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Foreword by Prof. Devi Singh

It is with deep satisfaction that I write this foreword to the proceedings of the IIM Lucknow International Marketing Conference – Listening to Consumers of Emerging Markets, held at Noida, India, January 9–11, 2014.

The conference papers focus on Behaviour of Consumers in Emerging Economy Markets, which would definitely help in devising competitive business strategies. An attempt has also been made to decode the complex consumer in today’s digital arena. Focused studies would also help in understanding and creating value for consumers with regard to food, healthcare, rural markets and service industry.

The conference presented an ideal platform of linking research (which is generally considered theoretical in nature) with business practices. The high quality of the papers and the discussions represent the thinking and experience of experts in the area of marketing with special reference to emerging economies. Their contributions helped to make the Conference as outstanding as it has been. The papers contributed the most recent management knowledge known in the area of marketing in emerging economies. These Proceedings will furnish different groups including academicians, researchers and practitioners globally with an excellent reference book. I also trust that this will be an impetus to stimulate further study and research in this area.

PROF DEVI SINGH
Director, IIM Lucknow
Foreword by Jagdish N Sheth

It is important to understand that the emerging markets have impacted both the theory and the practice of marketing. The reason, as I have stated before, is very simple – marketing is a discipline that was developed in the context of industrialized (developed) markets, meaning that most of the marketing tools are designed to work specifically in industrialized markets (Sheth, 2011). Therefore, adapting most of what is known about marketing is necessary to succeed in the new markets, and new marketing research approaches need to be taken.

Marketers are often faced with twin challenges in emerging markets - that of capturing the immense opportunities, and overcoming unique challenges. As I mentioned in my Journal of Marketing article (July, 2011), there are five characteristics of emerging economies - market heterogeneity, unbranded competition, chronic shortage of resources, inadequate infrastructure, and institutional control. Out of these five characteristics, market heterogeneity and unbranded competition are the key characteristics. Both require gaining insights about the consumers. The capacity for transformation and advancement of the world economy itself by a group of countries belonging to the emerging economies has been a topic of intense discussion in world forums. Even as news of the losing shimmer of the emerging economies is being spilled to the world, this is where 80% of the world consumers reside, and, therefore, too important to divert attention from. The theme of the 2014 Annual Conference of the Emerging Marketing Conference Board hosted by Centre for Marketing in Emerging Economies of IIM Lucknow, supported by the Academy of Indian Marketing – Listening to Consumers of Emerging Markets is an eminent testimony to this important fact.

I am pleased to see how the Conference has gathered momentum over the past years. It is heartening to see the diverse representation from across the world by way of immense response to the call for papers, with an intense focus on the issues of the emerging markets. I am sure that this Conference will set a stage for enhanced interaction between industry and academia, and will open scope for future research, with a perspective that appeals to the dynamics of the emerging markets.

JAGDISH N SHETH, PHD
Emory University
Founder, Academy of Indian Marketing
The annual conferences of the Emerging Markets Conference Board (EMCB) bring together scholars and practitioners from around the globe. Our goal is to advance the understanding of marketing in emerging markets and facilitate collaboration on emerging markets research, education, policy and practice.

The Annual EMCB Conference is intended to provide a platform for showcasing and sharing insights and findings on marketing in emerging economies. It is a meeting place where scholars, practitioners, educators and policy makers from around the globe can explore collaboration and cooperation, shaping the agenda for practice, education and research on marketing in emerging economies. It provides a developmental environment where doctoral students and novice researchers can gain new skills. We welcome papers, special sessions, and posters on a wide variety of topics that address issues of importance to academics, marketers, consumers, and policymakers.

The 2014 Annual EMCB Conference Listening to Consumers of Emerging Markets will be held during 9–11 January 2014 at the Noida campus of the Indian Institute of Management (IIM) in the National Capital Region. To attest to the growing popularity of these annual conferences, we received 425 papers from many countries including Russia, Brazil, Slovakia, Estonia, China, South Korea, Taiwan, Indonesia, South Africa, Ghana, Morocco, Malaysia, USA, UK, Romania, Bangladesh, Lebanon and others. Of these, 220 papers were accepted for presentation at the conference yielding an acceptance rate of 52% that compares favorably with other leading global conferences.

In addition to the stimulating intellectual and social opportunities, delegates will get a taste of the culture of incredible India. They will also have an opportunity to appreciate the matchless beauty of the world famous Taj Mahal in Agra.

For the first time, EMCB has organized a preconference workshop scheduled for January 8–9, 2014 at IIM Lucknow, Noida campus. The objective of this workshop is to share hands-on research experience on Metaphor analysis and Ethnography to the academicians and research practitioners, and help them explore their research interests. The pre-conference workshop will present interactive sessions by Professors Jerry Olson, Russell Belk, and Güliz Ger as well as Holger E Metzger. It also features demonstrations of practitioners from the BRIC countries presenting the applications of these methodologies in their respective countries.

The global stature of the EMCB annual conferences is seen by its co-sponsorship by leading academic and practitioner organizations from USA and other parts of the world. We would also like to thank our co-sponsors for their important contributions that made our conference possible: the American Marketing Association, Association for Consumer Research, Academy

Foreword by Prof. Naresh K Malhotra
of International Business, Academy of Marketing Science, European Marketing Academy (EMAC), Academy of Indian Marketing, Market Research Society of India, European Marketing Association, Sheth Foundation, CMO Council, Indian Institute of Management Lucknow, Georgia Tech CIBER, Nelson Mandela Metropolitan University, UB School of Management, Bilkent University, Emerald Group, Sage, Singapore Management University, and other institutions.

I look forward to welcoming everyone to the 2014 Annual Conference of the Emerging Markets Conference Board at the Indian Institute of Management Lucknow, Noida Campus in New Delhi, India from 9 to 11 January 2014 (http://www.iimlmarconference.in/).

PROF. NARESH K MALHOTRA
Chair, Emerging Markets Conference Board
I am delighted to welcome you to this Conference. I hope you will find it energizing and insightful.

The consumers of emerging markets represent the largest population in the world with a growing purchasing power, which will drive the economies of the world in developed and developing nations. They are represented by a wide range of cultural norms, influences and habits which can be radically different from the developed countries. Understanding these influences and really ‘listening to these consumers’ is a challenge in terms of scale, diversity and access. Coupled with the rapid changes in technology, which these consumers are embracing rapidly, these represent some of the most complex and interesting research and business opportunities.

This Conference is very relevant for all of us today, and the initiative undertaken by IIML to set up a Center of Excellence is vital to promote the understanding of these consumers as well as build expertise in a subject that is of enormous interest to the entire world.

My congratulations to the organisers for putting together such an accomplished conference!

PRAMOD BHASIN
Vice Chairman, Genpact & Governing Board Member,
Centre for Marketing in Emerging Economies, IIM Lucknow
The Association for Consumer Research is proud to be an academic associate for this year’s 2014 Annual Conference of the Emerging Markets Conference Board. The conference theme this year is: *Listening to Consumers of Emerging Markets*. It is particularly appropriate that the Association for Consumer Research whose mission is to give voice to consumers through research should be associated with this ambitious and far-reaching initiative, co-organized by a past President of ACR and other leading scholars. The pre-conference workshop to enhance interpretive approaches to listening to consumers not only highlights tutorials by leading scholars and practitioners, but also of two former Presidents of the Association for Consumer Research. The Conference Proceedings that you have before you reflect the theory and research of more than 150 scholars around the world, who seek to inform our understanding of consumers in emerging markets. Without question, this is one of the most important issues of our time and the dedicated tracks delve deep to provide useful strategic insights on several different facets of understanding consumers including communication strategy, research methods, distribution challenges, and customer and service relationships. The conference organizers have enhanced the overall learning experience by putting together several plenary panels that include leading practitioners and academics to speak on topics of vital concern such as Sustainable Business Practices, Affordable healthcare and Building Branded Businesses. In addition, the conference is enriched by special attention to vital economic sectors such as food, banking and finance, and digital communications. As this year’s President of the Association of Consumer Research, I’m proud for the opportunity to affiliate with such extraordinary and committed scholars and scholarship.

**LINDA L PRICE**
President, Association for Consumer Research
Underwood Family Professor of Marketing, University of Arizona
It gives me great pleasure to welcome you to the 2014 Annual Conference for Marketing in Emerging Economies which focuses on the topic *Listening to Consumers of Emerging Markets*. Given the cultural diversity of the delegates, the mix of participants from the East and the West, the broad spectrum of academic and practice-oriented presentations scheduled, this conference really holds potential to become an interesting event. In addition, the venue is a hot spot in the world nowadays, which makes the conference even more attractive.

The main purpose of this Conference is twofold. Firstly, the papers presented should stimulate the exchange of ideas in the field of marketing for emerging markets and should offer you the chance to get to know colleagues from other continents working on similar issues. Bringing together global knowledge and expertise developed in various areas should foster inspirational and innovational capabilities of all participants. Secondly, this might be one of the first times many of you have visited India. You will be fascinated by this pulsating environment and the Indian way of life. The social activities which have been organized will further help you establish new links with persons from all over the world, and in particular could be a starting point for academic links and cooperation with marketing practitioners from India and elsewhere.

The number of papers submitted to this Conference surpassed the expectations and placed a big burden on the shoulders of the organizers. I feel they have done a great job in making things happen, and therefore I am confident that all of you will enjoy this Conference!

UDO WAGNER, PHD
Professor of Management, University of Vienna,
Currently EMAC President
Preface

Predictions abound regarding the increasing contribution of populations in the Emerging Markets (EMs) to global consumption. Over the next few decades, household spending from emerging markets could potentially constitute two-thirds of the total global household spend, moving up from the current one-third. While growth in the twentieth century has been mainly driven by the developed countries, in a ‘dramatic paradigm shift’, the EMs are set to take the lead in this century, owing to an average annual GDP growth rate roughly about 50 percent higher than that of the developed markets, as per the International Monetary Fund. It is expected that the emerging markets, comprising specific countries in Africa, Asia, and South America, are set to grow much faster than the leading markets in Europe and North America. In sum, the global economy is set to witness consumption patterns that are significantly different from those prevailing a decade ago.

Marketing scholars have historically conducted extensive research studies in the developed economies. As EMs differ radically from mature economies, they raise new strategic questions that traditional marketing frameworks do not answer to the fullest. What constitutes success in marketing in these markets? In a world of shifting consumer preferences and choices, economically as well as culturally, what are the noteworthy actions of marketing academics and practitioners in order to listen to the consumers in EMs for developing insights specific to these markets? How are marketing theories and practices in the EMs similar to/different from those in the developed markets? In order to succeed, we need to know what EM customers like, what make them spend more, how they think, feel and act in market place and when they are happy or unhappy. The challenge is to determine the most effective ways to reach and engage them. This requires a truly customer-centric view that can only be achieved with a well-informed and intelligent understanding of the customer. There is general agreement that all our established marketing theories and empirical generalizations will not be applicable as such in the context of EMs. Given the importance of EMs, leading marketing scholars and journal editors have repeatedly urged to study the marketing issues specific to the EM context.

In this demanding context of world business, we are indeed honoured and delighted to host the 2014 Annual Conference of Emerging Markets Conference Board at the Indian Institute of Management Lucknow (IIML), Noida campus, and present before you the proceedings of this rewarding Conference. The main academic Conference is being scheduled for January 09–11, 2014. The unique Pre-Conference Workshop that is being organized along with this Conference is taking place on January 08–09, 2014.

The strategic objective of this Conference is to bring together a distinguished panel of speakers, including academicians from renowned business schools, marketing experts and thought leaders across the world to debate and discuss the emerging and relevant research issues facing the theory and practice of marketing in EMs context. This Conference will serve as a platform for marketing scholars and practitioners from across the globe to showcase
and share their valued research output and insights on various aspects of marketing theory and practice specific to EMs. This Conference will also serve as a venue to review the research in marketing as applied to developed economies over the past several decades, and set an agenda for research in marketing on EMs with specific reference to the customers of EMs. Befitting this context, the theme of this Emerging Markets Conference Board Conference is Listening to Consumers of Emerging Markets.

For this Conference, a total of 425 paper abstracts were submitted by several hundreds of authors from across the globe. Based on the outcome of a double blind review process by an international panel of over 30 reviewers, 200 papers were finally accepted for presentation in the Conference. In addition, a total of 18 papers were accepted for mini paper presentations. A total of 21 countries have been represented by the authors of these accepted papers, out of which 44 papers are from outside India. The Conference has been designed with 14 track themes and 9 plenary sessions.

We would like to make use of this opportunity to profusely thank all those ladies and gentlemen, who helped us in various ways to make this ambitious event happen. First, we wish to place on record our sincere gratitude to Prof. Devi Singh, Director, Indian Institute of Management Lucknow for his untiring support and valuable guidance throughout the conference process. We are also thankful to Prof. Punam Sahgal, Dean-Noida Campus for her valuable support to make this event happen at the Noida Campus of IIML. This Conference would not have been possible without the active cooperation of valued reviewers and track chairs, and we earnestly hope that we will continue to have their kind support and encouragement in future too.

We are sincerely grateful to all faculty members of IIM Lucknow Noida Campus for their invaluable support at all times towards the planning and flawless execution of the Conference. Many thanks to all the fifteen marketing area faculty members of IIML and various administrative departments of IIML for extending the much needed support to the Conference. We are also thankful to all the Marketing area FPM Scholars of IIML (Ansh Gupta, Abhishek Mishra, Neha Sadhotra, Dr. Ekta Srivastava, Satyam and Sunitha), who have helped us in various ways in making this event a grand success. We are also thankful to our EFPM students – Vinit Chauhan, Raghuraman, Arindam Lahri, Amit Rakesh Sethi and Lakshminarayana, and the student coordinators of IPMX batch (Rahul Joshi, Pravin Patunkar, Ankur Khusshu, Dr Gautam, Kirti Chaturvedi) for their support.

