables included gamer-NPC and gamer-gamer interaction, self-expression, cognitive absorption, psychological ownership, and attitude and behavioural intention, all adapted from various research sources. AMOS 28 software was used to analyse data using the CB-SEM technique. A meticulous data screening process was followed to identify incomplete or unengaged responses, check for normal distribution and multicollinearity, and exclude six responses. All kurtosis, skewness, variance inflation factors, and tolerance values were within acceptable ranges, indicating a lack of multicollinearity issues.

### **Summary of Findings**

This study expands theoretical comprehension of how in-game factors sway real-world sustainable fashion behaviour. It bridges the gap in the gamification literature by explicating how such factors influence attitudes and behaviours. It uncovers the significance of gamer interactions and cognitive absorption in shaping self-expression in virtual environments. It also delves into the role of psychological ownership of in-game sustainable items, furthering understanding of these boundary conditions and enhancing psychological literature and consumer behaviour studies. Practically, the study presents insights for marketers and developers to integrate sustainable fashion more effectively into games. It underscores the need for immersive interactions and AI-enhanced NPCs for fostering real-world sustainable choices. The importance of psychological ownership is highlighted, suggesting personalisation, exclusivity, and sustainable fashion storylines as strategies. The study also proposes potential real-world designer partnerships to offer in-game sustainable fashion items, providing discounts for real-world purchases, thereby bolstering attitudes towards sustainability and confidence in making sustainable choices.

### **Key Contributions**

This study expands theoretical comprehension of how in-game factors sway real-world sustainable fashion behaviour. It bridges the gap in the gamification literature by explicating how such factors influence attitudes and behaviours. It uncovers the significance of gamer interactions and cognitive absorption in shaping self-expression in virtual environments. It also delves into the role of psychological ownership of in-game sustainable items, furthering understanding of these boundary conditions and enhancing psychological literature and consumer behaviour studies. Practically, the study presents insights for marketers and developers to integrate sustainable fashion more



effectively into games. It underscores the need for immersive interactions and AI-enhanced NPCs for fostering real-world sustainable choices. The importance of psychological ownership is highlighted, suggesting personalisation, exclusivity, and sustainable fashion storylines as strategies. The study also proposes potential real-world designer partnerships to offer in-game sustainable fashion items, providing discounts for real-world purchases, thereby bolstering attitudes towards sustainability and confidence in making sustainable choices.

References are available upon request.

## **When do voluntary consumer organizations fail and when do they succeed?**

### **A qualitative analysis**

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#### **Keywords**

Voluntary Consumer Organization, Success, Failure, Sustainability, NPO

#### **Description**

The purpose of this paper is to investigate what does failure and success mean in the context of voluntary consumer organization, and what factors inhibit or promote success.

## **EXTENDED ABSTRACT**

### **Research Question**

More and more organizations have emerged in recent years that seek and want to demonstrate alternative paths to more ecological consumption and to eliminate social grievances. These organizations can take various forms, such as community gardens or repair cafés, all of which are mostly run by volunteer consumers. Although there is a great social and political interest in such initiatives, they are often confronted with various challenges in practice. There have been comparatively few studies to date that address whether and when voluntary consumer organizations are successful. Previous research has been more interested in how organizations are willing to embrace change or what organizations are generally like. Therefore, the purpose of this paper is to investigate what does failure and success mean in the context of voluntary consumer organization, and what factors inhibit or promote success. The challenges voluntary consumer organizations face already arise from their organizational activities. For example, the fact that these organizations pursue no, or only minimal profit motives means that they reach the limits of their resources and capacities comparatively quickly. Therefore, practical implications should be derived to secure and promote the long-term preservation of voluntary consumer organizations.

### **Method and Data**

To answer the research questions, we used a mixed methods approach. First, three focus group discussions with an average of four participants were conducted with the initiators of diverse organizations as part of an initial qualitative study. Qualitative content analysis was conducted according to Mayring (2015) to understand the challenges, the organizations feel confronted with. Based on a literature review, a comprehensive interview guide was created to conduct the focus group interviews. Based on the results, categories were formed partly inductively and partly deductively to quantify and structure the data.

In a second quantitative study, the results from the qualitative study were empirically tested via an online survey (N=74). All constructs in the final questionnaire were measured via seven-point Likert scales. While on average, there are 39 members per organization in our sample, cumulative percentages show that 56% of respondents are involved in organizations that consist of 20 members or less. Nearly all the subjects (70 persons) indicate that they are engaged in volunteer work.

### **Summary of Findings**

To address the research questions, one can say that member motivation and engagement, community, and heartfelt commitment, as well as outreach and collaboration/networking measures are conducive to organizational success, while internal disagreements and disputes as well as lack of long-term employee commitment inhibit success. The results of the two studies show that members of voluntary consumer organizations do not rate the degree of goal achievement, the number of members or the securing of resources in the first place, but rather the social aspects of community/ heart and soul and gratitude/ appreciation. These aspects, as well as commitment and motivation, particularly define the success of voluntary consumer organization in view of the respondents. A steady commitment on the part of core members can thus be confirmed as a key success factor which is in line with the literature (Helmig, Ingerfurth, and Pinz 2014). These aspects can be linked insofar as the high level of collective commitment of the core groups also wants to be appreciated in a certain way. According to the respondents, failure is primarily associated with internal disagreements/disputes, a lack of long-term employee commitment and ingratitude or a lack of appreciation.

### **Statement of Key Contributions**

One of the biggest challenges organizations face is maintaining member motivation and engagement. The results reveal that members attach great importance to social components such

as community and heartfelt commitment, as well as gratitude and appreciation. In practice, these aspects should be considered, for example, by striving for a positive basic mood and maximum cohesion among the members. Member motivation has also been shown to be a significant factor for organizational success. In addition, researchers should explicitly investigate which factors have a supportive effect on employee motivation and which aspects can perhaps be actively influenced by key leaders. One possible indication of this could lie in the gratitude and appreciation shown to members. These factors emerged in the survey as extremely important for the subjects. It is possible that there are connections with employee motivation and organizational success.

*References are available upon request.*

**YOUNG CONSUMERS AND THEIR INTENTIONS TO PUNISH AND EXPOSE BRAND  
SCANDALS: A CROSS-CULTURAL COMPARISON**

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**Keywords:** Corporate scandal; global brand; Gen Z; consumer reactions; cross-country comparison.

**Description:** A cross-country comparison was conducted to answer whether young consumers walk away from misbehaving brands and what specific behavioral measures they take to punish and expose a scandal.

**EXTENDED ABSTRACT**

**Research Question**

When important corporate misbehavior is revealed, will young consumers walk away from the misbehaving brands and what punitive measures will they take? Despite decades of research into the consequences and impact of brand scandals, consumer reactions from different cultures toward corporate irresponsible social behaviors are not fully understood. Among these behaviors,

consumer outrage and subsequent reactions are classified into punitive and nonpunitive responses. We examined four response types to corporate scandals of global brands: boycotting, demanding a payment of fines, engaging in anti-consumerism and/or exposure via social media. Corporate failures' impact may be exacerbated by concurrent economic stress or when they have industry-wide consequences. Conversely, brand scandals can also originate by top-executives or close members of a family business. Our study compares the consequential effects of corporate scandals from two perspectives: Industry practices implications (broad) versus top executive/family member fallout (narrow). Accordingly, we investigate the repercussions of two major incidents by multinational corporations.

Cross-country variation in the way consumers react is captured by the reactions of young consumers from Thailand and the US. We anticipate variations depending on the origin/location of the scandal or misdeed has taken place and corresponding cultural characteristics of the particular market segment.

### **Method and Data**

Evidence was collected from 347 students from the US and Thailand using Qualtrics. The original questionnaire was translated from English to Thai and back-translated. First, participants were asked to browse a couple of pertinent pictures to evoke visual perception and to carefully read two paragraphs summarizing each corporate scandal.

We selected two scandals including Gucci (poor work conditions in the factory) and Red Bull (hit-and-run accident by a corporate's family member in Thailand). These two scandals met our selection criteria including: 1) companies must be well-known global multinational brands, 2) selected scandals must have appeared in major media outlets, 3) each scandal must represent home country brand or well-known brand for each country (Red Bull originated in Thailand and

Gucci is the most well-known luxury fashion brand in the United States, and 4) scandals must be caused from either of two perspectives (i.e., corporate level- and family member level). Four reactions, which were measured with a 7-point Likert scale adapted from the literature, included: paying a fine, boycotting, not buying from a company, and exposure of brand scandals via social media. Participants' demographics were also collected. Finally, a series of ANOVAs tested the hypothesis.

### **Summary of Findings**

Our study focused on the premise that misconduct allegations deteriorate the brand experience and weakens the consumer-brand identification, becoming unpredictable once the consumer is informed of such an occurrence. We compared consumer responses and found significant differences depending on the closeness of brand-consumer identification. Thus, we found that Thai students display significantly more punitive behavior than US students, especially in the Red Bull case. In contrast, US students show more punitive behavior in the Gucci case than Thai students. Additionally, the results revealed that Thai students are more willing to expose brand scandals through social media than US students, particularly in the Red Bull case. By comparing Thai students' willingness to expose brand scandals via social media (Red Bull versus Gucci), we found that Thai students are more willing to expose brand scandals through social media in the Red Bull case compared to the Gucci case. Therefore, our findings suggest that both the cause of scandal (i.e., corporate versus family member or top executive) and consumers' characteristics play an important role in consumers' evaluation of information, resulting in different consumers' reactions.

### **Key Contributions**



Our study found support that behavioral intentions are tied to consumer activism in reaction to corporate scandals. In essence, consumers were willing to punish corporate transgressions by not buying the brand products, joining boycotting campaigns, making companies pay a fine and social media engagement. Consumer reactions exhibited significant differences depending on the closeness of brand-consumer identification. Thai participants were more willing to punish Red Bull, for example, than US counterparts while US participants were more willing to punish Gucci. We also tested the commonly stated, but rarely investigated, assertion that making scandals more transparent in social media is an effective method for combating scandal. To gain a better understanding of boycott motivations and reactions, brands should understand the variations in content and context of scandal. Our results suggest that the scope of a scandal and consumers' characteristics play an important role in consumers' information evaluation and subsequent reactions. We affirm our findings with various manipulation checks and control variables such as the participant's perceived severity and their psychological distance to the scandal. We also suggest that due to the differences in consumer reactions between online and offline channels, crisis mitigation must also pursue different techniques in these channels.

*References are available upon request.*

## **YOUNG SMOKERS' RESPONSES TO PICTORIAL HEALTH SIGNALING AND PLAIN PACKAGE DE-BRANDING ON TOBACCO PACKAGING**

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**Keywords:** graphic health warnings, plain cigarette packaging, tobacco branding, adolescent smoking

**Description:** Based on results for a sample of adolescent smokers, we examine the interplay of tobacco branding and graphic warnings for affective responses and purchase intentions, and we offer implications for integrated strategic communications for public health policy.

### **EXTENDED ABSTRACT**

#### **Research Question**

Given that smoking contributes to an estimated eight million deaths annually worldwide, determining the most appropriate manner to integrate package-based information through graphic health warnings (GHWs) and de-branding is an important goal for the public health community to curb smoking where it starts -- with adolescents. Today, some 125 countries include GHWs on packaging and 16 countries are now using and/or considering use of de-branded plain packs to minimize effects of brand-related imagery (WHO 2022). In this research, we posit that the perceived graphic level of a GHW, a fully-branded vs. de-branded plain pack (where only the brand name is presented), a fully-branded pack\*graphic level interaction (a moderated effect), and country level will impact negative affect from viewing the cigarette

packaging. In turn, we predict that negative affect will reduce brand purchase intent. We also test if perceived graphic level, a fully-branded pack, a fully-branded pack\*graphic level interaction, and country level directly and indirectly affect brand purchase intent. That is, we test if these direct and moderating effects will be mediated by evoked negative affect from GHWs, shedding light on the different pathways that might affect adolescent purchase intent from GHWs and plain-pack branding.