Our sincere thanks to Prof. Manoj Anand, Prof. Amit Mookerjee and Prof. S. Venkataramanaiah for their active participation in coordinating various important activities of the Conference. We remember with gratitude the sincere guidance and support of Prof. M Akbar, Prof. Archana Shukla, Prof. Neeraja Pandey, Prof. Chandan Sharma and Prof. Ajay Singh for their efficient help in conducting of the Conference. Thanks also to Col (Retd.) R R Handa, Ashok Fulzele, Shailesh Kumar, S Mukhopadhyay, Vijay Singh, Dr. Ghazal Masarrat, Shikha Chaudhary, Asha Rani, Sanjeevani Sehgal and Samiksha Singh for their timely support in organizing this Conference.

We are thankful to the Academy of Indian Marketing (AIM), Academy of Marketing Science (AMS), Association of Consumer Research (ACR), European Marketing Academy (EMAC),
Academy of International Business, Market Research Society (MRS) UK, CMO Council, Emerald India, Market Research Society of India, Madhuri & Jagdish N. Sheth Foundation, SAGE India and MART for being immensely supportive of this Conference as academic associates. Nelson Mandela Metropolitan University Business School, FGV Brazil, Bilkent University, Georgia Tech CIBER, University of Buffalo School of Management, Telfer School of Management – University of Ottawa, Singapore Management University, Shanghai Jiao Tong University, China has been associated with this Conference as our valued Business School Partners. We owe our sincere gratitude to them. Our sincere word of thanks goes to Market Research Society of India (MRSI) and Emerald India for supporting the Award for Best Paper in various categories. We are also appreciative of the support received from the Editors of the eleven reputed academic journals for bringing in special issues out of the selected best papers of the Conference. Our sincere thanks to the Platinum Sponsor of the Conference - State Bank of India, Knowledge Partner of the Conference - IMRB International, and AbsolutData, Mother Diary, PEPSI, MBAUniverse, Media for Exchange for their support to this Conference. We also extend our heartfelt thanks to HDFC Bank for the flawless execution of the online payment gateway system on the website, Silvereye Solutions for keeping up the website and managing its contents and Aashman Air Travels for all logistics support of the Conference. We are thankful to Anurag Jain and his team at Excel Books for the professional consultancy support that they have extended in bringing out this Conference Proceedings in the e-format.

We would also like to put on record a special word of thanks to Angela Susan Mathew, the Centre Research Associate for the overall supervision of the Conference activities from beginning to end.

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TRACK I
Role of Cause-related Marketing towards Indian Consumer Choice of Eating Outlets

Anita Goyal*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

India is a vast country with different regional as well as state cultures. Consumption habits with regard to food, clothing, housing, entertainment and other cultural aspects differ across the country. Food is one of the important aspects of living and consumption. Traditionally, Indians consume home-made food as impacted by religious, family and individual aspects. However, there is increase in outdoor eating habits among urban Indians from over a decade (http://www.expresshospitality.com/20050214/foodbeverage03.shtml). The major reasons for increase in outdoor eating among others include young working population, growing purchasing power, growth of multinational fast food joints and growth of Indian as well as international cuisine eating outlets.

There are studies presenting the factors affecting the consumer preference of fast food restaurants. According to Kara et al. (1995), consumers in the age of 12 to 24 years take care for variety, price, delivery service and location of fast food joint in America and for price and novelties in Canada. Davies and Smith (2004) have analysed the importance of nutritional value of fast food choice in London. In Indian context, a research study has indicated that young Indian consumers have passion for fast food for fun and variety but home food is their first choice (Goyal and Singh, 2007). As per the study, Indian young consumers had the highest value for taste and quality followed by ambience and hygiene.

There are studies which indicate that cause-related marketing by firms resulted in favourable consumers’ attitude towards the firms as well towards their product offers (Berger, Cunningham and Kozinets, 1996; Ross, Patterson and Stutts, 1992; Creyer and Ross, 1996).

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1997). According to Smith and Alcorn (1991), consumers were more likely to switch brands and retailers to support socially responsible companies. Several factors affect the effectiveness of cause-related marketing on consumer attitudes like gender and donation size (Ross, Patterson and Stutts, 1992; Strahilevitz and Myers, 1998). According to a research project conducted by Holt et al. (2004) covering 41 countries, most people choose a global brand due to certain features. One such feature is social responsibility that is whether firms address social problems linked to their business.

RESEARCH GAP

The studies present the various factors, which are considered by consumers while making a choice for eating outlet. There are also implications for the eating outlet managers to look at various factors while designing marketing strategies. There are no studies, which represent the role of cause-related marketing on consumer choice of eating outlets. The present study focuses on this gap and is an attempt to study the effect of cause related marketing on consumer choice of an eating outlet in India.

OBJECTIVES OF THE STUDY

The objectives of the study are:
1. To analyse the effect of cause-related marketing of eating outlets on consumer choice of eating outlets
2. To determine the hierarchy of importance of various factors while making a choice for an eating outlet
3. To study preference between foreign fast food joints and Indian eating outlets while making decision based on cause-related marketing

RESEARCH METHODOLOGY

The proposed methodology is to apply the conjoint analysis to address the objectives of the study. With the help of existing literature important factors for deciding an eating outlet visit will be identified. Along with those factors, cause-related factor will be taken up to study the stated objectives. The proposed number of respondents in survey will be 200.

The study is under process. There will be comprehensive literature review covering various aspects of eating outlets choice and cause related marketing.

References


Groups, Tie Strength and Brands in the Emerging Market Context

Arun Bhattacharyya*
S Ramesh Kumar*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

India has currently about 900 million mobile phone subscribers and global and national brands are vying for a share of this market. In the smart phones category, for example, the top two brands are Samsung, a multinational brand with products targeted at the entire width of the market, and Micromax, a national brand that is focusing on the price-conscious clientele (Indian Express 2013). Traditionally social networks pertaining to brands had depended on “face-to-face” contacts, but the trend is slowly getting reversed. With the availability of multi-attribute mobile phones, individuals not only form communities that discuss about the brands; they also form communities that vary in their tie strength. Involvement with communities that vary in their social bonding by the virtue of their tie strength poses interesting challenges to the body of literature on reference groups. Integrating reference group effects on consumers who communicate with varying tie strengths in a community, in the digital mode, with the brand choices the consumer makes under such influences, is the theme of the paper.

Social networks have been defined as sets of ties linking several individuals, with these networks differing in terms of the strength of users’ connections to others on the network, often referred to as tie-strength (Granovetter 1983). The concept of tie strength captures the degree to which one is involved in a given social relation, feels close to the other person(s), and values that relation. Strong ties have been found to be typically friends with whom

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people share a personal connection, whereas weak ties are acquaintances with whom people have more distant relationships (Ryu and Feick 2007).

An aspect that is relevant in such social networks is who people refer to in organizing their perceptions about a brand. Authors have termed such a group of individuals as a Reference Group (RG) described as an individual's image in the eyes of his or her own ‘set’ (James 1895). People generally use Word-of-Mouth (WOM) referrals in influencing consumers' attitudes and behaviours and purchase decisions. RGs are likely to impart three different types of influences – normative, informative and value-expressive – on an individual (Bearden and Etzel 1982). Normative influences involve a desire to conform to the expectations of the RG, informative influences involve a tendency to seek information about products and brands by observing others, and value-expressive influences involve utilization of the RG to express oneself or to boost one's ego.

It is thus argued that for a group-oriented consumer who uses reference group influences in his or her brand choice, acquisition of a brand will be a function of (1) the above mentioned influences exerted by the RG and corresponding WOM behaviour, and (2) strength of the ties among the network actors.

**RESEARCH GAP AND RESEARCH PROBLEM**

The strength of ties has been argued to be dependent on three factors – frequency of contact, reciprocity, and friendship, where strong ties are (usually affective) frequent contacts that include reciprocal favours, and weak ties are infrequent contacts that do not necessarily have affective content (Granovetter 1983). Weak ties characterize a heterogeneous collection of people with different backgrounds and ways of doing things, while strong ties lead to more predictable behaviour and conformity because of perceived similarities between individuals (Perry-Smith 2006).

Individuals acquire brands for self-concept creation, self-identity expression, and/or to be socially relevant to their family, community and other groups (Escalas and Bettman 2005). In addition, people tend to have relationship ties with others (e.g., reference groups) that are characterized by their degree of (emotional) closeness and interaction frequency (Granovetter 1983). In terms of the effect of RGs on consumer behaviour and attitudes, Stafford (1966) has found that individual brand choice was affected by group influence, while Cocanougher and Bruce (1971) suggest that RGs can influence consumers if consumers are favourably inclined towards that group's members or activities. Escalas and Bettman (2005) say that the consistency between image of the RG and that of a brand is used by consumers to construct their self-identities.

Research on social networks have separately looked at the structure and content of the interactions that take place within and between the networks and have specifically focused on the concept of tie-strength (Granovetter 1983). For example, authors have found that strong ties are closer social relations than weak ties, but weak-tie bridges provide people with information beyond those available in their own social circles.
Although previous studies have looked into the RG-brand linkages and strength of network ties in separate capacities, none have specifically looked at the interface between the three types of RG influences (i.e. normative, informative and value-expressive) and tie-strength. This study aims to reduce this gap by exploring such linkages in the context of multi-attribute mobile phones in the Indian market.

**BASIC PROPOSITIONS OF THE STUDY**

Although social networks make it easier to connect with both weak and strong ties, information flow within any given social network often depends on the strength of those ties. For instance, weak ties enables access to information and resources beyond one's immediate community, people with a small number of strong ties can transmit information more effectively than can people with a high number of weak ties (Granovetter 1983). Strong ties have greater influence over their network of friends than weak ties, and hence, individuals tend to be more concerned about the image they present to strong ties (Wilcox et al. 2013). It is thus argued that normative RG influences will generally be associated with strong ties because actors in the network would be more concerned about the opinion of the strong ties and would be subject to the prevailing norms of the RG. WOM behaviour between strong ties will, therefore, tend to be more persuasive than between weak ties.

Networks characterized by strong third-party ties have been found to promote the formation of cooperative norms, wherein individuals cooperate with others because such behaviour symbolizes a shared value in the network (Reagans and McEvily 2003). Such an orientation is likely to be subject to normative RG influences because cooperative norms will tend to assure the knowledge sender that sharing knowledge with someone in the network will ensure reciprocity of knowledge in the future.

Authors have shown that tacitness of knowledge being transferred influences the ease of transfer of such knowledge. Transfer of such tacit knowledge is said to be easier between strong ties because the motivation to assist a contact is greater than in weak ties (Reagans and McEvily 2003). It is expected that for a brand whose knowledge is highly tacit, the experiential effects would be more significant because product features would be difficult to articulate either because of complexity or newness. In such cases, value-expressive RG influences are likely to be more salient among the actors.

Brown and Reingen (1987) have argued that the relationship ties can be based either on relational content or on relational form, with the latter being epitomized by, among others, frequency of social contact and type of social relation (Granovetter 1983). Relations may be identical in content but distinct in form, i.e. a consumer might refer a particular brand to a weak tie as well as to a strong tie. Conversely, an individual may also perform a referral function differentially between two individuals even if all actors are in strong-tie relations. It is argued that in the first scenario, informational RG influences will be dominant because the individual’s motive in transferring brand knowledge to both the parties is based purely on its informational content. In the second case, value-expressive influences are likely to prevail as the individual is making a choice in conveying brand-related information in the network.
Researchers have also posited that when a consumer is in social relations with both strong and weak ties that are available as likely sources of referral for a brand, strong ties are more likely than weak ties to be activated for the referral flow (Brown and Reingen 1987). Here it is expected that normative RG influences will play an important role because the degree of influence perceived by receivers may temper the flow of information emanating from the ties. Moreover, it is possible that information from strong-tie referral sources may be perceived as more influential in receivers’ decision-making than that obtained from weak-tie referral sources, thereby increasing the salience of informational RG influences.

In self-categorization research, strong network connections have been said to lead identification, with an individual more likely to identify with a brand attribute when a small number of people share it. Such identification with a brand attribute increases the probability that an individual will have strong ties with people who also share the characteristic, with ties among minority members tending to be stronger. This will be more applicable for niche brands, wherein value-expressive RG influences are likely to be more salient for an individual. However, with increase in the size of the social category, identification is likely to diminish with a corresponding decrease in the tie-strength, thereby making informational RG influences more salient.

A related construct in network analysis is “closeness centrality”, which reflects the distance between an individual and all other individuals in the network (Perry-Smith 2006). An individual with high closeness centrality can access other members of the network through the lowest possible number of links. Since a central individual can have access to the rest of the network without the redundancy pertaining to strong ties, it is expected that he/she will be better informed, and hence will be in a position to exert informational influences.

**IMPLICATIONS OF THE STUDY**

It is evident that in the present day context, marketers are using of social networks to promote their brands. From a managerial perspective, identification of tie-strengths and analogous knowledge about the type of RG influences that affect interrelationships between the actors, will allow marketers to customize their communication efforts to the more influential members of a network. Marketers can also use the knowledge gained by integrating RG effects and tie-strengths in a community to find how “socially anxious” consumers behave especially in an online context.

From a theoretical standpoint, this study will enable researchers to look beyond mere linkages between the tie-strength, RGs and brand, and explore the interactive effects of the three RG influences within a network structure and its effect on self-brand relationship.

**References**


Listening to Consumers of Emerging Markets


James, William (1895), “Psychology”, New York, Henry Holt and Company


Social Comparison, Media Habits and Ostentation of Luxury Fashion Brands Consumption

Bikramjit Rishi*
Ashish Pareek**
Preeti Tak†

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The Indian Luxury market has evolved in a dynamic manner. Indian consumers are adopting the global luxury brands and trends more conveniently and at much faster pace than anticipated. Internet has further enabled the companies to reach the Indian consumers in distant areas. It is estimated that Indian luxury market will touch $30 billion mark by 2015 and the country may become the world’s fifth largest consumer market by 2025. Laxman Narasimhan, Director, Mckinsey, rightly pointed that, “Between China and India you are looking at a quarter of the global luxury market in 2015. The growth in India between 2015 and 2020 will become even larger as more people come into the consumption curve. Nine million households will be targets for luxury or near luxury consumption. Nearly 42 per cent of India’s wealthy households are in Delhi and Mumbai. Indian consumers really care about brands. Almost 22 per cent of Indian consumers try foreign products and brands.” In India, as the income levels of middle class has gone up they can afford the luxury products so the scope and opportunity for luxury brands is flourishing and this study has been conducted to understand the relationship between social comparison, ostentation and media habits.

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RESEARCH GAP AND RESEARCH PROBLEM

According to (Festinger, 1954), theory of social comparison, people compares themselves to other members of society when objective means are not available. He also believed that social comparison takes place within groups and other face-to-face situations. (Goethals, 1986) mentioned that individuals indulge in social comparison for self-improvement, self-assessment, self-enhancement and self-verification. This evaluation results in positive, negative or neutral self-ratings, which are relative in nature to the standards employed by the individual in comparison. Suls et al., (2002) suggested that individuals want to believe that they are part of the elite or superior group and indulge in comparison to show the similarities with the comparison group. Yip et al., (2013) demonstrated through their study that individuals engaged in social comparison, both upward and downward show less pro-social behaviour.

Meredith and Schewe (2002) stated that advertising arouses the desire to purchase materialistic objects and increase materialism. Luxury products are associated with certain personal, social and cultural values. These values are communicated and disseminated by mass media, especially, advertising. The images and the symbols shown in the advertisement of luxury brands affect how individuals define luxury and how consumers spend their disposable income Mortelmans (2005). Singh (2009) in her study opined that the mass media arouses the aspirations of the people. The images shown in media motivate people to say and buy those things that are not required by them. Media influences the social comparison process among the individuals. Individuals compare themselves with the media images.

Chaudhari and Majumdar (2006) posited ostentation as a motivation to purchase luxury brands. They concluded that consumers feel that luxury brands indicates wealth and therefore power and status, this motivates the individuals to purchase the luxury products which will help them to impress others. Eng and Bogaert (2010) studied the attitude towards luxury consumption and found that luxury consumption is used to exhibit wealth and carry symbolic meaning. The luxury brands are used to communicate one's social position. And thus it fulfils the hedonic needs.

OBJECTIVES OF THE STUDY

The extensive literature review helped us to develop the objectives of the study. More specifically the objectives of the study are as following:

- To determine the social comparison factors for luxury brand consumption.
- To examine the relationship between Media habits and determined social comparison factors.
- To examine the relationship between ostentation and determined social comparison factors.
On the basis of the objectives of the study we have formulated the following hypotheses.

\( H_1 \) Media habits and determined social comparison factors of luxury brand consumption have a positive relationship.

\( H_2 \) Ostentation and determined social comparison factors of luxury brand consumption have a positive relationship.

**RESEARCH METHODOLOGY**

Design of the questionnaire is based on review of literature. The scaled items to develop the construct have been borrowed from INCOM Scale (Gibbons and Bunk, 1999). For media four statements were added and for ostentation three statements were added to the questionnaire on the basis of review of literature. Each statement was presented on a five-point Likert scale question where 1 stands for the strongly disagree and 5 stands for the strongly agree.

Pretesting of the questionnaire has been done before it is finally administered to the respondents. In the pre-testing the questionnaire was administered to the 20 sampled respondents and their feedback was incorporated in the questionnaire.

The primary data has been collected by administering the questionnaire to the respondents that were selected conveniently. The questionnaire was administered to 450 respondents and total 378 filled questionnaires were found eligible for the data analysis. The sample has been selected from New Delhi. The basis of sample selection from New Delhi was due to the reason that many industry reports indicate that majority of the luxury brands are consumed here. So this has given us logic to select the sample from New Delhi. The questionnaire has been administered to the respondents in the malls where luxury fashion brands are having their outlets.

**DATA ANALYSIS AND FINDINGS**

Reliability test has been carried out to know that the selected constructs are measuring what they aim to measure. The constructs are identified with the help of factor analysis. For all the constructs it has been observed that Cronbach Alpha values are well above 0.6 for all the constructs including media and ostentation. To check the data whether it is suitable for factor analysis or not, KMO and Bartlett’s test has been applied. The results of the study are shown in Table 1.

<table>
<thead>
<tr>
<th>TABLE 1: KMO AND BARTLETT’S TEST OF FACTOR ANALYSIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td>df</td>
</tr>
<tr>
<td>Sig.</td>
</tr>
</tbody>
</table>

All the factors having Eigen values greater than 1 are considered and we have determined four factors.
## TABLE 2: FACTORS INFLUENCING THE SOCIAL COMPARISON

<table>
<thead>
<tr>
<th>Factor Name</th>
<th>Variables</th>
<th>Factor Loading</th>
<th>Eigen Value</th>
<th>Percentage of Variance Explained</th>
<th>Cronbach Alpha Reliability Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Evaluation</td>
<td>I often compare myself with others with respect to what I have accomplished in life.</td>
<td>.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I buy luxury brand for satisfying my personal needs without any attempt to make an impression on other people.</td>
<td>.788</td>
<td>4.338</td>
<td>28.920</td>
<td>0.788</td>
</tr>
<tr>
<td></td>
<td>If I want to learn more about something, I try to find out what others think about it.</td>
<td>.775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I always pay a lot of attention to how I do things compared with how others do things.</td>
<td>.745</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer Evaluation</td>
<td>I often compare how my loved ones (boy or girlfriend, family members, etc.) are doing with how others are doing</td>
<td>.757</td>
<td>2.030</td>
<td>13.532</td>
<td>0.852</td>
</tr>
<tr>
<td></td>
<td>I always like to know what others in a similar situation would do</td>
<td>.765</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am not the type of person who compares often with others.</td>
<td>.711</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If I want to find out how well I have done something, I compare what I have done with how others have done.</td>
<td>.572</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Improvement</td>
<td>I often try to find out what others think who face similar problems as I face.</td>
<td>.693</td>
<td>1.738</td>
<td>11.588</td>
<td>0.713</td>
</tr>
<tr>
<td></td>
<td>I often like to talk with others about mutual opinions and experiences</td>
<td>.825</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I never consider my situation in life relative to that of other people</td>
<td>.741</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Enhancement</td>
<td>I often compare how I am doing socially (e.g., social skills, popularity) with other people</td>
<td>.514</td>
<td>1.080</td>
<td>7.199</td>
<td>0.824</td>
</tr>
<tr>
<td></td>
<td>I usually change my style by watching what others buy.</td>
<td>.711</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I pay attention to what others are buying.</td>
<td>.817</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Before purchasing a product it is important to know what others think of people who use certain brands or products.</td>
<td>.735</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Hypothesis Tests

H₁: Media habits and determined social comparison factors
TABLE 3: CORRELATION OF MEDIA WITH DETERMINED FACTORS

<table>
<thead>
<tr>
<th>Media</th>
<th>Pearson Correlation</th>
<th>Self Evaluation</th>
<th>Peer Evaluation</th>
<th>Self Improvement</th>
<th>Self Enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.147**</td>
<td>.214**</td>
<td>.155**</td>
<td>.356**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.004</td>
<td>.000</td>
<td>.003</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>378</td>
<td>378</td>
<td>378</td>
<td>378</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Significant correlation is identified between Media and Self Evaluation (r = 0.147, p = 0.004), Media and Peer Evaluation (r = 0.214, p = 0.000), Media and Self Improvement (r = 0.155, p = 0.003), and between Media and Self Enhancement (r = 0.356, p = 0.000), hence first hypothesis determined factors having positive relationship with media is approved. This indicates that media stimulates social comparison.

H2: Ostentation and determined social comparison factors

TABLE 4: CORRELATION OF OSTENTATION WITH DETERMINED FACTORS

<table>
<thead>
<tr>
<th>Ostentation</th>
<th>Pearson Correlation</th>
<th>Self Evaluation</th>
<th>Peer Evaluation</th>
<th>Self Improvement</th>
<th>Self Enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.467**</td>
<td>.279**</td>
<td>.212**</td>
<td>.255**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>378</td>
<td>378</td>
<td>378</td>
<td>378</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed).

Significant correlation is identified between Ostentation and Self Evaluation (r = 0.467, p = 0.000), Ostentation and Peer Evaluation (r = 0.279, p = 0.000), Ostentation and Self Improvement (r = 0.212, p = 0.000), and between Ostentation and Self Enhancement (r = 0.255, p = 0.000), hence second hypothesis determined factors are having positive relationship with Ostentation is approved. So it can be said that the Indian consumers buy luxury brands display wealth, thus, emphasizing the functional value of the product.

IMPLICATIONS OF THE STUDY

Our findings contribute to research on luxury fashion brand consumption in Indian market. The study has come out with certain consumer insights, which can be used by the luxury fashion brand marketers to design an effective marketing strategy. Firstly, this is the only study conducted in India, which has determined the social comparison factors for luxury fashion brand consumption. The determined factors are coming in a big way to help the luxury fashion brand marketers to understand how Indian consumers compare themselves while they buy luxury brands.

Secondly, our study has provided an insight about the relationship between media and social comparison. Our findings indicate that media and social comparison are related to each other. It means that the luxury fashion brand marketers should use the media to
highlight the comparison in their media campaigns to influence the buying behaviour in the Indian market. This finding is providing a consumer insight to develop the effective media campaigns to influence the buying behaviour of luxury brand consumers.

Thirdly, we validated the relationship between ostentation and social comparison. The research has reported that while consumers are making social comparison but their typical behaviour is to show off their luxury brands. This finding is a sensitization to luxury fashion brand marketers to use social comparison and ostentation at the same time in media campaigns.

References


Exploring the Drivers of Status Consumption

Flaunting for the Wedding Occasion

Bikram Jit Singh Mann*
Sunpreet Kaur Sahni**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Marriage is one of the most celebrated events in a person's life. It is considered to be a sacred social institution, where a man and a woman take their decision to lead a life as husband and wife, established by legal commitments and religious ceremonies, furthermore formalized through a wedding ceremony. In India, wedding is considered to be an auspicious occasion which usually takes place once in a life-time, is associated with extravagant purchase of clothes, jewellery, accessories, household-items, etc. Therefore, status consumption becomes the core of the Indian weddings for families, as they spend a large chunk of their wealth and resources on lavish feasts, ceremonies and giving gifts.

Apparently, wedding has a strong relationship with status and prestige (Bloch et al., 2004). Further, social status influences the buying behaviour of the people as they want themselves to be socially accepted by purchasing branded and costly products (Trigg, 2001). This ascertains the feeling of admiration and respect among the family members and acquaintances.

RESEARCH GAP AND RESEARCH PROBLEM

Wedding in India is a big opportunity for marketers as according to Chaturvedi (2012) the Indian wedding market is worth $ 25 billion and is growing at 25 to 30 per cent per year.

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The dimensions in the prior studies have been deliberated in different context as illustrated in Table 1. The tabulation validates that regardless the extensive research and pervasiveness of the concept of status consumption, questions regarding the extent to which the drivers of status consumption pertaining to wedding consumption have remained unexplored.

**TABLE 1: PRIOR STUDIES CONDUCTED ON THE ANTECEDENTS OF STATUS CONSUMPTION**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Antecedents</th>
<th>Purpose</th>
<th>Context</th>
<th>Products</th>
<th>Consequences</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Need for uniqueness and brand-consciousness,</td>
<td>To study the relationship with need for uniqueness and brand consciousness</td>
<td>Understanding of psychological factors of Chinese consumers</td>
<td>Luxury products</td>
<td>Brand-consciousness leads to positive brand perception</td>
<td>Ye et al. (2012)</td>
</tr>
<tr>
<td>2.</td>
<td>Conspicuous consumption and status consumption</td>
<td>To identify conspicuous consumption preferences</td>
<td>Racial identification in conspicuous consumption preferences among Blacks vs. Whites</td>
<td>Status products</td>
<td>Blacks have more positive evaluations of status products than Whites</td>
<td>Mazzocco et al. (2012)</td>
</tr>
<tr>
<td>3.</td>
<td>Ostentation, status consumption and social gain</td>
<td>To investigate status consumption in cross-national context</td>
<td>Status consumption among British and Indian consumers</td>
<td>Alcoholic beverages</td>
<td>Ostentation behaviour and social gains influence status consumption</td>
<td>Shukla (2010)</td>
</tr>
<tr>
<td>4.</td>
<td>Brand-consciousness, conspicuous consumption and social conformity</td>
<td>To explore the relationship of brand consciousness with conspicuous consumption</td>
<td>Conspicuous consumption among middle age consumers in US</td>
<td>Automobile</td>
<td>There exists a relationship between brand consciousness with conspicuous consumption</td>
<td>Shukla (2008)</td>
</tr>
<tr>
<td>5.</td>
<td>Uniqueness, social conformity and status consumption</td>
<td>To examine how uniqueness establishes social conformity</td>
<td>Purchase among Korean youngsters</td>
<td>Apparels</td>
<td>Uniqueness help consumers to establish social conformity</td>
<td>Gluck (2002)</td>
</tr>
<tr>
<td>6.</td>
<td>Brand association, status consumption and conspicuous consumption</td>
<td>The study confirms the influence of brand association with conspicuous consumption</td>
<td>Comprehending the impact of brand associations with status and conspicuous consumption</td>
<td>Luxury products</td>
<td>Brand associations influence conspicuous consumption</td>
<td>O’Cass and Frost (2002)</td>
</tr>
<tr>
<td>7.</td>
<td>Social conformity and conspicuous consumption</td>
<td>Elucidated the concept of luxury consumption</td>
<td>Difference of luxury consumption between Western and Southeast Asian consumers</td>
<td>Luxury products</td>
<td>Southeast Asian consumers consume products that have social visibility</td>
<td>Wong and Ahuvia (1998)</td>
</tr>
</tbody>
</table>
No research in extant literature has been found which incorporates the divergent antecedents of status consumption in totality. Therefore, an endeavour has been made to investigate the antecedents of status consumption and their inter-relationship, in accord with each other in a wedding related purchases in India, as Indian consumers are not only status conscious; they also want to be socially confirmed. The study focuses on the research problem of how consumers make purchase for the wedding setting. Consequently, the study opens new unexplored vistas for investigating the influence of the dimensions on the consumption pattern when purchasing for the wedding occasion and would fill this research gap.