### **Method and Data**

Following a pilot study with adolescent participants from three countries, the main study included more than one thousand adolescent smoker participants from France, Spain and the U.S. The between subjects design was a 4 (GHW manipulation) x 2 (fully branded vs. plain pack) with age and gender quotas for the samples from each country. After obtaining consent from parents and adolescents, a screening question was asked assessing smoking status for the last 30 days. Participants were then randomly shown one of eight package stimuli versions. The text warning stated, "*Smoking causes mouth cancer,*" and was held constant. Based on pilot results, the graphicness of a diseased mouth was presented at four levels: control, low, medium, and high. The de-branded plain vs. fully-branded Marlboro pack was presented on the bottom portion of the pack and included either: (1) the plain pack version (minimized brand name in white on an olive background); or (2) the traditional brand logo and colors for a fully-branded Marlboro pack. All measures were drawn from prior research (all  $\alpha$ s > .88), and gender, smoking frequency, brand smoked were captured as control variables. "Country" was an effects-coded dummy variable with the U.S. sample as the reference code.

### **Summary of Findings**

A regression model for negative affect ( $F=22.97, p<.001, R^2=.16$ ) shows the graphic level  $\rightarrow$  negative affect path was positive and significant ( $\beta = .29, t=10.18, p<.01$ ). Further, as predicted, the presence of a fully-branded pack (vs. plain pack) reduced negative affect ( $\beta = -.27, t=2.76, p<.01$ ). The fully-branded pack\*graphic level moderating effect was significant ( $\beta = -.13, t=2.28, p<.05$ ). A plot of the interaction shows that the plain-pack / high graphic level produced the highest average predicted mean score (5.00) for negative affect. Also, for the de-branded pack, the effect of graphic level on negative affect was significant ( $\beta = -.37 (t= 9.09, p<.01)$ ), but when the fully-branded Marlboro pack was present this effect was attenuated ( $\beta = -.23, t=5.52, p<.01$ ).

To formally test conditional mediation, we used PROCESS (Model 8) with 5000 bootstrap samples. Graphic level is the independent variable, the fully-branded pack is the moderator, negative affect is the mediator, and all other variables are included as controls. The mediation effect through negative affect is significant for both the fully-branded and de-branded packs, but the mediation through negative affect is stronger when the package is de-branded. Thus, the presence of the fully-branded pack attenuates the effect of graphic level on purchase intent through evoked negative affect.

### **Key Contributions**

The Responsible Research for Business and Management network (see <https://www.rrbm.network/>) has a goal to produce credible knowledge that is ultimately useful for addressing problems important to business and society. Tobacco use is responsible for some seven million premature global deaths annually, huge financial costs, and decreased quality of life, and thus is a key problem for global public health.

We view the primary contributions of our study as including the following. The fully-branded pack significantly reduced the effect of the graphic level on negative affect and thus helps circumvent the effectiveness of the graphic warning level on negative affect, an effect desired by many in the public health community to help reduce adolescent smoking levels. These results speak to the persuasive power of a strong brand to inhibit feelings that ultimately lower brand purchase intent for adolescents. This is reinforced with the moderated mediation results that show the fully-branded pack weakens the effect of the graphic level → purchase intent relationship through negative affect. The overall pattern suggests that using high GHW levels coupled with the use of de-branded plain packs may be the best approach to deter positive adolescent smoking feelings and behavior.

References are available upon request.

# **Under Studied Markets and Marketing Stakeholders**

## **ACHIEVING DECENTRALIZED SUSTAINABLE MANAGEMENT IN VERTICAL FARMING THROUGH THE METAVERSE**

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**Keywords:** blockchain, vertical farming, stakeholder capitalism, decentralization, agriculture

**Description:** This paper presents an innovative perspective on the link between stakeholder capitalism in the context of the metaverse and sustainability-related literature, offering tangible business and marketing implications.

### **EXTENDED ABSTRACT**

#### **Research Question**

The metaverse has become a contemporary research topic (Hollensen et al. 2023). Nonetheless, to the best of our knowledge, no paper has identified the key attributes of the metaverse using theoretical explanations (Tan et al. 2023). No research has outlined the key characteristics that describe how the metaverse is conceptualized differently from the 3D virtual environment that we have experienced in most existing gaming and social-networking worlds. In parallel with the rise of the metaverse as a research topic, research topics linking to and focusing on sustainability have been given increasing attention in business studies and curricula (Dwivedi et al. 2022). However, no underlying theory has been provided to explain the theoretical connection between the metaverse and sustainability-related literature with a concrete implication, even though a previous study has rationalized the linkage between the metaverse and sustainable urban city development (Allam et al. 2022). To fill these gaps, we conceptualize the use of the metaverse in decentralized

sustainable management in vertical farming. We draw from stakeholder capitalism theory (Freeman et al. 2007) to investigate the significance of five critical attributes of the metaverse, including a creator economy, a persistent synchronous virtual environment, decentralization, an interoperable network, and a digitalized mindset.

## **Method**

Based on the metaverse-related studies (e.g., Ball 2022; Belk et al. 2022; Bojic 2022; Goldberg and Schär 2023; Kaplan and Haenlein 2009; Mourtzis et al. 2022; Tan and Salo 2021), we have identified the following five unique attributes of the metaverse:

1. *A creator economy.* The metaverse enables creators to earn directly from audiences through tokenized products and experiences, accelerating creativity distribution and allowing creators to own virtual worlds without being controlled by legal entities.
2. *A persistent synchronous virtual environment.* In the metaverse, users experience a persistent, synchronous virtual environment that continues developing internally without interaction and allows users from different platforms to coexist simultaneously, maintaining digital continuity and manifesting users' histories within the experiential layer.
3. *Decentralization.* The metaverse philosophy has shifted towards decentralization, promoting openness and power distribution, with no single authority. Decentralization fosters scalable ecosystems, offering comprehensive digital assets and voting rights.
4. *An interoperable network.* The metaverse should be a single 3D virtual environment, unifying interconnected or interoperable virtual worlds with unlimited users. Interoperability, a complex but essential element, enables autonomous systems and simulations to operate coherently and users to communicate securely.
5. *A digitalized mindset.* The metaverse's immersive environment encourages a digitalized mindset, aligning virtual and physical identities through socially focused experiences, enhancing users' virtual identity and presence while creating a parallel plane for coexistence and socialization.

## **Summary of Findings**

Previous studies have found that stakeholder capitalism has significantly resulted in positive shifts in a cooperative organization (Iliopoulos and Valentinov 2022; Strand and Freeman 2015),



governance (Bebchuk et al. 2023; Hemphill et al. 2021), and sustainable digitalization (Beck and Ferasso 2023). Based on these three domains, we position our conceptual framework in using the metaverse and decentralized sustainable management in vertical farming. Vertical farming is selected as it is a technology-integrated agriculture system (Kozai and Niu 2020) that has recently been considered to have the most potential among the various agricultural implications of the metaverse (Kerslake 2022). In brief, the attributes of the metaverse serve to overcome some of vertical farming's existing sustainability challenges by presenting a new business model and marketing strategy that revolutionize vertical farming, which, enables distributed inclusive finance, facilitates a new class of asset (i.e., carbon credits), provides credentials for a sustainable digital identity, and creates decentralized trust in sustainability efforts.

### **Statement of Key Contributions**

Our research expands upon existing metaverse literature by identifying five attributes that underlie stakeholder capitalism theory. We associate a creator economy with emergent competition and continuous creation, a persistent synchronous virtual environment with stakeholder complexity and responsibility, decentralization with stakeholder cooperation and emergent competition, an interoperable network with stakeholder cooperation and continuous creation, and a digitalized mindset with stakeholder engagement and responsibility. Our findings emphasize that firms should balance stakeholder interests in the metaverse for long-term business and marketing success. Additionally, we contribute to the decentralized sustainable management literature and practices in vertical farming. Our framework integrates the metaverse with urban agriculture for sustainable city development, providing novel insights into decentralized management combining physical-virtual cooperative, polycentric governance, and sustainable digitalization in urban farming. Our research proposes a decentralized approach to transparent, real-time vertical farming governance, encouraging stakeholder commitment to decentralized management for enhanced benefits, such as carbon credits and sustainable digital identity. This approach aims to improve vertical farming scalability, attract skilled experts, enable distributed inclusive finance, and facilitate a new asset class, ultimately exemplifying a decentralized marketing strategy that accommodates diverse stakeholder interests in the metaverse.

*References are available upon request*

## **AUTONOMY AND OPPORTUNISM: EXPLORING THE EXPROPRIATION AND BONDING SCENARIOS**

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**Keywords:** task autonomy, opportunism, moral disengagement, transaction cost theory, lock-in

**Description:** This paper provides an alternative perspective to transaction cost theory through theorizing and testing an inverted U-shaped relationship between employees' task autonomy and their propensity for moral disengagement.

### **EXTENDED ABSTRACT**

#### **Research Question**

Should employees own freedom, independence, and discretion while performing a task? What are the possible positive and negative consequences, and what is the adequate level of autonomy? We explore, theorize, and find empirical evidence to understand the multifaceted aspects of task autonomy and help managers choose the optimal governance method. The main goal of our research is to explore the optimal degree of autonomy given to employees in order to minimize employees' intention to engage in opportunism. Specifically, we test the relationships among 1) the level of autonomy given to an employee, 2) an employee's propensity to engage in opportunism, as well as the moderating effect of 3) the value of an employee specific to the organization. The results provide managerial implications by suggesting managers tailor the level

of autonomy for each employee considering one's performance level. We also discuss the detrimental influence of providing middling levels of autonomy.

### **Method And Data**

The data for this study were obtained using questionnaires from 290 employee-supervisor-matched samples distributed to various organizations located in South Korea. As we collected the survey data from multiple sources in an effort to minimize potential common source bias effects (Podsakoff et al., 2003), the pairs of two different types of the questionnaire were distributed: one for the employee and the other for their immediate supervisor, which also explained the purpose and voluntary nature of the study, the time required for survey completion, and the consent form. A total of 253 completed employee questionnaires and 254 completed supervisor questionnaires were returned with response rates of 87.2 and 87.5 %, respectively. We conducted a series of confirmatory factor analyses (CFAs) to further address the issues of common method variance and discriminant validity of study measures. The main variables (employee's task autonomy, moral disengagement, and overall evaluation) were assessed using established scales and measured on a seven-point Likert-type scale, and hierarchical multiple regression analysis was conducted to test the hypotheses.

### **Summary of Findings**

We found an inverted U-shaped curvilinear relationship between task autonomy and employee moral disengagement. Task autonomy is positively related to employee moral disengagement up to the inflection point (i.e., expropriation effect), then, the relationship between task autonomy and employee moral disengagement turned to negative (i.e., bonding effect). The result is in line with Rokkan, Heide, and Wathne (2003)'s theory on expropriation and bonding effects.

Also, employee overall evaluation moderates the curvilinear relationship between task autonomy and employee moral disengagement. Across all levels of employee overall evaluation, task autonomy, and employee moral disengagement has an inverted U-shaped curvilinear relationship. Specifically, for employees with a high level of overall evaluation compared to the ones with mean and low level of the overall evaluation, the concave downward curvilinear relationship becomes more prevalent. We use Rokkan, Heide, and Wathne (2003)'s theory on lock-in to discuss our findings.

### **Statement of Key Contributions**

Our study advances the existing knowledge by partially contradicting the well-studied relationship between the focal Transaction Cost Theory (TCT) concepts. We use previous research on relationship marketing as a theoretical background (e.g., Heide and Wathne 2003). Specifically, in our context of the employee-management relationship, the bonding effect is detected as well as the expropriation effect of relational opportunism. This result provides an alternative interpretation to the TCT's near consensus on the ability of hierarchical governance (i.e., less autonomy) to control transaction costs. The examined bonding effect implies that a high level of task autonomy motivates employees to work towards joint gain, building a sense of bonded relationship with the organization.