**PROPOSED MODEL**

The model (Figure 1) draws the path initiating from co-related sub dimensions of lifestyle namely unique lifestyle and centrality to lifestyle influencing brand-consciousness of the consumers. Thus, at this juncture, the divergent aspects of lifestyle influence the consumer behaviour, therefore resulting in brand consciousness. The proposed model portrays how brand-consciousness influences ostentation and signalling, uniqueness and social conformity constituting conspicuous consumption of the product. The track further depicts how ostentation and signalling, uniqueness and social conformity in due course influences status consumption of the consumer. Eventually, brand-consciousness and status consumption lead to self-expression. Based on the theoretical framework, hypothesis is proposed for the paths defined in the model with reference to the existing literature, validating the relationships.

**OBJECTIVES OF THE STUDY**

- To investigate how the dimensions of lifestyle “unique lifestyle and centrality to lifestyle influence brand-consciousness of the consumer on a wedding occasion.”
- To study the impact of brand-consciousness on the dimensions of conspicuous consumption namely, ostentation and signalling, uniqueness and social conformity.
- To explore how the dimensions of conspicuous consumption trigger status consumption of the consumer.
- And eventually, to examine how the constructs of brand-consciousness and status consumption will result to self-expression through purchase in a wedding setting.
RESEARCH METHODOLOGY

Data has been collected from the major cities of the Indian province of Punjab. A structured questionnaire containing the relevant constructs measured on a five-point Likert scale was administered to a sample of 504 respondents. The items generated from the validated scales were purified and finalized using exploratory factor analysis and confirmatory factor analysis, were in accordance to the threshold limits.
Assessment of reliability depict that Cronbach alpha and composite reliability are found above the threshold level suggesting that all the dimensions, are internally consistent (Hair et al. 2009). Various procedures of content, convergent and discriminant validity have been performed in order to assess validity of the constructs.

**DATA ANALYSIS AND RESULTS**

The model proposed in Figure 1, has been assessed using AMOS, structural modelling software package. In terms of overall fit, degree of freedom is 245 and p-level is statistically significant at 0.000. The Goodness-of-Fit Index (GFI) value is 0.94, Adjusted Goodness-of-Fit Index (AGFI) is 0.91, and Normed Fit Index (NFI) is 0.91, which indicate good overall data-model fit. Finally, the relatively high Incremental Fit Index (IFI = 0.96), Tucker-Lewis Index (TLI = 0.95), Comparative Fit Index (CFI = 0.96) and relatively low Root Mean Square Error of Approximation (RMSEA) having value of .04 and Root Mean Square Residual (RMSR) value of .05 provide more evidence that the model fits the data (Hair et al. 2009). Further, the path coefficients between the various constructs of the proposed model along the path, the associated estimates and the probability levels are depicted in Table 2.

Empirical analysis depicts that the path from centrality to lifestyle to brand-consciousness (.741) has a significant impact as compared to unique lifestyle, which is insignificant and consequently does not influence brand-consciousness of the consumer. In addition, the findings highlight the impact of brand-consciousness on social conformity (.965) to be more, followed by ostentation and signalling (.744) and eventually uniqueness (.006). Further on, the findings suggest that ostentation and signalling (.213) has more impact on status consumption followed by social conformity (.146). However, uniqueness (−.159) has a negative impact on status consumption and thus reveals insignificant relationship.

**TABLE 2: STANDARDIZED PATH COEFFICIENT**

<table>
<thead>
<tr>
<th>Path</th>
<th>Parameter Estimate</th>
<th>Prob. Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique lifestyle → Brand-consciousness</td>
<td>.030</td>
<td>.608</td>
</tr>
<tr>
<td>Centrality to lifestyle → Brand-consciousness</td>
<td>.741</td>
<td>.000</td>
</tr>
<tr>
<td>Brand-consciousness → Ostentation and signalling</td>
<td>.744</td>
<td>.000</td>
</tr>
<tr>
<td>Brand-consciousness → Uniqueness</td>
<td>.006</td>
<td>.000</td>
</tr>
<tr>
<td>Brand-consciousness → Social conformity</td>
<td>.965</td>
<td>.000</td>
</tr>
<tr>
<td>Ostentation and signalling → Status consumption</td>
<td>.213</td>
<td>.051</td>
</tr>
<tr>
<td>Uniqueness → Status consumption</td>
<td>−.159</td>
<td>.420</td>
</tr>
<tr>
<td>Social conformity → Status consumption</td>
<td>.146</td>
<td>.000</td>
</tr>
<tr>
<td>Status consumption → Self expression</td>
<td>.465</td>
<td>.000</td>
</tr>
<tr>
<td>Brand consciousness → Self expression</td>
<td>.047</td>
<td>.000</td>
</tr>
</tbody>
</table>

An interesting revelation of the result where status consumption (.465) influences self-expression more than brand consciousness (.047), coherently defines that the intention of a consumer to purchase and subsequently exhibit is to communicate information about the self to others.
IMPLICATIONS OF THE STUDY

Indian consumers regard purchase of conspicuous products as a medium to flaunt their possessions and status for a wedding occasion. The results confirm that consumers when making a purchase for the wedding consider centrality to lifestyle more vital as compared to unique lifestyle, thereby establishing brand-consciousness. Thus, it becomes necessary for the marketing managers to promote the products that communicate and revolve around the central lifestyle, giving a distinct image, so that the consumer can relate to the brands associated with the wedding purchase.

Brand-consciousness is a strong driver influencing social conformity in the study. Brand managers need to stir consumers’ understanding about the brands to embed a perception of social class, recognition and affiliation. By communicating through promotional campaigns, incorporated in the message appeals and cues through appropriate media and building awareness by celebrities, will not only make the customers aware, but prompt them to purchase the products for wedding occasion.

The study validates that ostentation and signalling results to status consumption. Consumers relate to purchase of status products with their overall persona that satiate the emotional and the social requirements. The marketing managers need to launch the products in the marketplace that showcase status gratification, thereby capturing the attention of the target consumers interested to purchase for the wedding occasion.

The gist of the study focuses on the epicentre, i.e. status consumption for the wedding setting. Further, the results give a clear substantiation that status consumption builds self-expression. The marketers through advertisements can stimulate the demand of the consumers in such a way so that they associate themselves through purchase, thus expressing themselves when making a purchase for the wedding.

Considering these dimensions, will offer insights to the marketers in framing their marketing and communication strategies that will facilitate them to succeed in the Indian marketplace, thus, attracting a huge chunk of customers to purchase status products for the wedding.

References


Influence of Nostalgia on Consumer Processing Style and Brand Connection

A Conceptual Framework and Research Propositions

Ekta Srivastava*
Satish S M*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Most of the famous brands across the globe tap into strong human emotions such as love, fear and nostalgia. Today, the marketers are trying hard to expand the equity and create relevance of distinguished brands of past for the consumers of present times by leveraging upon the emotion of nostalgia. Nostalgia is a longing to recapture the mood and spirit of previous times (Wilson, 2005). In marketing literature, nostalgia has been used to explain the consumers’ tendency to look for products or messages which were popular or common when one was younger, and are still fondly remembered (Loveland et al., 2010). Nostalgia has been classified as a complex emotion comprising of both positive and negative emotions but predominantly it is positive (Johnson-Laird and Oatley, 1989). It is different from the general emotions which are either positively or negatively valenced. Therefore, it would be interesting to investigate the impact of such complex emotions such as nostalgia on consumer behaviour. The purpose of this study is to examine the impact of complex ambivalent emotion of nostalgia on the affective reaction and processing style of consumers and its further influence on brand evaluation.

The importance of nostalgia in marketing also emerges in the times of uncertainty and instability when consumers look back longingly into the past (Davis, 1979). Since the economic and political situations in a country often bring phases of uncertainty and instability, the use of nostalgia in marketing looks promising. Many of the brands are,

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therefore, tapping into the current trend of vintage such as Ray-Ban into aviators. We like to go back to the past when the world looked simpler and more natural. For example, Microsoft promoted its new version of internet explorer through an advertisement using a tagline “You grew up. So did we”. This commercial was targeted at the consumers who grew up in 90’s and took them through a time-travelling journey with Microsoft. The companies use various communication strategies for evoking nostalgia and make the products more relevant to the consumers of today.

RESEARCH GAP AND RESEARCH PROBLEM

Many of us closely relate nostalgia and past memory but may not be aware of the differences between the two. Memory is simple recollection and recall of specific past events while nostalgia is a longing for the past and, therefore involves pleasant events of the past. Memory is based on cognition while nostalgia is affect-laden (Wilson, 2005). Through a wide literature review on nostalgia, it was observed that there is lack of empirical research on the relationship between memory and nostalgia. In this study, we investigate the relationship between memory and nostalgia and circumstances when autobiographical and historical memories evoke personal and historical nostalgia respectively.

We also investigate the consumers’ affective reaction as a consequence to nostalgia. Some of the earlier researchers have defined nostalgia as a complex bittersweet emotion comprising of both positive and negative affect (Baker and Kennedy, 1994; Johnson-Laird and Oatley, 1989; Kessous and Roux, 2010). Kessous and Roux (2010) have empirically established that nostalgia is an ambivalent emotion with positive affect as the predominant one. From literature review, we found few factors which are responsible for presence of negative element in nostalgia. These include perceived contrast between the desirable past and undesirable present, and the realization that those times are no more and cannot be regained (Power and Dalgleish, 2007). In this study, we would not only empirically establish that nostalgia is a complex ambivalent emotion but also cater to the complexity by controlling conditions under which nostalgia would evoke a positive or a negative affective reaction.

Through a wide literature review on nostalgia, it was also observed that there is lack of research on the impact of nostalgia on information processing and search behaviour of consumers. Therefore, we investigate this issue by taking support from Affect-As-Information approach (AAI) (Schwarz and Clore, 1996) and Cognitive Tuning Hypothesis (Shwarz, 1990) to study the impact of affective reaction to nostalgia on processing style of consumers. According to AAI view, affect provides information about the nature of current situation and helps the individuals to adapt to their environment through regulation of their cognitive processes and behaviour. Positive affective state indicates that the current situation is non-problematic while negative affective state indicates the problematic nature of the situation (Schwarz and Clore, 1996). Nostalgia is a complex emotion comprising of both positive and negative affect, and depending on the affective reaction achieved through stimulus manipulation, the individual would choose the appropriate cognitive processing strategy. Moreover, we also take support from cognitive tuning hypothesis (Shwarz, 1990) which states that cognitive processes are tuned to meet the situational requirements signalled by our feelings. In order to deal effectively with problematic situations, individuals in negative
affective state engage in detail-oriented systematic cognitive processing. On the other hand, individuals in positive affective state are not motivated to engage in effortful processing and hence engage in heuristics.

The final outcome variable that we measure in this study is the self-brand connection. Consumers with positive affective reaction to nostalgia use top down processing of nostalgic stimulus as they do not want to distract from the positive associations of the past events evoked though the nostalgic cues in the stimuli (Muehling and Sprott, 2004). As individuals are occupied with images and memory of the past, they achieve a sense of self-continuity (Kleine et al., 1995) and self-worth (Davis, 1979). Therefore, top down processing as a result of positive affective reaction to nostalgia would lead to a strong self-brand connection. The prior research studied the differences in personal connection to brand between personal and historical nostalgia and further impact on brand response by consumers (Muehling and Pascal, 2011). However, the differences in personal connection to brand with respect to positive and negative affective reaction to nostalgia have not been studied so far. Therefore, we examine the effect of nostalgia on self-brand connection formed as a result of different processing strategies adopted under positive and negative affective reaction to nostalgia.

**OBJECTIVES OF THE STUDY**

The specific objectives of the study therefore include:

1. To assess the differences between memory and nostalgia and examine the relationship between the two
2. To assess the moderating role of negative affect in the relationship between attitude towards memory and nostalgia
3. To assess the impact of nostalgia on the affective reaction of individual
4. To examine the moderating role of stimuli characteristics in the relationship between nostalgia and affective reaction of individual
5. To assess the impact of nostalgia on the consumers’ cognitive processing style
6. To assess the impact of nostalgia on self-brand connection
7. To assess the moderating role of nostalgia proneness and individual mobility (occupational, geographical and social) in evoking nostalgia

**RESEARCH METHODOLOGY**

The conceptual framework and research propositions evolved through the study need to be further validated through an empirical study that we plan to conduct with specific reference to the Indian context. This empirical study will be done through a series of experiments using nostalgic brand/product as stimuli to evoke nostalgia. The sample for study would be decided depending on the product/brand used.
EXPECTED RESULTS

This study has resulted in a series of research variables and research propositions which have led to a meaningful conceptual framework. These propositions, if empirically proved, would result in the finding that positive attitude towards memory is an antecedent to nostalgia. The study would also establish the moderating role of negative affect for present in the relationship between memory and nostalgia. The study would strengthen the existing concept of nostalgia as a complex emotion and empirically validate the conditions under which it leads to positive affective reaction and negative affective reaction. The study, if empirically proved, would establish that positive affective reaction to nostalgia leads to top-down processing strategy which further leads to a strong self-brand connection. On the other hand, negative affective reaction to nostalgia leads to bottom-up processing strategy which further leads to weak self-brand connection. The study would also explore the moderating role of nostalgia proneness and individual mobility in the relationship between memory and nostalgia.

IMPLICATIONS OF THE STUDY

The present study is successful to the extent of identifying the consequences of nostalgia with reference to consumer cognitive processing and brand evaluation. This study, if empirically validated, would be able to address important gaps in nostalgia literature. The recent trends of vintage and retro marketing require effective leverage of the emotion of nostalgia. This study would help marketers to manage the complexity of emotion through effective use of nostalgic stimuli and get favourable consumer response.

References


Listening to Consumers of Emerging Markets


Listening to the Voice of the Citizen

Consumer Complaints, Protests and Boycotts

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The growth of access to the digital connection, as well as the proliferation of social networks, have offered a space that appears as democratic and inviting to the manifestations and expressions of values, political positions and even often causes adherence. It became known more widely, precisely because of the characteristics of digital practices (Castells, 1999).

In Brazil, social networks have been significantly used for spontaneous demonstrations of consumers against companies and promoting the following situations: organizing boycotts, complaints regarding services or pressuring companies to have social and environmental responsibilities.

This is a recent practice and compared with other countries and markets that make extensive use of so-called social networks, Brazilians have singularities that deserve our attention:

- Brazil is one of the major emerging economies in the world, and thus presents a new consumer public (estimated at 110 million people) who were excluded from the consumer market.
- These actions of consumers in social networks are spontaneous and aim to tackle global and local brands.
- This is a new movement prominently in the Brazilian market and it draws our attention, since in general, the Brazilian consumers were known as friendly, easy and undemanding.

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The Brazilian Market history never faced before such massive reactions from the consumers, or even boycotts against companies. This scenario has emerged through the growth of the inclusion of the low income group consumption and increased purchasing power of other consumer groups, including the upper classes.

Sites intended for consumer complaints and attacks against companies were spontaneously assembled and have achieved significant success in the Brazilian market such as “Reclame aqui” (something like “Your claim cases here” – www.reclameaqui.com.br), “ByocotaSP” (translation: boycotting SP – www.boicotaSP.com.br) and SPhonesta (meaning “Making São Paulo an honesty Market” – www.SPhonesta.com.br). Companies in Brazil, for the last 5 years, pressured by the strength of these successes and digital channels, began to answer to the complaints and requests of consumers through these sites, and also Facebook. These new channels of customer services do not replace those already existing, but have received careful attention from companies, media and the press.

Some cases are illustrative of the strong impact of these consumer manifestations on social networks. Large corporations, multinationals or nationals affected by these complaints, had to revise their production processes, marketing actions, products or their system and channels of relations with consumers. Examples of these cases are Zara, Arezzo, Unilever and Whirlpool, whose complaints eventually echoed in other emerging economies in Latin America.

RESEARCH GAP AND RESEARCH PROBLEM

The demonstrations and movements involving consumer relations are academically identified as consumerism, a notion widely used by scholars of consumption as Trentmann, Follesdal, Stolle, Sassatelli, Yannis Gabriel, Lang, Michele Micheletti, and even by Kotler in 1972, among others.

We can understand that the consumerism movement added its importance as Michele Micheletti (2003) explains: “the meeting between our public and private life that occurs through consumption. It is the exercise of political power and engagement in consumers’ choice”. Individuals use their role as consumers to act as citizens, making claims that will impact for social good collective. Different issues can be embraced by consumerism, such as law protection for the consumers, products improvement, modes of production, exploitation of labour, the increasing of purchasing power, ethical values, the environment, and welfare, among others impacted by the consumption.

The consumerism is a scenario that provides an open and inclusive participation, as it is independent of the political parties, political ideology, ethnicity, gender, sexual orientation, socio-economic class, country of origin or residence, as demonstrated by Micheletti (2003). The exercise of purchasing power, driven by boycotts, does not depend any more on manifestations on the streets. It depends only on the practice of individual consumers, as a knowledge that has been propagated and fostered among them, transferring to consumers the responsibility for many aspects of social and environmental life.
The purpose of this paper is to discuss the following questions:

- What are, in an emerging economy, the real consequences of these manifestations of consumers to the reputation of brands, buying behaviour, decision criteria for choosing products and brands and performance of companies?

- How can strategists react to this scenario?

- Why has the consumer preferred social networks for this type of reaction?

- What are the values and attitudes which motivated and drove the consumers to react for the first time in the Brazilian market against companies?

- What are the cultural characteristics presented in this case that impacted on consumer behaviour?

- Is this type of consumer response directly related to the heating and growth of the economy and the market, as well as the inclusion of more families in consumption practices?

- And last but not least, what are the trends and future scenarios that we can trace to the consumer behaviour through this case?

**RESEARCH METHODOLOGY**

This study was based on a multidisciplinary approach and the use of different methodological tools, aiming at a closer, deeper and livelier contact, with the authentic consumer motivations:

**Netnography**

It is an ethnographic approach in the digital medium. Netnography is inspired in the ethnography tool that has been widely used by the disciplines of marketing and management in order to understand the consumer in a deeper way, capturing values and behaviours that are often not rational. Application of Ethnography in the digital environment is called netnography and it is a recent tool, from the late twentieth century. Daniel Miller, British anthropologist dedicated to studies about consumption, consumer behaviour and business, is one of the main promoters of netnography. Netnography makes possible the monitoring and observation of the digital behaviour of respondents and consumers.

For this study, we selected a sample of 100 people, 50 men and 50 women, between the ages of 18 and 45, in different regions of Brazil, frequently users of the social network Facebook (accessing at least 5 times per day) through notebook or Mobile.

The timeline on Facebook of these 100 respondents was followed for two years, from June 2011 to June 2013. MWSnap 3.0 was the tool used to capture images. Thus we could not only follow and observe all that appeared on the page of this sample, as well as recording through images all items posted or commented, either by our sample, as well as by friends of the Facebook group for each of our respondents.

This allowed us to have a broad framework on the subjects posted, considering that each of our respondents had a minimum of 100 friends in their network on Facebook.
The focuses for observation were spontaneous posts that appeared in each of the 100 pages on Facebook against Brazilian and multinational brands.

Netnography allowed us to follow the reaction to these messages or videos against companies, accounting for the number of shares, likes and also conducting a discourse analysis of the comments that were made for each of these posts.

**QUANTITATIVE RESEARCH**

It was applied through the digital environment for a sample of 200 people who posted or commented posts against brands and companies that appeared on the Facebook timeline of our 100 respondents. This sample was divided: 100 authors and 100 people who commented posts against companies not being authors of the original message to boycott the brand.

The questionnaires were sent by digital medium and had as main objective to determine whether there was a change in buying behaviour of these people about the brands attacked. The intention was to identify if there was just a negative impact on the brand reputation or an actual boycott, through which these people no longer consumed the brand attacked and migrated to competing brands.

**CONSUMER GENEALOGY**

It is based on “Archeology of knowledge”, the analytical method developed by Foucault, enabled us to understand the characteristics of the formation and origin of the consumer as well as to identify and understand what conditions make it possible or promote the manifestations of consumers against companies. It is a combination of literature research and news published by the mainstream media. The main objective of this phase was to identify the origins of digital activism in the emerging market in Brazil, what features favour this consumer behaviour, and what characteristics act as a barrier. In this step was also conducted personal interviews with the main Marketing leader of 5 companies that have suffered digital attacks and boycotts, 3 multinational companies (Unilever, Whirlpool and Zara) and 2 Brazilian companies (Boticário and Dicico) in order to verify the impact of these attacks on the company’s strategy.

**DATA ANALYSIS AND RESULTS**

Analysis of the real impact that the attacks and boycotts against brands in the digital medium have on the behaviour of consumers and also for brands/companies attacked.

- 27% of respondents in quantitative research, failed to consume at least one of the brands attacked digitally. This proportion was of customers of the attacked brand that since the digital attacks migrated to products of competing brands.

- 22% of respondents in this quantitative phase began to reject brands attacked on Facebook. They were not consumers of these brands, but now avoid and disregard them when they buy a product category.

- 57% of respondents began to consult the digital media before buying a brand in order to investigate complaints or attacks which were posted against the brands.
It was possible to identify which posts features generated more comments, shares and the effective participation of consumers. It was also possible to identify the types of attacks against brands that fail public support.

Accounting for comments, likes and shares for major attacks on the brands that were observed. In less than two days, these attacks reached more than 5,000 shares and more than 35,000 likes.

Identification of the durability of an attack on Facebook. This is a very dynamic environment where multiple topics are posted. We were able to trace the average time that the posts against brands survive on Facebook. We found that in general, these posts last on average 7 days, for attacks that do not involve social or environmental issues. But can survive on average 18 days for attacks that involve issues about the environment, sustainability, social issues like unfair exploitation of labour and in the production or use of ingredients or items that put the welfare of the consumer at risk.

Characterization of posts that must be answered urgently by companies in order to stop the tentative boycott and take a stand about the consumer complaints.

We organized what types of responses from companies are more efficient in dealing with consumers in relation to their digital attacks and boycotts. We classify two types of responses from the brands: (1) the brand responds to the authors and reviewers of the attacks always in the public space of Facebook allowing everybody to view all the answers and the negotiation process; (2) the brand responds only inbox and makes public statements that explain its conduct. In the first case, 64% of respondents had a positive opinion about the conduct of the brand. In the second case, 87% believe that the company is afraid of being exposed and begin to consider that the complaints made against them are real and serious.

The study also showed which changes were made by the companies since the digital attacks against them. In the 5 cases of companies interviewed, all of them made changes involving: better structure to customer service, review of the conduct and approach in the responses and relationship with consumers in the digital environment, and the increasing appreciation of a recent professional: the social media. Therefore, this study shows the effective impact of the digital attacks against brands in the emerging consumer markets, such as Brazil.

These results helped us to reflect and develop an analysis of:

- Understanding the role of the consumers in the XXI century, now more concerned with issues related to citizenship and corporate social actions, even when they are not customers of a particular brand that they have fought against.

- Mapping values and reasons that motivate consumers to react against brands especially in emerging economy: more than half of consumers who reacted on social networks against brands were not their customers.

- The relationship between economic growth, consumption, the increase of demand and the more complexes consumers demands.
Brands strategies to handle this type of situation.

Social media relevance as a channel for consumers’ manifestation in emerging economies.

It also allowed us to conclude that the hierarchy occupied by the consumer in the pyramid of the retail trade, as well as the meaning that the consumer received in a particular society or subculture have strong impact on behaviour, satisfaction and consumers’ manifestation regarding the brands.

**IMPLICATIONS OF THE STUDY**

From this empirical study conducted for the past two years in Brazil, we can reflect about some issues that are present in different emerging economies:

- Which are the characteristics that the consumer considers in the XXI century for choosing brands and products?
- What has changed in the characteristics responsible for consumer satisfaction?
- What are the elements that favour the birth and formation of these manifestations in the cyber/net environment and what are their consequences for the brands?
- Do these manifestations represent just a new attitude and behaviour, promoted by the market itself to value brands which have social approach?
- What are the connections between these actions and the formation of the citizen consumer to the development of Capitalism or Social Marketing? Are they important issues in emerging economies?

The research aims to broaden the understanding of the meanings of consumption and the consumer’s role as a social actor in the emerging economies.

When we analysed the boycotts as well as manifestations of consumers, we note that they do not occur isolated but they are part of a learning process in which the citizen learns how to consume and how to behave as a consumer.

The modern consumer is the result of buyers’ struggles for their rights, access to an egalitarian consumption and the power of choice. Citizenship, in turn, as well the consumer, is also permanently reshaped by society. The struggle then is constant.

As consumers, we ought to complain. The point is how each society deals with this conflict. Conflict is inevitable and involves crisis. But this crisis can motivate consumers to get an enlightened consciousness and thus be a possible way not for a new market or economic system, but for a different and less cruel capitalism, the Social Capitalism.

In this sense, this conflict is welcome. After all, where there is no conflict, there is no life.

**References**


Comprehending Novelty
Seeking in Context of Fashion Apparel Consumers

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The fashion industry is characterized by the continuous introduction of new collections that aims to offer the more allure and excitement for consumers (Coskuner and Sandikci, 2004). This fast changing apparel segment makes it imperative for the retailers to keep a tab on the changing pulse of the fashion apparel consumers (Diamond and Pintel, 1976). This product variation and change is an obvious consideration in clothing retail management. But the implication of this change has not been delved from the perspective of novelty-seeking phenomena of fashion apparel consumers. Novelty-seeking can be understood from the word ‘novelty’ which is referred as a new experience, newness or uniqueness (Crompton 1979; Petrick 2002). The way this linking of ‘novelty’, 'apparel' and 'fashion' is shaping the fashion apparel consumers' shopping orientation has not been delineated.

There is a growing managerial interest in the study of this consumer shopping orientation as means for market segmentation and positioning. A variety of shopping behaviours have been identified in previous literature (Siu et al., 2001). Sproles and Kenadall (1986) have defined this novelty-fashion conscious consumer as those consumers who are likely to gain excitement and pleasure from seeking out new things. They have motivation to keep up-to-date with styles and fashion trends. They also show variety seeking behaviour. Apart from this definition very limited research has been carried out to explain this key phenomenon of
novelty-seeking in the fashion segment, specifically, fashion apparel segment in Indian context.

**RESEARCH GAP AND RESEARCH PROBLEM**

Novelty-seeking is an inter-disciplinary concept (Zuckerman, 1964; Schweizer, 2006). Apart from psychology, several research studies have been conducted across various industries in the consumer behaviour domain; especially tourism (Lee and Crompton, 1992). This concept of novelty-seeking has been researched parsimoniously in the fashion industry. There is a growing literature on fashion innovator (Workman and Johnson, 1993; Raju, 1980; Roehm & Roehm, 2005; Phau and Lo, 2004; Kang and Poaps, 2010; Goldsmith and Flynn, 1992; Goldsmith, Moore and Beaudoin, 1999) but novelty-seeking, the key determinant of fashion innovator (Hirschman, 1980; Schweizer, 2006) has not been exhaustively explored.

**OBJECTIVES OF THE STUDY**

Several authors have invariably tried to explain fashion innovators, one or combination of the dimensions (internal or external characteristics). However, in their work they have parsimoniously mentioned the effect of novelty-seeking. In fact, none have looked at novelty-seeking as the key determinant in fashion consumer’s decision making. Thus, this study has been undertaken to address two objectives. The first objective is to comprehend the parsimoniously explored phenomenon of novelty-seeking in fashion apparel context. The fashion apparel industry has significantly evolved, particularly over the last 20 years. The changing dynamics of the fashion industry have forced retailers to desire low cost and flexibility in design, quality, and speed to market; key strategies to maintain a profitable position in the increasingly demanding market (Bhardwaj and Fairhurst, 2009). In such a scenario, having a complete sketch of fashion innovators is of paramount importance. There is a growing literature in this regard but the key determinant, novelty-seeking, has not been explored extensively which has been decoded in other applied industries (e.g. tourism). The Second objective is novelty-seeking has not been understood extensively from emic perspective (consumer voice or insider perspective). As this phenomenon is under-explored so getting an emic account will significantly add to the body of knowledge in this domain.

**RESEARCH METHODOLOGY**

In align with the research problem rich cases were required to elucidate the dynamism of novelty-seeking. We wanted those respondents who score higher than average on the novelty seeking scale. Zuckerman’s sensation seeking scale has been used to assess novelty seeking. This scale is found to be highly correlated with the novelty seeking scale of Cloringer et al. (1993). This scale is based on four dimensions: thrill and adventure-seeking, experience-seeking, disinhibition, and boredom susceptibility (Zuckerman et al., 1978).