Our empirical results yield practical implications to firm managers by finding varying directions of the impact of task autonomy on employees' moral disengagement. Firstly, our results showed both expropriation (increasing) and bonding (suppressing) impacts of task autonomy on employees' moral disengagement. This finding proposes a potentially detrimental influence of providing employees with middling levels of task autonomy. In other words, our results suggest managers choose either minimum task autonomy with hierarchical control or maximum autonomy with less control in efforts to suppress employees' intention to engage in

moral disengagement. Secondly, the strengths of the expropriation and bonding effects, which are depicted by the slopes of the curvilinear patterns between task autonomy and employees' moral disengagement, vary based on the level of employee overall evaluation. This advises managers to determine an optimal level of task autonomy for each employee considering one's performance level. To illustrate further, high-evaluated employees had the lowest tendency to engage in moral disengagement when given a maximum level of task autonomy (due to a strong bonding effect), whereas the highest level of moral disengagement when a mediocre level of opportunism (due to strong expropriation effect). In this sense, it is advantageous for organizational managers/leaders to explicitly allow self-determination to motivate proficient human capital.

**COVID-19 COMMUNICATION IN EMERGING MARKETS- NOT VIRAL  
ENOUGH?**

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**Keywords:** Covid-19, rural, India, public health, and communication

**Description:** Using the World Bank data, we find inadequate awareness and disparity in public health communication related to Covid-19 among the rural population.

**EXTENDED ABSTRACT**

**RESEARCH QUESTION:** There are a limited number of studies related to public health communication on Covid-19 awareness. Gul (2021) reports low risk perception among illiterate people in Pakistan, most of them rural. Parikh *et al.* (2020), Maharshi *et al.* (2020), and Singh *et al.* (2020) report reasonably good knowledge about Covid-19 among people in India. However, Kaushik *et al.* (2020) find that Indian adults have no clear understanding of Covid-19.

Most of these studies were conducted online and excluded the rural population. Johri *et al.*(2021) conclude that communication strategies for the most vulnerable people were not initially the focus, and the marginalized tribal communities reported having almost negligible awareness (Basak, 2021). In this context, our study builds on the existing research and contributes by giving new insights into inequity in public health communication during Covid-19 in India. Specifically, we address the following research questions: 1. What is the awareness level of symptoms and prevention of Covid-19 in rural India? 2. Does the awareness change over time? 3. Are the awareness levels different across gender, caste, educational attainment, and media ownership in rural India?

**METHOD AND DATA:** We use a mixed methodology to analyse the public health communication and its outcome during Covid-19 in rural India. We use data from the Ministry of Health and Family Welfare website and various publicly available reports as a part of qualitative analysis. The quantitative analysis uses *COVID-19-Related Shocks in Rural India 2020* data by the World Bank. The data was collected in 3 different rounds covering six states of India: Jharkhand, Rajasthan, Uttar Pradesh, Andhra Pradesh, Bihar, and Madhya Pradesh during 2020. We use Round 3 data for most of our analysis. It is likely to capture better the

impact of the communication strategy and people's awareness than the previous rounds. While the data covers the impact of Covid-19 in rural India in various aspects, this paper focuses specifically on rural households' awareness of symptoms and protective behaviour for Covid-19.

The study then uses descriptive statistics to gauge the awareness of covid related symptoms and preventive behaviour among rural households. A series of t-tests follow it to understand the impact of gender, education, media (TV) access, and caste on household awareness of Covid -19 symptoms and preventive mechanisms. Then, we corroborate the findings of quantitative and qualitative analysis.

**SUMMARY OF FINDINGS:** The awareness of Covid-19 symptoms aligns with the early awareness campaigns focused on cold, cough, and fever symptoms. Surprisingly, unique and typical symptoms of Covid-19, such as loss of smell and diarrhoea, are unknown to most people. Overall, the awareness of symptoms and prevention is limited to only a few generic aspects. Similarly, understanding preventive measures such as not spitting, distancing from the sick, and avoiding contact is also limited. Government campaigns focused on stigma and vaccination, even when infections were rising, and vaccines were not readily available.

We do not find evidence of gender disparity in awareness. However, educated people are more aware of the symptoms and preventions than uneducated people. Households with TV have a better understanding than those without it. Also, families with TV are less likely to be completely unaware of the symptoms and preventions. Surprisingly, we do not find evidence of a significant gap in awareness across castes.



**KEY CONTRIBUTIONS:** Our study is one of the first attempts to evaluate the impact of the public awareness campaign in rural India. The findings strongly advocate the need for a more aggressive approach to generate awareness in case of pandemics in rural areas.

Special effort is required to make the information available to rural households which are not educated. Media sources that do not require much cognition should be prioritized over social media. Additionally, the divide in media ownership, requires choice of messaging platform has to be inclusive. The rural population will need impactful channels communicating essential and relevant information for a dual impact of taming the viral spread and vaccinating the citizens in the rural parts of the country. Also, it is important to update and review the awareness campaigns for better impact. Overall, understanding the effectiveness of the current communication strategy will be immensely helpful in case of any similar crises in the future.

**References are available upon request.**

**Title:** Every Cloud Has a Silver Lining: A Dynamic View Towards Super Fake Counterfeit and Brand-Self Distance

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*Jie Yang, The University of Texas at Tyler*

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**Keywords:** Counterfeit Luxury; Brand Relationship; Mechanism; A Dynamic View.

**Description:**

This study uses super fake counterfeits to explore the mechanism leading to the changes in consumers' brand-self distance.

**Extended Abstract**

**Research Question:**

Rather than contemptuously accusing the consumption of counterfeit luxury, we need to have a closer look at it. This study aims to address this issue and explore the dynamic effect of counterfeit consumption and its impact on the brand-self distance between the consumer and the original brand. We hope our study could inspire academic scholars and provide evidence for luxury marketers in converting counterfeit shoppers into authentic buyers.

**Method and Data:**

We designed an online survey to test our hypotheses. Respondents were provided with a small monetary incentive for participating in the survey. In the data collection process, we paid particular attention to the identification of the respondents. We asked the respondents about purchases of super fakes and eliminated responses from those who did not buy a super fake intentionally.

**Summary of Findings:**

This study confirms that consumers' satisfaction with super fake counterfeits has an enabling effect on perceived product quality, an enriching effect on signaling effectiveness, and an enticing effect on consumer pleasure with the original brand. Interestingly, perceived product quality and signaling effectiveness contribute positively, while consumer pleasure contributes negatively to brand-self distance reduction.

**Statement of Key Contributions:**

This research contributes to the literature on counterfeit luxury consumption by shedding light on the aftermath of counterfeit purchases. Previous research tends to treat counterfeit consumption as a destination rather than as a matter of cause, implying there's little room to study if consumers already purchase counterfeits. This study extends the counterfeit luxury consumption and branding literature by proposing a new research model that examines the mechanisms through which

product quality, signaling effectiveness, and consumer pleasure mediate the impact of counterfeit satisfaction on brand-self distance reduction.

## **FIRST NATIONS BUSINESS: VOICE, KNOWLEDGE-SHARING AND DECISION-MAKING**

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Keywords: Voice, First Nations, Strategy, Governance, Community

The paper explores the nature of Australian First Nations business practices and ethos in the Australian operating environment, and their evolving presence in the prevailing economic and social milieu.

### **ABSTRACT**

In its broadest sense marketing speaks to the complex interactions and intersections between business and societal stakeholders. This paper explores the experiences of Australian First Nations businesses in the prevailing business ecosystem and provides important insights through demonstrating the contrasting practices of First Nations business.

### **INTRODUCTION**

Our research advances theoretical understandings of Aboriginal and Torres Strait Islander (First Nations Australians) approaches to marketing and business practices. Drawing on qualitative methods in First Nations and Western models, the paper explores Aboriginal and Torres Strait Islander approaches to business and marketing to create more genuine and robust decision-making processes that promote diversity, inclusion, and equity. Beyond the dimensions of diversity, inclusion, and equity the paper is positioned to contrast a Western Anglo-Saxon centric business ecosystem focused on a top-down decision making with bottom-up decision-making that aligns with Aboriginal and Torres Strait Islander ways of doing. This contrast raises important questions and insights as to how businesses might find new ways to operate, adapt, and thrive in times of rapid change and volatility – a world disrupted.

This work began as a shared interest by the researchers in First Nations ways of working, in seeking to understand how and why the entities with which we interact in our professional and

personal lives achieve success, and the remit of the organizations in which we work.

Most importantly, the primary objective of this exploration of First Nations entities and social communities, is to ensure that practices and successes are observed, understood, and expressed from a First Nations perspective, with First Nations First Voice, as the primary modality.

## **THE FIRST NATIONS CONTEXT**

Australian First Nations businesses sit across a range of sectors and stakeholders groups. In Australia and globally, there is an increasing emphasis on ethical and strategic procurement at a firm, regulatory and investor level, First Nations businesses are at the center of this. We provide important insights to firms, regulators, and investors through demonstrating the contrasting practices of First Nations business allowing a broader set of value-propositions and investment opportunities to be understood.

We built on a series of Yarning experiences and engagements, with multiple entities, to propose a learning journey model that we believe enhances shared understanding and helps to create codesign and collaboration between First Nations entities and what we term ‘Western’ organizations and operating models.

Our premise is that the work helps to foster deeper understanding, respect for and of the ways of working of First Nations entities, to enable more effective and sustainable outcomes, and that this collaborative approach is viable and indeed contributes to society and overall economic and social benefits. Thus, we seek to highlight the urgent need to foster greater awareness of and respect for the efficaciousness and enduring successes of Australia’s First Nations entities, among First Nations and broader communities, and to highlight the benefits to Western organizations of observing and reflecting First Nations business practices.

## **The Purpose and Process of the Research to Reflect the First Nations First Imperative**

We set about to explore contemporary business strategy and practices, drawing on a wide set of knowledges, and to explore and highlight underrepresented and underacknowledged approaches to business that are grounded in First Nations ways of doing.

We focus specifically on the marketing function of business strategy and practice, since the marketing function is that which links the organizational strategy, operations and delivered value, with its targeted audience, through a narrative approach, which allows a number of voices to provide initial insight into how First Nations and more mainstream/euro-centric ‘ways of doing business’ intersect.

This is a crucial and essential element of this paper. Our proposition was that businesses conceived, owned and operated by Indigenous Australians, First Nations peoples, are typically viewed as ‘other’, as operating outside a ‘validated’, recognized and legitimate economic system; that they cannot be categorized as possessing valid business models driven by strategic rigor, nor operating under effective and recognized governance structures; that there is a lack of transparency and limited formal structure and finally that they exist with undetermined leadership models and lapses in efficacious decision-making processes.

We surmised that generally there is an underestimation of the deeper meaning of the governance structures and business philosophies of these organizations.

Finally, we suggest that because of these perceptions, the methodologies that are typically accepted as legitimate by non-Indigenous participants in the prevailing economic system, do not recognize the functional, enduring, future-focused and sustainable ‘operating model’, with a shared set of understood, shared and practiced ways of doing things in the First Nations model.

As a response to these observations and insights on our part, we proposed a comparative analysis, using literature, the voice of Indigenous stakeholders in this Indigenous eco-system,

and our ongoing observations, to identify operating models, leadership models, decision-making processes and other fundamental elements of what we term an Indigenous or First Nations Operating model.

### **Research Objectives**

Overall the purpose of the ongoing research is to explore the significant competencies and structural advantages within First Nations ways of doing, with the goal of socializing and leveraging those factors, and to compare and contrast a series of practices, processes and strategic marketing applications typically applied in Western entities, with the competencies and structural advantages of First Nations practices.

Whilst Indigenous cultures might typically have some similarities with dominant Western practices and processes, they maintain distinct practices and mores. These manifest in sustainability methods, communal existence and kinship relationships, and theories of being and knowing, governance structures, as well as cultural models and specific ‘place’ significance, such as and connection to Country (Virtanen et al., 2020).

Explicit awareness of these practices, which in the case of Australian First Nations peoples, have evolved over 60,000 years, and because of their power and durability, they contribute to Western models and enable co-creation and collaboration in ways that traditional Western approaches might not see as beneficial (Virtanen et al., 2020). These Indigenous ways may challenge the dominant Western models of resource competition and bottom-line profitability and can lead to knowledge synthesis and new practices.

The logic underpinning these research objectives follows. We begin with our representation of the comparative decision making and governance models of the two operating systems.

Our engagement within both the First Nations context and what we note as Western operating models, suggests that within First Nations systems, decision making and governance comes from

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within Community and rises, and from within Western operating models, decision-making and governance comes from Board of Directors and filters down through organizational structures and systems.