Having delimited the reference population, we then identify the specific cases using two sampling strategies: criterion sampling and negative case sampling (Patton, 1990). Whereas the criterion sampling approach increases the chance of selecting information-rich cases
whose study will illuminate the issues under study (Patton, 1990), the negative case sampling approach aims to contrast the novelty-seeker fashion consumers and in the process will bring the validity in the study. Saturation of data has been reached on nine participants of whom seven qualified and two disqualified on the novelty seeking criteria.

The semi-structured interview was designed in such a way as to enter, as far as possible, the psychological and social world of the respondent. To achieve this, the semi-structure interview was divided into three broad sections. First section had the open ended questions to gauge the novelty seeking tendency in general. Second section had an open ended question to get the affiliation towards new products i.e. how much innovative they were in new product adoption. Third section was the main section and contained questions related to fashion apparel consumption pattern and motivation.

The rationale for choosing Interpretive Phenomenological Analysis (IPA) is because the current study seeks to explore novelty-seeking tendency of fashion-apparel consumers which comes under the domain of consumer psychology. In the study of consumer psychology it becomes imperative for the researcher to interpret people’s mental and emotional state from what they are saying (Smith and Osborn, 2007). This task becomes even more challenging as people struggle to express what they are thinking and feeling, there may be reasons why they do not wish to self-disclose (Smith and Osborn, 2007). Thus, IPA enables a researcher to delve in the mind of the consumers through two-stage interpretation process (or double hermeneutic) (Smith and Osborn, 2007). That is the participants are trying to make sense of their world; the researcher is trying to make sense of the participants trying to make sense of their world (Smith and Osborn, 2007). Thus, in contrast to descriptive phenomenology, IPA is intellectually connected to hermeneutics and theories of interpretation (Packer and Addison, 1989; Palmer, 1969).

**DATA ANALYSIS AND RESULTS**

The analysis was based on the recommendations of Smith et al. (1999), who suggest two methods of analysis in IPA. The first option is to generate a list of master themes from the first case, and then to supplement this master list with further themes as the analysis is continued with other cases (Mulveen and Hepworth, 2006). The second option is to generate a new master list of themes for each individual case (Mulveen and Hepworth, 2006).

The first approach was used, as it was felt that it would help in getting the collective meaning of the experiences of all the participants. The significant statements related to the research problem were extracted from the first respondent’s data. These statements were condensed into the formulated meaning. This step required interpretation with respect to which context it was spoken as well as the latent meaning. Then these formulated meaning were clustered together to come up with themes for each clusters. This clustering of themes was based on the sense making paradigm of IPA where each respondent’s transcription were referred in iterative process.

The four distinctive themes have emerged from the exhaustive IPA of the data. These themes are: (1) Need for Uniqueness; (2) Sensation-seeking (3) Variety-Seeking; and (4) Social Conformity. An exhaustive description of two negative cases has also been supplemented to
bring the validity and deeper understanding through contrasting. These dimensions of the novelty seeking have been integrated to explain the decision making dynamics of the fashion apparel innovators.

**IMPLICATIONS OF THE STUDY**

An understanding of the key determinant (novelty-seeking) of the fashion apparel innovators will help managers in improving their various marketing strategies. The significance of the novelty-seeking of fashion apparel consumers should be used to improve the product attributes to attract these customers. The marketers should develop product in congruence with the intention of novelty-seeking of these customers. This will lead to better product acceptance and that will lead to more sales. If products are well accepted by the fashion innovators in the introductory stage then they will engage in better word of mouth and will act as the opinion leader to get the new apparel trend diffused in the mass market of fashion followers.

**References**


Western Brands in the Minds of Vietnamese Consumers

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The homogenized images of good life from Western consumerism expand all over the world, prompting consumers in emerging markets to pursue “a material realization, or attempted realization, of the image of the good life” (Friedman 1994, p.169). The young, urban, middle class consumers in emerging economies take the active role in the new culture of consumption, partly adapting to it and partly creating it. They are known for “their lifestyles… [based on] designer or brand-name” (Chua 1998, p.989).

The expectations and procedures spill over all the aspects of consumers’ life. According to McKinsey Global (2012), emerging markets are expected to experience consumption more than six times faster than in developed countries between 2010 and 2015. In China, India, Thailand, Malaysia or Vietnam, it comes back to the time of the Western world when the definition of consumerism after 1960 emerged, when “walking down the street became an advertisement” (Stearn 2001, p.128). Robison and Goodman (1996) particularly emphasise on the desire of consumers in Asia for Western products, which creates new markets for products from the West. Urban consumers in emerging economies rush to purchase Western brands to satisfy their identity needs. They believe in “materials–bring-happiness”. The symbolic meanings become very important in their patterns of consumption to transform their lived experience, and as a part of the way they want to communicate their self-image.

Among emerging economies, Vietnam initiated the open-door policy of economy in 1986, which quickly changed its economic situation. Now, over 67% of Vietnamese population

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Western Brands in the Minds of Vietnamese Consumers

are under 39, with increased numbers amongst the new rich, creating a wealthier, more ‘savy’ consumer base (VNGSO 2009, TNS report). Being one of the fastest growing economies (The Economist, 2004), Vietnam has been able to give its consumers access to variety of branded products by “the entry of multinational enterprises…together with the launching and promoting of international brands” (Nguyen and Nguyen 2011, p.44). Consumers responded with a growing desire for self-expression. Today, there is no embarrassment at displaying ostentatious signs of wealth (Freire 2009 p.79).

RESEARCH GAP AND RESEARCH PROBLEM

Apparently, little research has been devoted to understand the cultural consumption of the urban youth in emerging economies such as Vietnam – a country recently shifting from the centrally planned economies to market-oriented economies. There are some recent studies (King et al. 2008; T.D. Nguyen and T.T.M. Nguyen 2011), investigating the identity formation of Vietnamese middle-class consumers at the intersection of globalisation and locality. King et al. (2008) focuses on understanding the characteristics and finding the definitional problems of the new middle-class's political identity in Hanoi. In the study of T.D. Nguyen and T.T.M. Nguyen (2011), a relationship between brands and consumers built by some selected marketing mix elements, consumer attitudes toward advertising and public relations, and perceived quality, is examined with a sample of consumers in Ho Chi Minh City. To fill the gap in research, our research offers an expanding interpretation of the symbolic meanings of Western brands asserted in Vietnamese consumers’ desired image by reading their hidden thoughts.

OBJECTIVES OF THE STUDY

This paper reports some of the findings from a study of the brand perceptions of young Vietnamese consumers. Our data illuminate the nature of consumer culture in contemporary Vietnam, and provide a psychosocial case study in how globalisation is proceeding in emerging markets. Our general approach is based on the idea of ‘identity work’, and the role of consumption in providing resources for individuals to experiment with different self-experiences and to develop their social identities. In this paper we focus on the analysis of their experience of Western brands, and what this reveals about cultural change in Vietnam.

RESEARCH METHODOLOGY

As with most projective technique, its theory and technique has changed little in recent decades. The task was designed to “explore significant areas of an individual’s adjustment” (Sacks and Levy 1950, p.357). The task aims to elicit “feelings and attitudes” in various basic areas of interpersonal relationships. The content would be interpreted through “emotional quality, intensity, passivity, symbolism” (Sacks and Levy 1950, p.358). The subjects could give the positive or negative feelings.

In our survey, students were asked to spend 15 to 20 minutes imaging and writing a story of consuming Western brands. Their imaginary stories were ambiguously linked to the
external world. Each story contains ‘manifest’ content and ‘latent’ content. They were written stories based on dreams, real or imaginary experiences. They featured a series of significant descriptive statements with hidden feelings and attitudes insides that were interpreted, described and analysed in the presentation of thematic analysis. We produce the associations to each element in the story by investigating the existence of a disguised thought instigating the story. This approach could tap the wealth and rich information that people possess inside their mind.

In fact, we got 600 complete surveys (610 distributed) from full-time students from both public universities and private-owned universities between 18 and 35 old years, living in Hanoi and Ho Chi Minh City to have a great deal of descriptive detail. We chose the two largest cities as the political and economic centres located in the North and the South of Vietnam, due to the historic setting. Hanoi as a capital of Vietnam was occupied by the French in 1873 and passed to them ten years later. It is now the most important political centre of Vietnam, having a population of nearly 8 million. Ho Chi Minh City (previously called Saigon) was under the support of the U.S. in Vietnam War for nearly 30 years with a population of nearly 10 million people. These two cities as other cities in emerging economies are blooming, full of bustling shops and rising skyscrapers.

**DATA ANALYSIS AND RESULTS**

Thematic analysis is preferable in our presentation of findings because it would help to describe the data in rich detail. It provides us with flexible approach associated with insightful analysis.

Vietnamese consumers find both the perceived functional and emotional aspects of Western brands. However, consumers endeavour to attach brands to maintain and transform the connection between the self and society. Brands offer them the symbolic benefits for their identity needs. (Batey 2008) Consuming Western brands is the trend of modern life for the urban youth in Vietnam where a lot of consumers (not all of them rich) are obsessed to purchase Western brands of fashion, transportation, hi-tech to satisfy their identity needs.

Vietnamese consumers imbue Western brands with typical symbolic meanings that are interpreted by assessing their psychological states through the 600 written imaginary stories. They rework the symbolic meanings of brand consumption practices to forge new identities. In the story narratives, technology, transportation and fashion brands are most used to build their self – image.

One night dream, I was sunk deeper and deeper into a dream. The setting is full of pink clouds, of peaceful music from the chorus of all kinds of birds. I just walked and walked, further and further to a paradise. Suddenly my feet hit stuff on the way. That stuff was called “Western brand”, then I looked up, seeing two doors, one with the word “function”, and the other “…”. To continue, I had to choose to enter one of them. Which I should choose? (Hanoi, female, 22, survey)
Vietnamese consumers’ interpretation of Western brands’ symbolic meanings share a certain common with other consumers in emerging economies with the growth of the new rich, adopting the model of conspicuous consumption. However, in the self-seeking way, there are typical factors in consideration, making them even more inspirational in consuming Western brands rather than in other countries.

In contemporary Vietnam, “core social practices and cultural values, ideas, aspirations and identities are defined and oriented in relation to consumption rather than to other social dimensions” (Slater 1997, p.24). People turn the concern toward the personal achievements and seeking goals of constructing modern identity through consumption, instead of pursuing socialist morality. Western brands bring the tool to achieve this modern image. Of course, people have to work hard to achieve the goal of having material. People actively embrace the materialistic lifestyle.

In reality, the click of the market economy even makes the motivation of getting education more urgent. They need to catch up with the world and embrace themes of modernity. People rush to integrate and develop all the chances they get to make them wealthy and get more education to improve their lives in competition market. The sentence “I have to study hard if I want to get…” and “if I have a chance, I would…” was repeated very frequently in the subject’s stories. It’s more related to achieve the individual’s material needs, satisfactions and values of materialism before the values of nationalism. The materialistic people would be closer with the personal goals.

The Westernized version of modernity would spread in the space in the emerging markets through the active urban group (young, professional, middle-class) who would debate the road to modernity and build up a modern nation. They might not refuse all the old
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traditional values and the influence of education, but they negotiate to blend the collective version of traditions and West to move forward in contemporary society.

References


The Luxury Trends in Emerging Countries
An Exploratory Study

Ibtissam Abarar*
Hasnaa Razgani*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The market for luxury goods and services has been enlarging, steadily and strongly since the early 1990s. The economic factors driving this trend include increasing disposable income, lower unemployment, reducing production costs and increasing female employment, as well as a growing wealthy class in emerging countries (Silverstein and Fiske, 2003, 2005; Fiske and Silverstein, 2004; Yeoman and MacMahon-Beattie, 2006).

Based on our research, we found that luxury items are no longer for the select few. Veblen (1899) wrote that the rich in any society communicate their advantage over the not rich by buying and, more importantly, displaying luxury goods that are, in effect, medals of status. In microeconomics, the desire of consumers to extend their own personality through their positions or “conspicuous consumption” is further elaborated at the individual consumer level as either conformism – when consumer demand for the product increases just because other people are also purchasing it – or snobbism – when the consumer will buy less of a product when it is consumed by many others (these followers purchase luxury goods to be identified with a reference group serving as a role model (Dubois, 1992).

RESEARCH GAP AND RESEARCH PROBLEM

The rapidly growing appetite for luxury brands in the emerging economies has helped boost the growth of the luxury market in recent years. A better understanding of the

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Moroccan consumption of luxury brands may assist the luxury industry when targeting this emerging market.

**OBJECTIVE OF THE STUDY**

The study aims to examine Moroccan consumers’ willingness to pay for luxury brands related to their lifestyle.

**RESEARCH METHODOLOGY**

The empirical part of this study aims to identify what kind of meaning contained by the luxury goods. To carry out this research, we opted for a qualitative research design. A total of twenty in-depth interviews were collected. The participants were selected based on experience with luxury brands.

They are from the economic capital Casablanca, where the exclusive stores selling international luxury brands are found. 70% of participants were female, 30% male; about half of the respondents were younger than 30 years, the other half older. The younger participants were college students or recently graduated professionals. Most of the older participants were married and had children; they were business people or employees. All the participants had considerable disposable incomes and were interested in luxury brand.

In the interviews, we began with several demographic questions, and then explored respondents’ general views towards luxury product.

We asked for the beliefs, feelings, expectations and reasons present during the processes of consuming the products, and let the participants describe their recent consumption experience of luxury brand product.

The product attributes and shopping context described by the respondents can reflect the meanings about the product. Each interview lasted between 30 and 60 minutes. The interviews were conducted in French and recorded, transcribed, then translated into English.

**DATA ANALYSIS AND RESULTS**

We conducted the data analysis and synthesis during our data collection to take advantage of emerging ideas and then collate our insights in accordance with the entire data corpus. We used both a priori and emergent categories to code the transcripts, which generated in-depth interpretations of the participants' experiences.