**Figure 1: Comparative decision and governance models: *Top-Down - Board of Directors to Staff: Bottom-Up – Community Members to Elders***

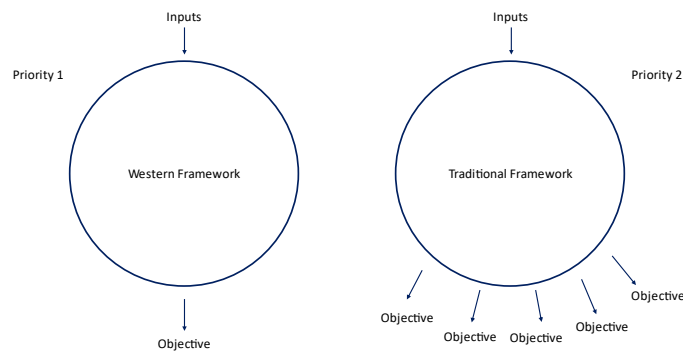


Next, our framework suggests that in the Western model, direction and inputs are defined as explicit approaches. In the Traditional Owners model, the inputs are complex and implicit.

In the Western model, the explicit output and key objective is profit, which is then distributed to specific stakeholders and allocated within specific governance and economic frameworks.

In the Traditional practices model, outputs have direct societal outcomes and outputs that are directly expected and accessible to Community.

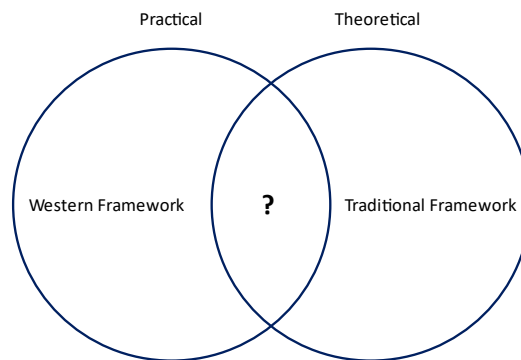
**Figure 2: Comparative Input Factors Variables and Organizational Outputs and Societal Benefits.**





From this assumption that in the Western model, practices are defined and explicit, then we posit that current knowledge and thinking around Traditional Owners models are conceptually evolving and we posit are theoretical in nature, and to the overarching operating model, complex and implicit. It is the overlapping frame that our interests lie. Our work seeks to understand and articulate this ‘theoretical’ and unknown, but not unknowable (Nonaka & Konn, 1998).

Figure 3: Accepted Practice of Western Models and Evolving Theories of Traditional Practice.



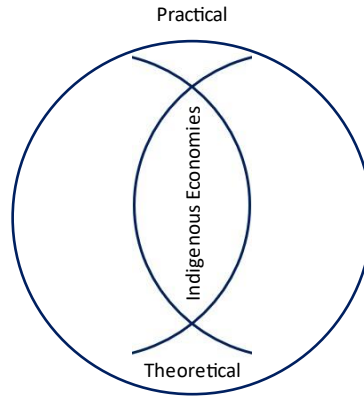
Our work thus seeks to understand, articulate, and explore this ‘theoretical’ and unknown, the Space of the Evolving Traditional Practices (Wheeler & Root-Bernstein, 2020).

Figure 4: The Space of the Evolving Traditional Practices



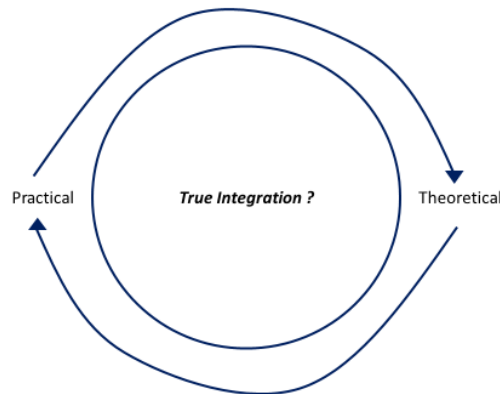
One of the enduring complexities and inherent conflicts of these co-existing systems is that this Evolving Traditional Practices Model exists within and are imposed upon by the existing frameworks. We have highlighted this inherent tension as Priority 1, the Western Framework as a necessary primary underpinning of this proposed integrative mindset (Brock et al., 2023).

Figure 5: The Evolving Traditional Practices Model set within the Existing Western Model.



Finally, our research and intended outcome goal is a state of true integration and evolved interplay, intersection and co-design. We seek to understand the process of true integration by co-design, with a theoretical outcome that can integrate seamlessly into the practical constructs of society (Denny-Smith et al., 2020).

**Figure 6: True Integration.**



The question then is, how did we move to understanding stakeholders, service providers and end users, customers and clients? We needed to understand the concept of relationships within Aboriginal and First Nations culture. It is critical in any analysis of practice. Aboriginal culture is heavily built around one's relationship with its surroundings (Couldry, 2010). Human relationships with each other are only one, small form of practical application. Aboriginal culture refers to a relationship in a sense that runs much deeper than its surface practicality, insisting we

as humans, are involved in multiple long-term relationships (Smith et al., 2020; Smith et al., 2012). When considering Lore, Country, and spirituality, a relationship refers to many multi-dimensional applications of the word (Burgess et al., 2009).

### **The ‘getting to know’ of My Country, My Mob, My story.**

Our team started with a protocol we all understood, the practice of acknowledging our First Nations peoples, the Traditional Owners of the lands where we were working, and by paying respect to the Elders, Past, Present and Emerging. Hence, in this paper and in our research, we introduce ourselves with our story, in our voice, so ‘you know who we are’.

This respect ritual would typically include a sharing of Country stories. "Country" is a term commonly used in Indigenous Australian language that signifies and represents a place of being. Country is commonly used to describe Indigenous Tribal areas and territories, usually the area where a traditional language group come from. Thus, our principle researcher notes: "I live and work on Jagera and Turrbal Country". " Yeah, I'm from Gumbaynggirr Country".

Our principle researcher highlights that the significant cultural arrangement that must be understood, is the governance structures within each Nation. Aboriginal People did not have a government entity or company that was tasked to lead, we simply had large family groups that would operate and run simultaneously, as a family, and as a corporation. There were three main levels of understanding and leadership within a family group:

- Elders – The most senior and wise members of the family group. Would usually convene at an *Elders Council* to make final decisions for strategic direction.
- Senior Leaders – Extremely wise and noble community leaders. Senior leaders were tasked to watch over and support the family, as a protective figure, and participate in community responsibilities.
- Community – Usually comprised of the young members of the family group. Community had many responsibilities. From creating strategic direction for elders to decide on, to hunting and gathering viable nutrition for the family.

As we listened to stories, we began to understand patterns and what we considered metaphors. To understand the networks and the transactions within them, we began to discuss the stakeholder landscape, which we collaboratively designed as a visual landscape or Country, with relationships and roles. This visual and story approach we believe approximated a value chain and value system and a segmentation model, and highlighted the links and relationships we needed to understand.

We believe that a First Nations First Voice focus can lead to regenerative knowledge and re-adoption by emerging First Nations people and leaders. Language and land are fundamental anchors in many Indigenous cultures, with Australian First Nations peoples having a strong focus on Country as a place and also a culture signature (Ferguson & Weaselboy, 2020). These regenerative endeavours that focus on the reclamation of connections with land and language foster significant beneficial outcomes, such as addressing the negative impacts on First Nations peoples by colonialization and displacement, links to better health outcomes, reduction in suicide rates and employment opportunities (Ferguson & Weaselboy, 2020).

First Nations First Voice thinking comes to the fore when seeking to know and understand in this context. Western research methodologies focus on objectivity, on statistical validity and certainty. When working and researching in the First Nations space, understanding of identity, life experiences, Country and kinship relations are fundamental foundations (Coombes & Ryder, 2020). These understandings underpin a holistic framework and First Nations researchers note multiple methods; research as a ceremony; research as reflective practice; research from the perspective of knowing, being and doing.

Practices include Yarning, an informal conversation about family connections, sharing daily experiences, which is about building respect, fixing problems and building insights (Coombes &

Ryder, 2020). These methods are cyclical in nature and the analysis comes from connection and the stories that emerge. Yarns typically follow language protocols and result in new meaning; for researchers the outcomes are both qualitative data collection and also the ability for triangulation of research data (Walker et al., 2014).

### **Outcomes, Learnings, Reflections and Limitations**

The engagements with each of the stakeholders in this complex landscape have continued to work with us, and our shared understanding is growing, in terms of First Nations voice, capabilities and ways of working, as well as the strengthening of our own individual capabilities and the ability to, as some of our participants have noted, Walk in Two Worlds. Our First Nations researcher has strengthened their mental maps and built formidable comparative analogies and ways of sharing insights. The non-Indigenous researchers have strengthened their confidence to work in First Nations spaces and bring their best in the spirit of curiosity, ‘sense testing’ and hunch making. They have developed interaction and trust-sharing ‘showing up’ that is authentic and open.

We understood that language, ‘voice’, is an intrinsic element of organizational culture and cultural identification. These in turn affect the way people develop and respond to behavioral norms (Cooke & Rousseau, 1988). For this work of comparison, it is essential to focus on descriptive insights and observations and to avoid evaluative comparisons and critique (Zell et al., 2020). These analyses should highlight cultural and self-perception differences as mechanisms for insight and inherent transparency (Gibson & Zellmer-Bruhn, 2001). We understood that metaphors help to convey complex meaning and help to impart a rich understanding of context and the process of sensemaking (Weick, 1995, 2007).

We propose that a significant differentiating factor is that Indigenous First Nations approaches to

knowledge sharing and marketing insights ‘filter up’. They are distilled, explored shared and socialized. The model of Elders, Senior Leaders and Community, suggest a ‘bottom-up’ governance, insight and needs and wants model (Coates et al., 2021; Gunstone, 2013).

### **Theoretical and Applied Implications, and Limitations**

The nature of ‘bottom-up’ governance suggests that strategic direction is driven and led by Community insight. We believe that continuing to seek ‘understanding’, and shared appreciation and exploring research methods and possibilities that recognize ‘all’, rather than ‘other’, will lead to new ways of doing things, and a greater understanding of underrepresented consumers and businesses.

We acknowledge that this theoretical paper does not have a ‘traditional’ methodological approach. We highlight that this paper is entirely focused on exploring the need for and a way forward, in exploring new ways of developing understandings and mutual respect and insight-sharing within an evolving, complex nation that is both grappling with significant societal challenges and also celebrating and anticipating an optimistic future.

This work is limited by its lack of a clear methodology strategy, discussions in the approach ‘voice’ leads to a better understanding of the marketing and business ways of doing and being that will benefit First Nations entities, Western-styled entities, government policy and importantly, ways of authentically exploring and researching in complex societies.

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## **GOVERNING ‘QUANTITY’ UNCERTAINTY IN ASYMMETRIC BUYER-SELLER RELATIONSHIPS: THEORY AND EMPIRICAL EVIDENCE**

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**Debi P. Mishra, Binghamton University**

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**Keywords:** quantity uncertainty, diagnosis and cure, asymmetric markets, overprovision,  
information asymmetry

**Description:** We develop a conceptual model that articulates how service overprovisioning can  
be governed in asymmetric markets, and analyze data collected from a field survey of automotive  
repair suppliers.

### **EXTENDED ABSTRACT**

#### **Research Question**

Buyer-seller exchanges rarely conform to neoclassical economists’ assumptions of perfect competition since information is differentially distributed among market participants. The resulting information asymmetry thwarts buyers’ attempts to costlessly and completely ascertain *ex-ante quality uncertainty*, especially for credence and experience products, e.g., automobile repair services. Such markets may also enable opportunistic sellers to deliberately misrepresent true quality levels to buyers. Absent mitigation, honest (high-quality) suppliers may capitulate to dishonest (low-quality) sellers creating market failure or a lemon’s problem. In asymmetric markets, buyers’ quality concerns are typically addressed by a vast and growing body of literature subsumed under the rubric of informational economics, e.g., signaling theory. Briefly, the central



narrative of this research is that buyers' quality uncertainty can be addressed by honest sellers through a governance mechanism involving signals, e.g., warranties and certification that impose imitation costs on low-quality suppliers. Specifically, our focus is on identifying how salient antecedents and moderators affect service overprovisioning.