Our goal at this stage was to capture the essence of the data through thematic reflection and to determine significant themes relevant to the topic under investigation. Our data interpretation followed a case-by-case process, such that we could identify major themes by analysing the critical experiences of the participants.

In the following, we present the results along some dimensions that emerged from the key topics discussed in the interviews:

1. **Conformity:** Social conformity was defined as “the change in their product evaluations, attitude, purchase intentions, or purchase behaviour as a result of exposure to the
evaluations, intentions, or purchase behaviours of referent others” (Lascu & Zinkhan, 1999). According to Lascu and Zinkhan, conformity plays an important role in shaping individuals’ decisions toward product choices based on the influence of referent others.

In the field of consumption, Moroccan consumers are very sensitive to attention and the reaction of others. Our respondents normally prefer a product that is widely used by their social group than a product they ever sees. Moroccan consumers are more interested in the social necessity of luxury than a necessity itself. This means that consumers are not simply searching for branded products, but also for further “products” within the luxury brand model. More precisely, our respondents make a brand choice since they want to be similar to their peers or social groups.

2. **Conspicuousness:** Status-consumption consumers, regardless of their current class ranking, may desire products, which are indicators of a higher social status (Goldsmith et al., 1996). For the respondents in this study, the luxury brand itself was the main reason for purchase and the meaning associated with the original brand that can be transferred to the users. Individuals seek status to obtain a position or rank given by others in the society. Moroccan consumers even behave irrationally in luxury purchase because luxury brands are something “must to have” for them to reinforce their social status. Thus, this study considers that the consumers of luxury brand are indeed seeking a higher social status.

3. **Fashion Consciousness:** Researchers have referred to fashion-conscious consumers as those individuals who are characterized by a deeper interest in fashion brands and products as well as in their physical appearance (Gutman & Mills, 1982; Summers, 1970). As the appearance and visibility are particularly sold for fashion items, and the majority respondents felt that the visual brand cue is important rather than any intrinsic feature of the item itself. The fashion component is important than the functional importance for those consumers of luxury brands.

4. **Brand Experience:** The literature conceptualized brand experience as sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli (Brankus, 2009). This means brand experience include the psychological and internal consumer reactions. For our respondents, the luxury brand provides the subjective emotional benefit such as sensory gratification and inner pleasure.

**IMPLICATIONS OF THE STUDY**

The findings suggest that practitioners should take into consideration both types of consumer motivation in the design of their marketing campaigns, in order to increase audience reach and improve brand loyalty in the long run. It is also recommended that market researchers adapt current segmentation and brand measurement tools in their analysis.

With the continued economic growth of Morocco, and the resulting increased purchasing power of middle to high-income earners, demand for luxury products has experienced remarkable growth in recent years. Morocco’s luxury retail market is concentrated in largest cities. The opening of malls exemplifies the growing appetite among Moroccans for luxury brands and products. The malls feature a luxury zone with several international luxury mono-brand shops, such as Fendi, Dior, Gucci and Balenciaga.
Luxury goods are not only purchased by the very rich. A recent trend within this sector has seen young professionals, usually occupying senior roles in multinationals, who purchase luxury products as a status symbol.

Luxury is not only for the rich and sophisticated, nor is it exclusive any longer. A market exists for consumers who purchase goods because of their experience and emotional connections with those goods. The producer is no longer in control of perceptions of luxury. Consumers have gained a position from which they can dictate what luxury is and demand it. In particular, female consumers drive modern definitions and meanings of luxury items because their earning and purchasing power enables them to influence the purchases of most consumption items.

A new luxury paradigm is emerging, defined as a category of luxury goods and services with a wide target audience. An application of these proposed concepts to relevant research domains provides further insights.

References


Can You Do Something about the Price?
Exploring the Indian Deal, Store-Brand and Haggling-Prone Consumer

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Kanupriya Katyal*
Vipin Gupta**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Organized retail stores use different mechanisms to attract customers. These retailers offer discounts (price, freebies, coupons, etc.) and store brands to attract customers of a certain type. Stores introduce store brands to attract the lower income demographic (Dhar and Hoch, 1997). Deals are also introduced from time to time to attract a larger set of consumers. Past studies (Lichtenstein et al., 1995; Ailawadi et al., 2001) show psychographic differences between a deal-prone consumer and a store-brand prone customer. Deal-prone consumers have been demonstrated to value transaction utility rather than, or in addition to, the acquisition utility associated with buying on deal (i.e., buying on deal has psychological benefits irrespective of the financial consequences (Lichtenstein et al., 1990).

In countries like India, the traditional neighbourhood stores use a third mechanism to attract the value conscious consumer – Bargaining (or Haggling).

Bargaining as a phenomenon is known to man since time immemorial. Customers haggle for a variety of reasons – ranging from economic to psychological (Jones et al., 1997; Sharma et al., 2000). Many believe that bargaining is restricted to only certain parts of the world like Indian subcontinent, Southeast Asian and Middle Eastern countries. The fixed-price

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format used by most manufacturers and modern retail stores has led to a near extinction of haggling in the western economies (Terwiesch et al., 2005). While others point out that haggling is pretty much alive and flourishing even in the west (Sharma et al., 2000). Haggling is very common in certain product categories like automobiles, insurance, travel agents, real estate, and several services like repairs. Consumers also haggle/bargain on non-price aspects of a deal such as addition of an extra and free delivery.

In India, for example, organized retail makes up for only about 4% of the total $450 billion retail space (Bhardwaj et al., 2005). This format follows a fixed-price mechanism where consumers do not bargain. The balance retail space frequently uses bargaining as a mechanism for settling the price. The packaged goods are legally mandated to print a Maximum Retail Price (MRP) on the product and retailers are supposed to sell products on this printed price, yet consumers often do not shy away from asking for a discount on the total bill.

This research tries to understand the different psychological benefits derived by an Indian bargaining prone, deal prone and store brand prone customers. While research in the past has looked at the role of benefits and demographics (Ailawadi et al., 2001; Lichtenstein et al., 1993; Urbany et al., 1991), personality orientation of customers has not been used to explain deal proneness or store brand proneness. Personality orientations have been found to impact the bargaining proneness of consumers (Mowen, 1999) and their buying behaviour (Butori, 2010). Our investigation looks at role of psychological benefits, personality orientation and demographics in explaining deal proneness, store brand proneness and bargaining proneness. We also compare the Indian results with the US studies.

**LITERATURE REVIEW**

Deal proneness is defined as an increased propensity to respond to a purchase offer because the sale form in which the price is presented positively affects purchase evaluations (Lichtenstein et al., 1993).

Store brand prone customers have a greater inclination to buy store brands over national brands. Such customers tend to demonstrate high price consciousness, low quality consciousness, low brand loyalty, and high store loyalty (Ailawadi et al., 2001; Burton et al., 1999; Glynn et al., 2008). They tend to perceive more economic benefits and hence will look for utilitarian benefits rather than hedonic thrill.

Mowen (1999 : 158) defines **bargaining proneness** as the “disposition to seek to negotiate the prices and barter with others.” He demonstrates that bargaining prone customers have a tendency to take risks for material gain. Bargaining proneness can therefore be seen as an increased propensity to respond to a purchase offer because the seller’s indulgence in a process of haggling positively affects purchase evaluations.

We investigate the role of psychographic benefits that consumers derive from availing of a deal, buying a store brand or bargaining. Specifically we explore the effect of utilitarian benefit [value consciousness], hedonic benefits [price mavenism] and personality orientations [distinctiveness, play] on the three constructs of interest.
Can You Do Something about the Price?

**Utilitarian benefits – Value consciousness:** Value is a concern for quality relative to the price (Lichtenstein *et al.*, 1993). Store-brand prone customers tend to demonstrate high price consciousness and low quality consciousness (Ailawadi, 2001). Consumers believe store brands to be of lower quality as compared to national brands (Dhar and Hoch, 1997). Garretson *et al.* (2002) show that both national brand promotions (deals) and store brand prone customers are both positively related with value consciousness, but in different ways. Consumers view deals as receiving a lower price for a higher quality product, but view lower priced store brands as signalling lower quality. We expect that value conscious consumers are likely to be store brand prone, deal prone and also haggling prone. When haggling for a product, consumers ask for (and often get) a lower price for the product, thereby maximizing their value.

**Hedonic benefits – Price mavenism:** Feick and Price (1987) describe price mavens as people who enjoy talking about price and like to be seen as experts on the issue of price. Deal prone customers tend to demonstrate higher shopping enjoyment and mavenism and less pressure to conform to the expectations of others (Ailawadi *et al.*, 2001, Collins *et al.*, 2012). Store brand prone customers, on the other hand are not price mavens. Customers who haggle have a high need for affiliation and achievement (Mowen, 1999; Jones, 1997) and would hence enjoy talking about getting a better price.

**Personality orientation – need for special treatment – distinctiveness, play:** Butori (2010) investigated the consumer’s need for special treatment for reasons other than saving money. Consumers have a high desire for distinction, i.e. symbolic privileges associated with differences created between consumers through special treatment. Special treatment is also afforded through the desire for play, i.e. fun privileges associated with the process. A bargaining prone customer is likely to feel that he/she has been treated differently when the retailer offers a discount not available to others. A bargaining prone customer may also enjoy the process of negotiating the price. We expect bargaining prone customers to have a high need for special treatment (both distinctiveness and play). We do not expect any such effect on store brand proneness. However, in case of deal proneness, there may be a positive relationship with play orientation since these consumers enjoy looking for deals (Urbany *et al.*, 1991).

We also explore the role of demographics like age, gender and income.

Deals and store brands are likely to be favoured by consumers of lower income groups more than those in the higher income brackets. Similarly, haggling is also likely to be used more frequently by consumers of lower income groups.

**TABLE 1: SUMMARY OF HYPOTHESES**

<table>
<thead>
<tr>
<th>Psychographic Characteristic</th>
<th>Deal Proneness</th>
<th>Store Brand Proneness</th>
<th>Haggling Proneness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic/Utilitarian Benefits</td>
<td>Value-consciousness</td>
<td>Positive</td>
<td>Positive</td>
</tr>
<tr>
<td>Hedonic Benefits: Self expression</td>
<td>Price mavenism</td>
<td>Positive, High</td>
<td>Positive, Low</td>
</tr>
<tr>
<td>Personality orientations</td>
<td>Play orientation</td>
<td>Positive, High</td>
<td>-</td>
</tr>
<tr>
<td>Distinction orientation</td>
<td>-</td>
<td>-</td>
<td>Positive</td>
</tr>
</tbody>
</table>
RESEARCH METHODS

Data collection adopted a two pronged strategy – one, grocery shoppers visiting a local shopping mall were intercepted and were asked to participate in the survey. Second, an online version of the questionnaire was administered. A total of 218 completed questionnaires were received.

Valid scales for all the constructs, borrowed from prior literature were used in the construction of the questionnaire.

The questionnaire was pretested with 12 respondents to ensure that they understood the statements clearly. Cronbach alpha for all our measures in the main study was > 0.70. Structural equation modelling was done to test the hypotheses. We do a k-mean cluster analysis to create different segments based on the factor scores of store brand prone, deal prone and haggling prone customer.

RESULTS AND DISCUSSION

The first model studied the impact of psychographics and personality orientation on deal proneness, store brand proneness and bargaining proneness. The fit indices for the SEM model 1 were acceptable (CFI = 0.93, RMSEA = 0.059). CFI for the second model was 0.92 (RMSEA = 0.059). The model performed marginally better without the demographics.

<table>
<thead>
<tr>
<th></th>
<th>Deal Proneness</th>
<th>Store Brand Proneness</th>
<th>Bargaining Proneness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Model 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Consciousness</td>
<td>0.297*</td>
<td>-0.122</td>
<td>0.651**</td>
</tr>
<tr>
<td>Price Mavenism</td>
<td>0.186*</td>
<td>0.477**</td>
<td>0.332**</td>
</tr>
<tr>
<td>Distinctiveness Orientation</td>
<td>-0.036</td>
<td>0.525**</td>
<td>-0.203</td>
</tr>
<tr>
<td>Play Orientation</td>
<td>0.078</td>
<td>-0.224*</td>
<td>0.347**</td>
</tr>
<tr>
<td><strong>Model 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Consciousness</td>
<td>0.307*</td>
<td>0.021</td>
<td>0.62**</td>
</tr>
<tr>
<td>Price Mavenism</td>
<td>0.145</td>
<td>0.403**</td>
<td>0.337**</td>
</tr>
<tr>
<td>Distinctiveness Orientation</td>
<td>-0.062</td>
<td>0.54**</td>
<td>-0.22</td>
</tr>
<tr>
<td>Play Orientation</td>
<td>0.107</td>
<td>-0.229**</td>
<td>0.367**</td>
</tr>
<tr>
<td>Zage</td>
<td>-0.059</td>
<td>-0.207**</td>
<td>0.017</td>
</tr>
<tr>
<td>Zgender</td>
<td>0.15**</td>
<td>0.132</td>
<td>0.151</td>
</tr>
<tr>
<td>Zincome</td>
<td>-0.066</td>
<td>0.13**</td>
<td>0.002</td>
</tr>
</tbody>
</table>

* p<0.1; ** p<0.05

The Indian deal prone consumer is value conscious and price maven. This behaviour is similar to the results obtained by research done on the US consumers (Ailawadi, 2001). Both quality and price are important for deal prone customers. They also like to be seen as individuals who are experts on price and like to talk about it. Value consciousness, however, seems to drive the deal prone customer more than mavenism.
We observe a distinct departure from the US literature on store brand prone customers. The Indian store brand customer is not characterized by value consciousness. They also see themselves as price mavens. This difference is perhaps because in India the organized store and their store brands phenomena is not very old (post liberalization, mid 1990’s onwards). Indian organized retailers stress heavily on the store brand strategy. Instead of positioning the store brands as a cheap alternative, stores introduce them in categories where the national brands are not at all present (Deloitte, 2013), e.g. pulses, sugar, traditional women apparel, etc. Traditionally, grocery products in India have been purchased from the neighbourhood store (unorganized sector). The Indian consumers are willing to pay slightly higher for the assurance of a good quality product from the organized store (Neilson, 2012). These organized stores and malls make shopping a pleasurable activity for the Indian customer (Neilson, 2012). The comfortable and upmarket ambiance gives them a feeling of being ‘exclusive’ or special. Customers of these store brands do not buy from the conventional stores. This would mean that they do not have to negotiate a price. This explains the positive relationship between need for special treatment - distinctiveness and the negative relationship with need for special treatment – play.