### **Method And Data**

The use of the survey procedure is justified since data pertaining to the measures of focal constructs in the conceptual model of this research (e.g., relationship orientation) are unlikely to be found in the existing dataset such as annual reports and financial data. We investigate Diagnosis-and-cure service markets, where service providers diagnose the customers' problem and provide curative service, which represents a distorted market where service providers are likely to engage in opportunistic servicing behaviors. It is characterized by high information asymmetry between the buyers and the sellers, the suppliers simultaneously provide diagnosis and cure services, and customers hold distrust and suspicion over suppliers.

The sampling frame is the automotive repair stores located in a developed country in East Asia. The survey link is provided to the firm managers through a mobile-based broker firm in South Korea. The survey questionnaires were distributed to the managers of the contracted repair service firms through this mobile application. All variables were measured at the business unit level. To test the hypotheses, we conducted a hierarchical regression analysis to examine how much additional variance was explained by the independent variables after controls.

### **Summary of Findings**

Firstly, monitoring showed a positive effect on overprovision. This supports the finding from previous research, which discussed that the intrusive nature of monitoring results in the partner's defensive attitudes and behaviors that are characteristically opportunistic (Heide et al., 2007). Secondly, being consistent with the result of the measure of overprovision, sales-based

commission increased overprovision. As mentioned earlier, this implies that sales-based commission yields such detrimental effects, especially in markets with unobservable quality. In other words, mechanics are able to overprovide service and receive higher incentives, without having one's intentions detected by the managers or customers. Thirdly, there was a negative interaction effect between an internal governance strategy (sales-based commission) and a positioning strategy of the firm (reputation for reliability) on overprovision. Although reputation for reliability and sales-based commission independently showed positive effects on overprovision, when the two variables interact, they resulted in a negative interaction effect. This antagonizing result can be interpreted based on the two streams of literature of market embeddedness: under-socialized and over-socialized perspectives (Granovetter 1985, Heide and Wathne 2006). Fourthly, the supplier firm's positioning strategy (relationship orientation) strengthened the positive effect of the internal governance strategy (sales-based commission) on overprovision. This result is interpreted based on the unique characteristics of long-term, loyal customers of Diagnosis-and-cure service markets.

### **Statement of Key Contributions**

The proposed study is expected to make a number of salient contributions to marketing theory and practice. Firstly, the model takes the first step to conceptualize and empirically test a specific factor of market distortion in Diagnosis-and-cure market: overprovision. In previous research, opportunism has been measured as an umbrella concept, encompassing agents' immoral and cheating behaviors. Its components have not been fleshed out. To fill the gap in the literature, theory, and empirical data are analyzed to define the distinguished characteristics of overprovision. This market distortion phenomenon not only indicate different amounts of service provided but also take effect based on the different sets of antecedents.

The results of the research also have practical implications for market regulation. For instance, currently in the United States, the Federal Trade Commission (FTC) is charged with the responsibility of overseeing repair services. However, the FTC primarily prescribes that customers should adopt an “economic” approach by comparing prices and checking on the qualification of repair establishments via certification. However, social safeguards such as the role of firm reputation, quality positioning, or customers’ past experiences are minimally appraised and discussed. Hence, the present research is uniquely positioned to articulate a role for these social mechanisms in addition to reliance on conventional economic approaches.

## **HEALTH CONSUMPTION IN THE LIVED SPACES OF LOW INCOME, CHRONICALLY ILL PERSONS**

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Jelena Spanjol, Ludwig Maximillian University

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**Keywords:** low income, chronically ill, health consumption, spatial ecology, spatial strategies

**Description:** This study examines the health consumption of low income, chronically persons in their daily lived spaces, specifically the ecology of those spaces and strategies applied to navigate that structure when seeking health.

### **EXTENDED ABSTRACT**

#### **Research Question**

Each day low income, chronically ill consumers carry out a range of health activities, from eating and sleeping to grocery shopping and taking medications. While marketing scholars have extensively studied the health efforts of mainstream consumers, they have “generally avoided issues related to socioeconomic status—despite its obvious centrality to consumer behavior”

(Moorman 2002, p.154). As a result, we have limited insights on health consumption by individuals suffering from both poverty and illness. The marketing literature on other consumption behaviors suggest that the daily life spaces of these individuals—both externally built and internally felt—matter to health. For example, Chaplin and colleagues (2014) observe that impoverished communities are dotted by discount and liquidation shops and empty homes and storefronts, with residents experiencing lower self-esteem and well-being than counterparts in well-resourced areas. Hill (1991) finds homeless shelter residents detach emotionally to cope with uncertain housing, while feeling distress, anxiety, and disempowerment. To address the knowledge gap and follow the literature suggestion, we study the questions of what daily life spaces ill and impoverished consumers encounter (spatial ecology), and how these individuals navigate spaces in the pursuit of health (spatial strategies)?

### **Method and Data**

The methods were ethnography and secondary data analyses. An interdisciplinary team of health and marketing researchers conducted depth interviews with ten residents of Chicago living below the federal poverty line diagnosed with essential hypertension, a prevalent life-threatening disease. Two males and eight females ages 42 to 69, of whom nine were Black and one Latinx, were recruited through a university's medical clinics, which serviced low-income patients. The team also made home visits and neighborhood observations, and gathered demographic, geographic, and health measures from databases such as the Chicago Health Portal. Together, the multiple methods produce a more comprehensive portrait than reliance on a single type of data. Chicago was chosen because of its large number of low income residents and distinctive neighborhoods. The interview and non-interview data were analyzed hermeneutically by iteratively reviewing the two data sets, tacking back and forth between them, until arriving at a

coherent framework (Arnould and Fischer, 1994). By applying a hermeneutical approach to multiple data sources, the spaces constituting the informants' health ecology as well as strategies of negotiating the ecology were identified.

### **Summary of Findings**

Our results are summarized in a new framework on health consumption in the context of poverty and illness, taken from a spatial perspective. The framework shows that consumers encounter a complex, multi-level spatial ecology; navigate this ecology to meet health needs through four strategies; and select a health-seeking strategy based on prominent life factors. The framework addresses how health consumption results from the dynamic, intricate, and integrated interactions among ecology, strategies, and life factors in a delicate interplay. The ecology consists of lived macro, meso, and micro spaces that present complexities and challenges in health efforts. To pursue health, consumers apply a set of space-sensitive strategies, which vary from the more agentic in transcending spatial restrictions (e.g. traversing boundaries) to the more accepting by conforming to spatial structures as given (e.g. hanging in). The strategy selected depends on built, social and personal life factors, which can differ across individuals and circumstances, and are thus not uniformly nor universally applied.

### **Statement of Key Contributions**

Based on the findings, we develop a novel and holistic framework on health consumption that makes three contributions. The first is a multiplex theorization of lived spaces encountered by ill and impoverished persons that we call the spatial ecology of health. The second is identification of four ways consumers attempt health in and through these spaces, or what we call spatial strategies of health. The third contribution is articulation of how strategies are selected and thus

connected to the ecology through interplaying life factors. Together, these contributions provide new understanding of health consumption.

References are available upon request.

## **Competitive Paper**

### **Title: HOW DOES CREDIT CARD PROMOTE INCLUSION OF LOW-INCOME CONSUMERS?**

Authors: Farah Diba Abrantes Braga – Insper; Danny Claro – Insper; Nancy Wong – University of Wisconsin Madison

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Keywords: Financial inclusion, low-income, credit, well-being, TCR.

Description: This paper examines low-income consumers' usage of traditional bank credit cards and whether it promotes their inclusion in the marketplace.

### **EXTENDED ABSTRACT**

Low-income consumers have been historically neglected in the credit market and often victims of predatory lenders. The lack of access to credit by such consumers prevent them from engaging in a decent economic life, further perpetuating their constrained condition. Thus, access to credit might be a key to reducing consumption inequality and promoting the inclusion of low-income consumers. How Does Credit Card Promote Inclusion of Low-Income Consumers? This study explores a large dataset of credit card transactions including credit types of installment plans and credit maintenance. Findings of Study one, phases 1 and 2, suggest optimal use of credit, unveil how the use of installments is associated with a higher probability of maintaining credit. Credit cards promote inclusion when consumers learn how to deal with such installments. Managerial and public policy implications on credit offered to low-income consumers are offered.



**Research Question:** During the past two years of the pandemic, poverty has risen globally (IMF 2021), severely impacting the well-being of those affected. Notably making the low-income population even more vulnerable, suffering from financial and food security (Kakaei et al. 2022, WeForum, 2021). Since credit has become an essential part of consumer's life, the lack of access to it might prevent low-income consumers from improving their consumption and finance capability, further perpetuating their constrained conditions (Gennetian and Shafir 2015). Literature suggests that low-income consumers usually lives in banking deserts lacking access to mainstream banks (Mende et al., 2019), thus not having access to traditional credit tools such as credit cards. Research indicates that individuals with access to the mainstream financial system are more likely to save and absorb financial emergencies (Mende et al. 2019), improving their financial inclusion. Thus, access to regular credit that provides access to essential items, such as non-discretionary consumption, and continuous access to such credit might be a key to reducing inequality of consumption and finance, promoting the inclusion of the low-income population. Thus, we investigate “How Does Credit Card Promote Inclusion of Low-Income Consumers? (and under which conditions)”?

**Method and Data:** We explore a dataset collected from a credit card company (CCC), final N= 88,601 consumers, a five-year panel data. To support building our dependent variable, continuous access to credit, we first segment customers using installment usage intensity as a baseline. Three segments come out of it: Defaulters, Survivors, and Churners. We used this customer segmentation to measure the dependent variable (DV) continuous access to credit. We use Survivors as the events since they transact during their lifetime with the company. We estimate (DV) consumption utilizing a proportion of purchase amount \$ used to buy non-discretionary items, calculated by the ratio of the total amount spent on non-discretionary things to the total amount \$ spent on all purchases. To measure our independent variable

(IV), installment usage, we build a continuous installment intensity score using summary statistics from the assets for each customer. We use the length of service (LOS) (i.e., from the 60-month duration of the dataset, how long the customers stayed, that is, their lifetime); time (i.e., how many months along their lifetime consumers have used installment plans), total amount \$ (the total amount \$ of purchasing) and amount \$ (the amount \$ of purchasing done with installment plans). We first calculate the installment intensity score by time. Then, the installment intensity score by the amount and aggregated in a variable named installment intensity score computed aggregating the scores above in one indicator using geometric mean:

$$I_i = \sqrt{I_i^{\text{time}} * I_i^{\text{value}}}.$$

We employed a logistic model to explain the probability of survival (binary variable), a generalized linear regression model with Gamma distribution to explain OB, and a linear model to explain the proportion of total spending on non-discretionary consumption.

**Summary of Finding:** Results show that Installment is positively related to discretionary consumption and outstanding balance ( $p < 0.001$ ), but while one would think that because installment usage has a positive relationship with OB ( $p < 0.001$ ), because of that it should lead consumers to default, we find that installment usage is positively associated with the probability of survival ( $p < 0.001$ ). This unique and counterintuitive in that it indicates that somehow a segment of low-income consumers, even using high levels and amounts of credit (in our case installment plans), do not end up on debt but instead manage to keep their access to credit adequately providing them with a continuous resource that supports finance and consumption. Survivors are different in their use of installment, and such use produces

benefits instead of harm (i.e., outstanding balance). Thus, from this perspective, regular credit card installment plans might be considered a tool for inclusion as represented by continuous access to credit.

Low-income consumers face enduring deprivation and struggle to maintain sufficient resources for primary care. They usually live in banking deserts and are denied the right to access mainstream financial services that may support them in absorbing financial emergencies or providing access to the marketplace. We pose that access to credit might be a key to reducing inequality of finance and consumption, promoting the inclusion of such consumers. By examining a specific type of credit mechanism, installment plans, we offer insights into its effect on discretionary and non-discretionary consumption and the maintenance of such credit.

**Key Contributions:** There have been several calls to the marketing and consumer behavior communities to develop research on understudied markets such as credit for the low-income population, the so-called 'invisible' (AMA, 2021; Hamilton et al. 2019a; Hamilton et al., 2019b; Goldsmith et al. 2020). This study embraces these calls and the goals of the United Nations 2030 agenda for a sustainable and more inclusive Society. It investigates the effect of credit access and usage by low-income consumers, most of them previously unbanked. Historically, low-income consumers lacked access to credit and bank accounts; thus, our first contribution is that this research is among the first to examine the actual credit card behavior of such a population. While most literature on low-income consumers focuses on investigating microcredit use, we are one of the first to study granular data of 60-month credit card transactions targeted to low-income consumers. By revealing how low-income consumers use credit and the effect of it on consumption and access to credit, we offer insights into which conditions having access to a regular credit card can promote inclusion for such individuals. As a result, this study envisions contributing to the theories of marketing

and financial decision-making shedding light on this understudied topic of low-income consumers' credit usage. Finally, there is a potential contribution to support policymakers in developing public policies for the specific offer of credit for low-income. The insights also contribute to financial service firms offering credit not upheld by the same responsible lending standards faced by traditional banks and credit unions.

**References are available upon request.**

**ONLINE COMPLAINANTS' SKEPTICISM TOWARDS WEBCARE PROMISES:  
A CROSS-CULTURAL STUDY**

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**Keywords:** webcare promises, social media complaining, emerging markets, virtual presence, cultural values

**Description:** This study shows that complainants' recovery expectations and brand reactions are not only influenced by different types of prior webcare promises but also by bystanders' online comments by means of a cross-cultural experimental study with participants from India and the USA.

**EXTENDED ABSTRACT**

**Research Question**

Globally after service failures complainants use online platforms wherein they not only contact the involved company but also make other consumers aware who are complaint *bystanders* to this public complaining (Weitzl and Hutzinger 2017). While some of these bystanders decide to stay passive, some become actively involved by contributing in the form of comments. Marketers should acknowledge that for complainants, a company's reaction to

public complaints represents a webcare promise of how it intends to treat its dissatisfied customers. In this research, we investigate how positive and negative comments affect (i) complainants' *recovery expectations* as well as their (ii) *re-purchase* and (iii) *positive word-of-mouth* (PWOM) intentions after the company has made a webcare promise. Online complaining and therefore effective webcare is becoming an increasingly important issue for emerging markets like India with largely collectivistic cultural orientation of consumers (Business Today 2018). But academics and managers still seek an effective strategy (Manu and Sreejesh 2021). Therefore, we investigate the role of complainants' cultural background or origin by addressing the following main research questions: (a) How do different forms of comments of bystanders affect the impact of webcare promises on complainants' intentions? (b) Are there any differences in these influences across cultures?

### **Method and Data**

In this study, we employed a 2 (webcare promise: accommodative vs. non-accommodative) x 2 (comments: positive vs. negative) x 2 (culture: individualistic vs. collectivistic) between-subjects experimental design. We recruited participants from India (collectivistic) and US (individualistic) to account for cultural differences. The final sample size of our study consisted of 251 completed responses. We asked the respondents to imagine a scenario where they purchased a laptop computer online but received wrong product. Consequently, they placed a public online complaint about the same on the online store's social media page. Respondents either received a webcare response that was accommodative or non-accommodative. Further, respondents were shown three bystander comments that were either positive or negative. They had to respond to several scales capturing our key dependent variables and several manipulation checks. We also assessed the level of collectivism and found that participants in the collectivistic (India) condition had a score of  $M = 5.61$ ;  $SD =$

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0.74 whereas those in the individualistic (US) condition had a score of  $M = 4.26$ ;  $SD = 1.16$  difference being statistically significant  $t(242) = 10.68, p < 0.001$ ).

### **Summary of Findings**

#### *Effect of webcare promise on complainants' intentions:*

Accommodative promises led to higher purchase intention in US sample ( $M_a = 4.127, SD_a = 1.567, M_{na} = 3.010, SD_{na} = 1.646, p < 0.001$ ) as well as Indian sample ( $M_a = 5.130, SD_a = 1.444, M_{na} = 3.684, SD_{na} = 2.047, p < 0.001$ ) showing that accommodative webcare promises consistently trigger positive consumer reactions.

#### *Mediating role of recovery expectation:*

Webcare promise's effect is mediated via recovery expectation: For the US sample, webcare promise had significant effect on recovery expectation ( $b = 1.686, p < 0.001$ ), which in turn affected purchase intention ( $b = 0.775, p < 0.001; R^2 = 0.505$ ) and PWOM ( $b = 0.645, p < 0.001, R^2 = 0.479$ ).

#### *Moderating role of interactive virtual presence:*

Planned comparisons showed that for non-accommodative webcare, users experiencing negative comments have higher purchase intention ( $M = 4.429, SD = 2.014$ ) than after witnessing positive comments ( $M = 2.989, SD = 1.850, p < 0.001$ ). On testing for comments' impact on the relationship between recovery expectations and complainants' intentions, US sample revealed that purchase intention following non-accommodative promises was significantly higher following positive comments ( $M = 3.937, SD = 1.495$ ) than after negative comments ( $M = 2.125, SD = 1.238, p < 0.001$ ); Indian sample showed opposite effects thus confirming our hypotheses.

### **Statement of Key Contributions**

While studies on webcare have acknowledged that bystanders are influential when they remain either passive or active, a cross-cultural understanding of this social influence is still missing. Almost all studies to the best of our understanding have focused on advanced markets involving consumers from individualistic cultures. Pioneering researchers like Schaefer and Schamari (2016) or Hutzinger and Weitzl (2021) have investigated the effect of comments in single-cultural settings but have missed making cross-cultural comparisons; especially, by considering consumers from under-researched markets with collectivistic cultures. Online services and consequently online complaints have risen exponentially in emerging markets like India which is a problem that needs a solution for marketing managers of multi-national firms. This is evidenced by recent reports in both academic and managerial press (Manu and Sreejesh 2021; Business Today 2018). This research is one of the first to investigate the cross-cultural influences of different comment types and identifies strong differences in complainants' reactions when comparing individualistic to collectivistic cultures, thus contributing to the nascent literature. Our findings enlighten particularly global marketers who are responsible for online customer care in international consumer markets. In addition, insights for online community managers are provided to stimulate the most effective form of comments.

*References are available upon request.*



## **STIGMA IN MARKETING AND CONSUMER RESEARCH: A LITERATURE REVIEW AND RESEARCH AGENDA**

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**Keywords:** stigma, marketing, consumer research, systematic literature review

**Description:** This paper aims to systematically review the literature on stigma in marketing and consumer research and propose meaningful research avenues for future research in this domain.

### **EXTENDED ABSTRACT**

#### **Research Question**

Published in 1963, "Stigma: Notes on the Management of Spoiled Identity", the book by Erving Goffman is considered the seminal publication on stigma. Since then, the concept – originated in sociology – has been approached in many other fields, such as psychology, medicine, and health sciences. As marketing and consumer behavior are multidisciplinary fields open to other disciplines, absorbing the concept of stigma looks like a natural movement to researchers in these fields. Indeed, the literature has explored such a concept in different and meaningful ways.

Stigma is "an attribute that is deeply discrediting" (Goffman, 1963, p. 3), emanating from social interactions and resulting in "widespread social disapproval" (Bos et al., 2013, p. 1). In the marketing literature, Mirabito et al. (2016) conceptualize what they call "marketplace stigma" as "the labeling, stereotyping, and devaluation by and of commercial stakeholders and their offerings" (p. 171).

Our goals are to (1) explore what we know about stigma in marketing and consumer research, (2) identify the types of stigma explored and how stigma is approached in these fields, and (3) indicate where researchers should concentrate their efforts to take advantage of the stigma concept to advance the knowledge in marketing and consumer behavior.

### **Method and Data**

Following the SPAR-4-SLR protocol developed by Paul et al. (2021), we conducted a domain-based review. In our analyses, we first synthesize the key characteristics of the 82 papers reviewed. This initial bibliometric analysis aims to provide a profile of the articles on stigma in marketing and consumer research we reviewed. Then, we focus on the thematic analyses of the papers, relying on Bos et al.'s (2013) and Goffman's (1963) stigma frameworks. Finally, following the theories, constructs, and methods (TCM) framework (Paul et al., 2017), we suggest where researchers should concentrate their efforts to take advantage of the stigma concept to advance the knowledge in marketing and consumer research.

### **Summary of Findings**

We found that stigma is a topic that fits in a wide range of theories, contexts, and methods in marketing and consumer behavior. At the same time, the literature on stigma in these fields is too fragmented, hindering more consistent advancements in knowledge and practice. To start paving a more coherent path in this direction, we borrowed two frameworks from other disciplines – sociology (Goffman, 1963) and psychology (Bos et al., 2013) – to identify and organize the types of stigma in the papers we reviewed. These frameworks allowed us to conduct a thematic analysis of the stigmas addressed in the papers, founding that stigma is approached from multiple perspectives in marketing and consumer research. Finally, we identified the research needs in our field to suggest vital theories, contexts, and methods worth being investigated. The theoretical research agenda was organized based on Bos et al.'s (2013) framework, attempting to create a consistent perspective of the opportunities for advancements in this domain.

### **Statement of Key Contributions**

The contributions of our review paper are threefold. First, it synthesizes the literature on stigma in marketing and consumer research, presenting the state-of-the-art in this domain. As the literature on marketplace stigma is still fragmented (Mirabito et al., 2016) and we could not find any systematic literature review addressing stigma in this field, organizing the knowledge can foster its advance. Second, we frame our thematic analysis on two models from disciplines in which stigma is a consolidated topic, sociology, and psychology. In doing so, we root marketing and consumer behavior studies on stigma on rich and fertile soil. Finally, we put forward a future research agenda to help guide substantial studies on stigma in marketing and consumer behavior. Marketing practitioners can take advantage of our systematic literature review by incorporating the insightful knowledge on stigma in marketing and consumer behavior synthesized into their

decisions. As context emerged as a critical element in understanding stigma, practitioners can find a myriad of empirical examples of how stigma manifests in different situations in our paper. Finally, the further research questions suggested might also interest marketing practitioners as many of such questions have direct practical applications and are context-relevant.

*References are available upon request.*

**UNDERSTANDING CHALLENGES AND MOTIVATIONS OF TELEHEALTH USAGE  
AMONG OLDER CONSUMERS**

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**Keywords:** Telehealth; Older consumers; Healthcare services; Understudied markets

**Description:** This research investigates the challenges and motivations of telehealth usage among older consumers in the United States during- and post-COVID-19 pandemic.

**EXTENDED ABSTRACT**

**Research Question**

The COVID-19 pandemic has not impacted all demographics equally (Egan et al. 2022). Older adults have experienced a higher risk for COVID-19 mortality due to factors such as advanced age and age-related chronic diseases (Shahid et al. 2020). Telehealth was more broadly implemented during the pandemic with its promise to help mitigate the spread of COVID-19 and improve access and use for underrepresented populations such as the elderly (Pierce and Stevermer 2023). Despite many encouraging results of telehealth use as documented in the literature (e.g., Weldon and Hagemann 2022), researchers have expressed concerns about

telehealth potentially worsening existing health disparities such as the case with older patients because these patients often struggle with technologies (Ikram et al. 2020). Moreover, research into the intersection between older consumers and telehealth is still in its embryonic stage.

The research deficit in understanding older consumers' telehealth usage, coupled with the demographic shift toward an aging population, sets the context for this research. We aim to fill in this gap through addressing the following research questions:

RQ1: What are the motivations for older consumers to use telehealth?

RQ2: What are the challenges that prevent older consumers from using telehealth?

### **Method and Data**

Data were collected from surveying a sample of retired and semi-retired consumers who regularly migrate to winter in the southern areas of the United States. We published a hard copy of the questionnaire in a local newspaper that specifically targets these winter migrants.

Respondents had the option to complete the survey online or mail it to the provided address. We received a total of 349 responses. Of these responses, 123 were completed online. The average age of the participants was 73.06, with 54.5% being women and the majority (97.1%) being Caucasian. Fifty-six percent of the participants reported an annual household income between \$30,000 and \$79,000, and 51.3% had an associate, bachelor's, or advanced degree.

In the survey, we assessed respondents' self-reported health status and their telehealth usage behavior. We asked respondents to explain the reasons why they chose to use or not to use telehealth through open comments. We also measured respondents' attitude toward telehealth and perceptions of its efficiency, usefulness, benefits, and trustworthiness, using existing scales adapted from the literature. All measures were assessed using a five-point Likert scale ranging from 1 ("Disagree") to 5 ("Agree").

## **Summary of Findings**

The results show that 59.3% of the respondents have not used telehealth in the past. Among them, only 12% indicated that they would likely use telehealth if they had access to it. For those who have used telehealth in the past, only 9.2% indicated a strong likelihood of continuing to use it in the future. Of the 516 open comments collected from the respondents, 222 were reasons for using telehealth and 294 were reasons for not using telehealth.

Our analysis of the open comments revealed three themes in reasons for using telehealth. Specifically, convenience and ease of use were important factors for choosing telehealth because respondents valued the ability to access healthcare services from home to avoid crowds. Efficiency was also important because telehealth offered a quick way for respondents to address their medical needs. Some respondents viewed telehealth as a forced option due to limited access to traditional medical facilities during the pandemic. Meanwhile, telehealth limitations, privacy concerns and lack of trust, and lack of access and skills emerged as the major themes in reasons for not using telehealth. Furthermore, logistic regression analysis revealed that attitude toward telehealth, perceived health status, and gender were significant predictors of telehealth usage behavior.

## **Key Contributions**

Our research makes theoretical contributions through uncovering the challenges and motivations of telehealth use among older consumers — an underrepresented population and an understudied market in the extant literature on telehealth. Using the qualitative analysis results, practitioners will be able to focus efforts on setting up systems to promote convenience and ease of use, improve delivery efficiency of telehealth, communicate trust, ensure an optional human-technology interface, and create options for seniors who are less adept with technology. All these

systems and processes will foster a positive attitude toward telehealth, which our quantitative analysis finds to predict older consumers' telehealth usage. Furthermore, the finding that female consumers were more comfortable with telehealth services suggests that female consumers could be the "influencers" that help encourage telehealth usage among their partners and friends. We also found that perceived health status predicted telehealth usage, with a healthier older senior less likely to use telehealth. This finding suggests that healthcare providers need to be mindful of older consumers' subjective self-assessment of their health status as they seek to increase telehealth adoption among the elderly.

References are available upon request.



**UNDERSTANDING CROWDFUNDING BACKER-FOUNDER GOAL ALIGNMENT:  
EXAMINATION OF SELF-CONSTRUAL THEORY**

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**Keywords:** self-construal, culture, crowdfunding, donation, reward.

**Description:** This study investigates the impact of self-construal theory on crowdfunding participation and finds that aligning the interests of backers and project founders through project descriptions can effectively drive participation, with interdependent self-construal being more effective for donation-based platforms and independent self-construal for reward-based platforms, regardless of cultural contexts.

**EXTENDED ABSTRACT**

**Research Question**

This research explores how people's cultural backgrounds, represented through self-construal, influence their reactions to crowdfunding project descriptions. It focuses on how these reactions drive their decision to support a project, particularly noting differences across various types of

crowdfunding models. Despite limited research on the subject, this study suggests that the way backers understand project descriptions mirrors their reasons for choosing to support a project on a specific platform.

Two central questions guide this exploration. First, the research aims to find out which kind of self-construal, independent or interdependent, better matches the interests of stakeholders in crowdfunding projects. Second, it examines whether the cultural context of the crowdfunding platform itself changes the impact of how self-construal is presented in project descriptions on supporter involvement. By investigating these areas, the research aims to uncover new insights into what motivates people to support crowdfunding projects. The ultimate aim is to help improve the success rates of these projects by understanding how to better match project descriptions with the interests of potential backers.

### **Method And Data**

In this research, we analyze the effect of self-construal in crowdfunding project descriptions on donor participation, employing data from GoFundMe, Kickstarter, MChanga, and Thundafund, representing both donation and reward models. The focus is on crowd participation due to its crucial role in crowdfunding success, alongside consideration of donation amounts.

We incorporate two variables from self-construal theory: interdependent and independent self-construal. The interdependent self-construal, demonstrating a relationship-oriented mindset, is gauged using the "social processes" score from the Linguistic Inquiry and Word Count (LIWC) tool. Conversely, the independent self-construal, reflecting personal autonomy and resilience to social pressure, is measured via the "second person pronoun" score in LIWC.

For our analysis, two studies were conducted, with each using three regression models. The first model incorporates only control variables; the second includes control and independent variables; and the third amalgamates all variables along with interaction terms, thereby assessing effects specific to each platform. Our objective is to unravel the connection between self-construal in project descriptions and crowd participation with platform model and culture as moderators to offer valuable insights on crowdfunding project success.

### **Summary of Findings**

Our research uncovers how self-construal, particularly interdependent and independent variants, influences participation across different types of crowdfunding platforms. We have found that interdependent self-construal, which stresses collective support and social connections, effectively motivates participation on donation-based platforms. This is likely because these platforms often host campaigns requiring communal assistance, thus resonating with the community-oriented ethos of interdependent self-construal.

On the other hand, independent self-construal, highlighting personal autonomy and individual success, drives participation on reward-based platforms. Backers on these platforms usually seek tangible rewards or involvement in innovative projects, aligning well with the self-focused ethos of independent self-construal.

Importantly, we have discovered the effects of self-construal are consistent across various cultures, indicating a universal application. Despite cultural differences, it appears that globally, individuals can be motivated either by collective harmony (interdependent self-construal) or personal achievement (independent self-construal). This insight extends the understanding of

self-construal's role in crowdfunding, presenting valuable guidance for campaign creators across diverse platforms and cultures.

### **Statement of Key Contributions**

This research explores the impact of self-construal theory - encompassing both interdependent and independent self-construal - on crowd participation in crowdfunding platforms. It builds upon past findings, suggesting that while interdependent self-construal is linked with increased crowdfunding activities, both forms of self-construal can stimulate crowd participation depending on the crowdfunding model. Specifically, interdependent self-construal positively influences participation in donation-based platforms like GoFundMe, while independent self-construal does the same for reward-based platforms such as Kickstarter.

Furthering cross-cultural research in crowdfunding, this study scrutinizes self-construal theory through individualistic and collectivistic cultural lenses. The findings indicate self-construal's impact is dictated by platform differentiation and supersedes cultural categorization based on a platform's country of origin.

For practitioners, understanding the influence of self-construal priming through project descriptions is crucial. For campaigns tied to social good, founders should highlight the social aspects in their descriptions and consider launching on donation-based platforms, where interdependent self-construal is significant. The strategic use of social language could enhance the campaign's success chances. However, for these platforms, activating independent self-construal may reduce the collective efficacy beliefs' effect on crowd participation.

## **VALUE PROPOSITIONS UNDERLYING BOP PRODUCERS' ENABLEMENT BY SOCIAL ENTERPRISES: PRACTICE VIEW**

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**Keywords:** Social enterprise, Value Proposition, Base of the Pyramid producers, Emerging Markets

**Description:** Using purposive single-case based approach, this study examines phases involved and practices underlying value propositions of a social enterprise working with BoP producers residing in remote rural regions of India.

### **ABSTRACT**

This study uses a purposive single case study design and relies on the practice lens to examine the practices underlying the value proposition of a social enterprise working with the base of the pyramid producers in remote rural regions of India. The value proposition of the social enterprise evolved to support higher value creation over the four epochs, namely, surviving and sensemaking phase, legitimizing phase, consolidation and scaling deep phase, and mainstreaming and scaling up phase. Business provision practices, institution provision practices, representational assimilation practices, and professionalism provision practices are four aggregate practices underlying VP of SEs. These aggregate practices, in turn, are

composed of constituent practices. The nature and relative prevalence of practices differ across four epochs of the evolution of value proposition. These practices exhibit relationality with each other and broader social context to resource new schema to bring about micro, meso, and macro level changes for improving the condition of BoP producers.

## **INTRODUCTION**

Emerging markets (EMs), such as India, have a large proportion of their population living at the level of subsistence. BoP markets are characterized by limited employment opportunities, resulting in the prevalence of undifferentiated BoP producer firms, usually incapable of scaling up and contributing towards poverty alleviation (Alvarez & Barney, 2014). BoP producers face multilevel, interrelated constraints hindering the initiation, survival, and growth of their enterprises (Kumar, Kumra, & Singh, 2022a). However, considering the thriving and growth of BoP producers becomes pertinent for strategies leveraging entrepreneurship for poverty alleviation (Sutter, Bruton, & Chen, 2019). Diverse organizations aiming to create mutual value with BoP producers promote and support their value creation and capture (London, Anupindi, & Sheth, 2010) for enhancing well-being at multiple levels (Kumar, Kumra, & Singh, 2022b). Social enterprises adopting market logic for furthering social goals play a key role in supporting BoP producers (Kistruck, Beamish, Qureshi, & Sutter, 2013).

Gupta et al. (2020) suggest the inadequate focus on emerging market contexts in the extant social enterprise research. Several contextual differences between developed countries and emerging markets (EMs) can render theories and frameworks derived from developed countries less precise for BoP contexts of emerging markets. Hence, the examination of social enterprises (/entrepreneurship) from emerging markets becomes necessary. Social enterprises (hereafter denoted as SEs) can potentially leverage their value propositions to advance alignment in their service ecosystem for achieving success. However, the extant value proposition (hereafter denoted as VP) research lacking in systematic empirical examinations of VP of SEs provides

inadequate insights regarding *what*, *how*, and *why* questions related to VP. Therefore, we adopt an in-depth case study approach and rely on practice lens for delving deeper into the underlying VPs of an SE working with BoP producers in India, the world's largest BoP market.

## **LITERATURE REVIEW AND THEORETICAL BACKGROUND**

As SEs from EMs operate in resource-deficient complex task environments, a contextually embedded investigation shedding light on the constituents of, process entailed and impact of their VPs presents an interesting phenomenon. Payne et al. (2017) bring out three perspectives in the extant VP research: value-in-exchange, transitional, and value-in-use. We complement their view and find three viewpoints about the VP: exchange-based, relational, and network/proposal views. The practice-based approach examining value propositions of for-profit businesses posits them as combinations of several resource-integrating practices (Kowalkowski, Persson Ridell, Rödell, & Sörhammar, 2012; Skålén, Gummerus, von Koskull, & Magnusson, 2015). Thus, VPs of SEs working with BoP producers can also be expected to encompass practices enabling the success and empowerment of BoP producers. However, the hybrid nature of SEs, challenging EM contexts, and multifaceted challenges of BoP producers can result in differences between practices underlying VP of for-profit businesses and SEs. Considering these and the ability of practice lens to enable dynamic, processual and contextual understanding, we utilize it to examine the VP of SE (Bansal, Smith, & Vaara, 2018).

Rather than a grand unified theory of practice, practice theory represents a family of theoretical approaches with historical and conceptual similarities, such as considering social life as an ongoing production emerging from people's recurrent actions and using practices as the basic unit of analysis for organizing social and organizational phenomena (Feldman & Orlikowski, 2011; Nicolini, 2012). Practices are routines with several interconnected activities (Reckwitz, 2004) that usually allow meaning, identity, and order in a system (Schatzki, 2002). Four

constituent elements of practices- procedures, understandings, engagement, and materials-organize both the templates and the concrete activities underlying practices (Reckwitz, 2004). The basic tenets of practice theory- acknowledging the consequential role of everyday actions in producing structural contours of social life, rejections of dualisms in favor of inherent relationships between phenomena and mutually constitutive nature of relationships among phenomena- allow examination of practices underlying VP, the process entailed in developing VP, dynamic and mutually constituted nature of relationship VP and its underlying practices have with their context.

## **METHODOLOGY**

This study uses a purposive case study design for examining practices underlying VPs of an SE working with BoP producers. This was an appropriate design considering the absence of clear theory and/or absence of systematic empirical research about VPs in the BoP segment. We selected the case site, Professional Assistance for Development Action (PRADAN), a leading nongovernmental organization (NGO) in India, using three criteria: (1) PRADAN is a leading organization in its sector with a long history of engagement with BoP producers, (2) its formidable track record of supporting BoP producers is inclusive and based on collaboration with multiple stakeholders, (3) its VPs directed to improve the conditions of BoP producers have been deemed credible by different stakeholders. PRADAN has myriad development interventions, and this study focused on their interventions supporting BoP producers engaged in Tasar sericulture, as it was one of its oldest interventions, now in its fourth decade, and involved partnerships with several public, private, and civil society actors at different stages for introducing and popularizing several credible innovations<sup>1</sup> for improving the condition of

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<sup>1</sup> Initiation and popularization of Tasar silkworm rearing on host plantations raised on privately owned wastelands, production and quality assurance in the production of foundation and commercial seeds by community organizations such as cooperatives, production and quality assurance of DFLs by private entrepreneurs, etc. are among some of the innovations developed and validated during Tasar intervention that was subsequently adopted on a wider scale.



people belonging to the BoP. Multiple data sources were used to illumine the case site and generate detailed, triangulated, and robust information (Flyvbjerg, 2006; Yin,2003). We relied on semi-structured interview and FGD guides for data collection. Interviews and FGDs were audio-recorded and transcribed verbatim, and translated from Hindi into English for further analysis. We complemented data collected from interviews and FGDs with informal discussions with various stakeholders, observations, field notes, and photographs from field visits. We also used secondary data sources such as project proposals and reports, impact assessment reports, an organizational magazine, annual reports, and training manuals.

Data collection and analysis happened in an iterative fashion. We followed established guidelines for qualitative data analysis and used ATLAS.ti for data management and coding (Miles, Huberman, and Saldaña, 2018). The first author performed line-by-line reading of individual interview and FGD transcripts to locate relevant text chunks and excerpts for identifying various activities. We followed a mixed coding protocol: the identified activities were classified as per activities available and described in extant research (e.g., Skálén et al. 2015), as well as coded freely as novel practices uniquely theorized in this research on SE's support of BoP producers. The coding was independently verified by other authors. Doubts and disagreements about the codes were resolved through discussion. The coded data was also shared with the CEO of TDF, PRADAN, for feedback and to ensure member checks. We stopped the iterative data collection and analysis when no new information was found, indicating the point of theoretical saturation (Yin, 2003). Also, a cogent definition and description of the final abstraction were provided.

## **CASE STUDY**

This study focuses on examining the VPs developed by PRADAN for BoP producers involved in Tasar sericulture in remote tribal regions of India. Tasar intervention of PRADAN was initiated in 1987 to leverage rural enterprises for promoting the livelihoods of the poor using

locally available resources. Tasar value chain under the sericulture intervention started by PRADAN, is being managed by the Tasar Development Foundation (TDF), a sectoral organization promoted by PRADAN, since 2013. To examine the dynamic nature of VP, this case focuses on the evolution of tasar intervention since its inception.

*First epoch. (Surviving and sensemaking phase)*

Epoch 1 overview: SEs attempt to establish presence and gain relevance by comprehending, experimenting and developing partnerships to design contextually appropriate VPs providing basic handholding and support at expected thresholds to their BoP producers.

*Second epoch (Legitimizing phase)*

Epoch 2 overview: The demonstrated superiority of VPs assists SEs to achieve legitimacy whose subsequent spill-over across stakeholders enables creation and delivery of higher value offerings to BoP producers.

*Third epoch (Consolidating and scaling deep phase)*

Epoch 3 overview: VP of SEs exhibit gradually increasing proportion of high-value activities characterized by multi-pronged engagement at multiple levels of their ecosystem - capacity building at micro level, setting up system for collective action at meso-level, and institution building and advocacy at market level at macro-level to bring about the meaningful change.

*Fourth epoch (Mainstreaming and scaling up phase)*

Epoch 4 overview: Mainstreaming and scaling up of SE's VP involves creating organizational spin-offs, creating microcosms of action along different nodes of the value chain through enhanced offerings and developing revenues streams to ensure sustained support to larger number of BoP producers.

## **FINDINGS**

We find that the VPs of SEs working with BoP producers consist of four aggregate practices which in turn are composed of ten constituent practices. The four aggregate practices

underlying VPs of SE are: (1) *business provision practices*, (2) *institution provision practices*, (3) *representational assimilation provision practices*, and (4) *professionalism provision practices*.

(1) *Business provision practices* reinforce and supplement current BoP producer enterprises identifying problems and opportunities, providing resources and solutions, and offering ways to realize these opportunities to improve value creation by BoP producers.

(2) *Institution provision practices* focus on creation of economic, organizational, and regulatory institutions for supporting sustained value creation by BoP producers.

(3) *Representational assimilation provision practices* communicate the VP to diverse set of stakeholders including BoP producers who require convincing and evidence before accepting any new intervention.

(4) *Professionalism provision practices* focus on developing professional structural forms for internal organization as well as external engagements with diverse stakeholder network for supporting BoP producers.

**[Insert figure 1 about here]**

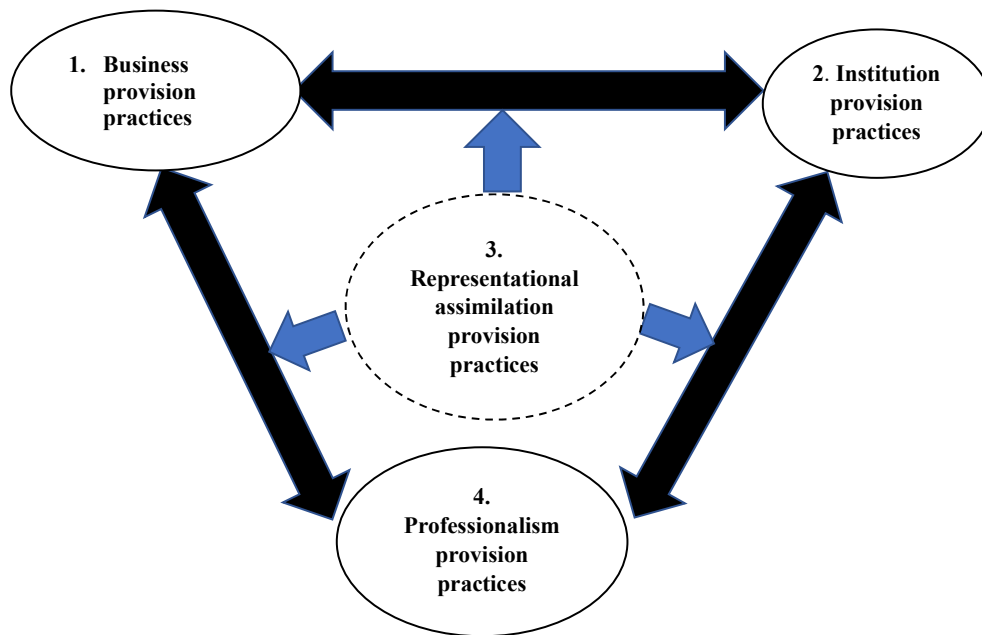
Figure 1 depicts the interrelatedness among practices constituting value propositions of SE working with BoP producers. Representational assimilation provision practices provide the common language, support communication and shared understanding among business provision practices, institution provision practices and professionalism provision practices. Therefore, they are located centrally in the figure 1. Moreover, the bidirectional arrows among business provision practices, institution provision practices and professionalism provision practices illustrates interdependence among these practices. For instance, collectivization practices resulting in formation of producer collectives support reinforcing business provision practices supplying inputs (such as DFLs) to and procuring outputs (cocoons) from BoP

producers. Similarly, staff and community embedded resources, an outcome of organizing and staffing practices play an important role in supplementary business provision practices, for example, mobilization under supplementary business provision practices. Similarly, professional networking and integration practices under professionalism provision practices bring in additional resources and supportive policy changes that support business provision services and enterprise creation practices under institution provision practices. Also, carving out of the Tasar intervention into a distinct sectoral social enterprise depicts the influence of scale of business (both reinforcing and supplementing business provision practices) on organizing and staffing practices.

## **DISCUSSION**

The development of VP happened in a phased and participatory manner for achieving social embeddedness required for gaining trust and access to community resources essential for developing suitable solutions (Gau, Ramirez, Barua, & Gonzalez, 2014; Lashitew et al., 2020). It actively relied on cross-sectoral collaborations and emphasized on experimentation, piloting and learning (Tasavori, Zaefarian, & Ghauri, 2015; VanSandt & Sud, 2012). Also, the VP development process itself allows for negotiating and aligning interests of various stakeholders. The non-market-based resources such as access to philanthropic and public funds supported experimentation and learning inherent in developing and fine-tuning of VP of SEs (London, 2016). Market-based mechanisms such as charging reasonable prices and levying service charges advanced sustainability and accountability in Tasar interventions. Thus, this study depicts the compatibility between usage of non-market-based approaches for supporting social value creation by SEs (Dees, 2012).

Figure 1. Value proposition for BoP producers



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# **SIG (Special Interest Group) Programming**

**OMITTED VARIABLES AND THE IMPACT THRESHOLD OF A CONFOUNDING  
VARIABLE – AN ALTERNATIVE TO THE INSTRUMENTAL VARIABLES  
ESTIMATION**

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**Keywords:** causal inferences; endogeneity; impact threshold of a confounding variable; omitted variable bias

**Description:** This study introduces the impact threshold of a confounding variable (ITCV) as a practical, accessible alternative to the instrumental variables (IV) estimation for addressing omitted variables in empirical marketing research, providing a comprehensive guide to its application and suggesting it as a complement to IV when a bias is detected.

References are available upon request.



## **EXTENDED ABSTRACT**

### **Research Question**

Omitted variable bias is particularly relevant for empirical marketing research with large quantitative and qualitative datasets on, e.g., household spending, demand, sales, or prices (Germann, Ebbes, and Grewal 2015; Rossi 2014). Considering the complexities surrounding endogeneity and the challenges in using the instrumental variables (IV) estimation, this study proposes and explores an alternative method for addressing omitted variable bias: the impact threshold of a confounding variable (ITCV). Initially developed by Kenneth A. Frank (2000) as an extension for sensitivity analyses for omitted variable bias concerns, the ITCV offers potential advantages over traditional IV estimations. However, its application in empirical marketing research still needs to be explored. This study, therefore, poses the questions: Can the ITCV be effectively applied as an alternative or complementary approach to IV estimations in empirical marketing research to detect and address omitted variable bias? Moreover, how does the use of the ITCV compare to IV in terms of accessibility, methodological requirements, and potential for identifying biases? By answering these questions, this study aims to provide a comprehensive understanding of the ITCV's potential role and benefits in this field.

### **Summary of Findings**

Advancements in statistical techniques have led to a plethora of available methods, necessitating a clear and accessible guide for their correct application. This study presents the ITCV as a viable alternative to IV estimations to identify omitted variable bias. If the ITCV signals a confounding variable influencing estimation results, we advocate for additional measures like an IV estimation. We view the ITCV and IV analyses as complementary techniques for addressing

omitted variable bias, each with distinct advantages and use cases. ITCV can assess the effect of a confounding variable on a regression estimation, highlighting any potential inference invalidation, which IV can subsequently address using selected instruments. However, the selection between ITCV and IV should always be theoretically and empirically justified with conceptual arguments – there is no single solution to endogeneity concerns (Papies, Ebbes, and Van Heerde 2017). Before using methods like ITCV or IV, scholars should thoroughly analyze potentially endogenous datasets, as endogeneity may be mitigated by control variables, fixed effects, or additional data (Angrist and Pischke 2008; Germann, Ebbes, and Grewal 2015).

### **Key Contributions**

Building on the methodological insights from Busenbark et al. (2022) and Larcker and Rusticus (2010), this study brings the ITCV technique into the realm of marketing research, making it more accessible for researchers and practitioners. The study presents a concise and accessible guide for correctly applying the ITCV technique without a background in statistical techniques. The contributions of this study are fourfold: (1) we provide a direct comparison between ITCV and IV analyses, (2) we outline the theoretical assumptions and relevant use cases of the ITCV analysis for empirical marketing research, enabling users of varying statistical expertise to apply this technique, (3) we provide a detailed step-by-step guide for using and interpreting ITCV with the statistical software package Stata, and (4) we offer practical recommendations on using and reporting the ITCV, supported by graphical illustrations and references to publications applying this technique. The contributions enhance the understanding of empirical researchers and practitioners in addressing endogeneity in their marketing studies and activities, paving the way for more accurate and efficient analyses.

# **Intensive Workshops**

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