Bargaining prone customers have a positive relationship with play orientation. These consumers enjoy the process of negotiating and feel the differential treatment by way of a different price to pay. Indian bargaining prone consumers are value conscious. This is similar to research on US bargaining prone consumers (Mowen, 1999). Interestingly, bargaining prone consumers are also price mavens. They consider themselves well informed on price perhaps they feel price knowledge to be a prerequisite for effective bargaining.

When demographics are added to model, we find that women have higher likelihood of being deal prone. Store brand inclination is not impacted by gender but by income (positive) and age (negative). Store brand prone consumers are likely to be younger and have higher incomes. Interestingly, none of the demographics seem to explain bargaining proneness.

Cluster analysis results indicate the presence of two segments – the first segment (58.26%) was store-brand, deal-prone and bargaining prone and second segment was none.

**IMPLICATIONS FOR THEORY AND PRACTICE**

The results show that bargaining prone, store brand prone and deal-prone customer are different from each other. While a deal prone customer in the west is similar to a deal-prone customer in India, a store brand prone customer in India is distinctly different. This has far reaching implications on both theory and practice. Several studies that assume a store brand customer as essentially value conscious may need to be revisited in the Indian context. Bargaining or haggling is an integral part of the Indian shopping ethos. This work is perhaps the first that attempts to bring out the difference between these three types of customers. This knowledge is of immense importance for both small and big retailers in trying to understand the different market segments.
References


Influence of Consumer Emotions on Attitude towards Advertised Price Promotions

The Mediating Role of Persuasive Messages

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Manukonda Siva Koti Reddy**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Over the recent decade, the changes in consumer markets, heightened competition between retail formats and mounting pressure on grocery retail margins due to faltering sales have resulted in retailers adopting a variety of price promotions to boost store traffic (Choi, Ge, and Messinger, 2010), enhance consumers’ perceptions of value and increase the likelihood of purchase (Grewal et al., 1998; Gupta, 1998), and retain loyal customers (Devlin et al., 2007). In order to persuade consumers to make favourable purchase decisions (Gupta, 1988) and meet the actions of competing retailers (Mason and Mayer, 1984), grocery retailers have widely used emotionally charged persuasive messages (e.g., save money, earn more profits on your daily purchases) in various types of advertised price promotions (e.g., 30% off, reference prices, and time limited offers or sale-one week only, 3 for 100 or buy-one-get-one-free) to entice consumers into purchasing specific products by appealing to their emotions and general sensibilities. Here, the mental arousal (excitement) that often evoked in consumers by persuasive messages suggests that there is an ego-expressive (smart shopper feeling) (Schindler, 1989), as well as the biggest utilitarian benefit to a price, such as substantial savings in money (Chandon, Wansink, and Laurent, 2000).

Research suggests that price promotion may increase the total utility of a purchase by increasing the pleasure associated with the transaction (e.g., Thaler, 1983). Presumably,
the feeling of saving money, which arises from purchases, is positive emotion, such as pleasure and joy. In contrast, losing money, time and effort in promotional deals also involves negative emotions, such as dissatisfaction, upset, worry, angry, and regret. Indeed, it is for such reasons that considerable academic research involving consumer emotions have focused on emotional responses to advertising (e.g., Wood, 2012; Faseur and Geuens, 2012; Agrawal, Menon, and Aaker, 2007), and critical role of emotions in the formation of attitudes and judgements about advertisements (Kim and Morris, 2007; Faseur et al., 2006; Edell and Burke, 1987) and attitude change (Ray and Batra, 1983) in different contexts. Research on consumers’ affective response behaviour shows that positive thoughts formed on the basis of beliefs, likes, feelings and emotions induced by the concerning advertisement can affect attitudes towards a product or brand, and eventually influence the consumer’s willingness to purchase that product or brand (Batra and Ray, 1986). The assumption is that people do not respond directly to the stimulus; their behaviour is rather mediated by persuasive messages, and they respond accordingly. In this context, some scholars (e.g., Pennington, Aaker and Mogilner, 2007; Dholakia, 2004) suggest that persuasive messages often convey motivationally loaded information that may encourage consumers to view a product or service in either approach or avoidance terms. Nevertheless, emotions play an important role in the process of acceptance or resistance to persuasion (Pfau et al., 2001) by directly influencing people’s information processing (Percy 2001; Holbrook and Batra, 1987).

**RESEARCH GAP AND RESEARCH PROBLEM**

Despite several studies have focused on wide array of emotions that can be evoked by persuasive ads (e.g., Taute, McQuitty and Sautter, 2011; Poels and Dewitte, 2006; Escalas and Stern, 2003), studies within the advertising and consumer behaviour literature that have examined the effect of emotional perceptions and reactions to a price promotional ads are limited in number. Previous research shows an empirical support for the use of emotions in persuasion attempts which influence consumers’ affective responses to ad (e.g., Micu and Plummings, 2010; Bagozzi et al. 1999). However, consumer research has been largely silent about the mediating role played by persuasive message between specific emotions and attitude toward ads. To date, the field does not have comprehensive understanding about the reasons why affective responses to a particular persuasive price promotional ad vary widely across consumers.

However, there have been a few demonstrations, based on consumers’ cognitive theories of emotion, supporting the effects of persuasive messages influencing consumers’ perceptions, evaluations of and purchase intentions (e.g., Dolores, 2002; Alba and Ariely, 2000; Meyers-Levy and Malaviya, 1999) towards products featured in advertised price promotions. There is disagreement, however, that cognitive-based models fail to properly measure feelings associated with the sources of information (Morris et al., 2002, Bagozzi et al., 1999). The failing to understand the role of emotions by focusing on cognitive processes only hampers the understanding of consumers’ behaviours. Some researchers have also underlined the importance of consumer’s prior accurate emotion processing for sound and rational decision-making (Bachara and Damasio, 2005) as many purchase situations are so habitual that consumers conduct very little cognitive activity (Wathieu and Murre, 2007).
In summary, the literature to date leaves several compelling questions unresolved. First, do consumers perceive emotional content in persuasive messages (stimuli) featured in advertised price promotions? If yes, what are consumers’ emotional reactions? Second, do consumers’ emotional responses evoked by persuasive messages influence their approach/avoidance decisions (i.e. attitudes) toward price promotional ads? Third, do consumers’ emotional responses to persuasive price promotional ads differ in their effects on approach/avoidance decisions? Fourth, do consumers’ attitudes towards price promotional ads influence purchase intentions? Gaining insight into these research questions is important for grocery retailers’ to accurately predict consumers’ emotional perceptions of persuasive messages featured in price promotional ads in the present challenging retail environment. Furthermore, understanding of the specific effects of emotional responses on attitude toward price promotional ads and purchase decisions can aid retailers in assessing the persuasiveness of their promotional messages.

OBJECTIVES OF THE STUDY

The present research attempts to answer these questions. To address said questions, we constructed hypothesised conceptual model (shown in Figure 1) based on extant literature on persuasive advertising and consumer emotions.

![Figure 1: Hypothesized Conceptual Model](image)

RESEARCH METHODOLOGY

Overview and Sample Subjects

Several pre-tests were conducted to select the types of advertised price promotions and to develop the persuasive messages (stimuli). This research used a real existing advertised price promotions appeared in prominent and largest circulated regional news papers, which were known to the sample subjects in order to increase external validity. Shopper intercept survey using self-report measures (Srinivasan and Ratchford, 1991) of consumer emotions was conducted to collect primary data from a large sample (n=620) of adult grocery shoppers from supermarkets (n=30) and hypermarkets (n=20) in the twin cities of Secunderabad and Hyderabad. Following procedures recommended by Sudman (1980), data were collected during all times of the day/evening, on all days of the price promotions, and at all store (supermarket and hypermarket) entrances/exits.

Selection of Price Promotions and Persuasive Messages

After conducting two pre-tests to select grocery retailer’s price promotions, price reductions, reference prices, time limited offers and volume offers (multiple unit price promotions)
were selected as the advertised price promotions to be used in the study because of consumers’ familiarity with these price promotions and a wide distribution of emotional perception scores. In addition, these four categories account for virtually all of the price-based promotional activities initiated by grocery retailers (i.e. supermarkets and/or hypermarkets) and differ in terms of benefits received by the consumers. The emotional perception scores toward these price promotions were widely distributed among the pretest participants in terms of bad/good (M = 4.75, SD = 1.14), harmful/beneficial (M = 4.96, SD = 0.96), desirable/undesirable (M = 4.63, SD = 1.18), and awful/nice (M = 4.59, SD = 1.20) with Cronbach’s alpha of 0.835.

The four messages, such as ‘save money now’, ‘earn more profits on your daily purchases’, ‘most attractive offers’, and ‘realistic prices’ were selected to be used in the study. The four emotional messages were tested and compared in a pre-test (n=30) using four-item, five-point Likert type scale (affectionate, concerned, emotional, exciting, hopeful, kind, moved, sentimental, and warm-hearted: Cronbach’s alpha =0.791), drawn from Edell and Burke’s (1987) measure of warm feelings.

MEASURES

Measures related to consumer emotions and emotional responses to ad, attitude towards price promotional ad, and purchase intentions were developed based upon scales that are used in the previous studies. Except purchase intentions (PI), each of other measures was assessed using five-point semantic differential scales. Four items, each measured on a 5-point Likert scale, were used to capture purchase intentions of price promotions.

DATA ANALYSIS AND RESULTS

The Chi-square findings ($\chi^2 = 212.240$, df: 3, p <.0001) indicated significant association between participants’ beliefs and persuasive messages. It implies that consumers have favourable attitudes towards persuasive messages of advertised price promotions.

The correlations between participant’s emotional reactions (i.e. positive and negative) and persuasive messages indicated a fairly high degree of agreement/disagreement ($r_s$ ranging from – 38 to .65, all $p_{s} < .001$). It implies that persuasive messages evoke both positive and negative emotions in the mind of consumers. The majority (71%) of participants had elicited positive emotions towards persuasive messages featured in advertised price promotions. The correlations between participant’s emotional reactions and attitudes (approach and avoid decisions) toward price promotional ad revealed significant degree of agreement/disagreement ($r_s$ ranging from –21 to .57, all $p_{s} < .001$). We regressed purchase intentions relative to price promotions with positive and negative attitudes, with a separate model for each strength dimension. Interestingly, both variables positive [F (1, 618) = 336.466, p < .0001, $\beta = .497$, p < 0.001, Adj. $R^2 = .351$] and negative [(F (1, 618) = 4.005, p < .05, $\beta = .065$, p < 0.05, Adj. $R^2 = .005$] were found to be the significant predictors of purchase intentions towards advertised price promotions.
**IMPLICATIONS OF THE STUDY**

The findings provide valuable insights to food and grocery retailers for reorienting their price promotional strategies to compete effectively, particularly with each other in a persistent inflationary environment. Findings related to consumers’ beliefs and perceptions of persuasive messages underline the level of consumers’ attitudes, involvement, and knowledge about retail price promotions. Knowledge obtained from consumers’ emotional reactions to consumers react to emotion-evoking offers and/or deals also enables retailers better understand what emotions consumers want to experience, and when so as to tailor price promotions to the needs of individual consumer segments. As results emphasise the predictability (albeit moderate) of consumers’ emotions on attitude toward price promotions, retailers should enhance emotional triggers and remove the elements associated with negative emotions so as to change the balance towards positive emotions and activate purchase behaviour. The current research adds knowledge to our understanding of emotion in persuasion by providing empirical insights into positive and negative emotional outcomes.

**References**


Consumers' Responses to Cause-related Marketing
Moderating Influence of Cause Involvement and Scepticism on Attitude and Purchase Intention

Jayesh D Patel*
Dharmesh D Gadhavi**
Yupal S Shukla**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Corporate social responsibility has been propagating a change from idealism to realism (Kotler and Lee, 2005). In doing this, societal marketing has been a key promising tool for corporations to get differentiated from competitors by creating an emotional connection with consumers (Meyer, 1999). In present scenario, many companies believe that the strategic alliances with Not-for-Profit Organizations (NPOs) and supporting social causes can shape the perceptions of consumers as ‘do well by doing well’ and eventually results into market share hike and thus revenues.

Specifically, Cause-related Marketing (CrM) was defined as “the process of formulating and implementing marketing activities that are characterized by an offer from the rm to contribute a specified amount to a designated cause when customers engage in revenue providing exchanges and satisfy organizational and individual objectives” (Varadarajan and Menon, 1988, pp. 60–61). Recent, CrM is practiced by many companies to build a positive corporate image in the minds of consumers (Chattananon et al., 2008) that enhance sales of a company’s products (Varadarajan and Menon, 1988) and profits as well (Adkins, 2004). Today, cause-related marketing is a common form of CSR emerging and gaining familiarity as a strategic

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Consumers’ Responses to Cause-related Marketing

In general, CrM results in favourable consumer attitude towards the company/brand and purchase intention. However, there remain several important facets related to maximizing the effectiveness of cause-related marketing that have not been explored. There are several variables that affect the effectiveness of CrM on attitudes (specific to attitude towards the ad- AtA, attitude towards the brand-AtB) and purchase intention regarding CrM campaigns including cause involvement and scepticism. Cause involvement increase the level of personal relevance and increased elaboration about the CrM offer that eventually affect the attitude and consumer behavioural intentions. Due to widespread use of CrM, scepticism is on the rise. In real time, consumers question the validity of CrM offer that creates a consumer doubt and therefore they reject claims, donate less (Dahl and Lavack, 1995) and also affect their purchasing behaviour (Rogers, 1998).

Although cause involvement and scepticism has not been specifically addressed in CrM research for increasing the effectiveness, a few studies have indirectly examined the concept, and some have mentioned its importance.

RESEARCH GAP AND RESEARCH PROBLEM

Over the past decade and a half, companies across the globe have increasingly adopted CrM due to their disagreement on effectiveness of traditional forms of MARCOM such as advertising, direct marketing, sales promotions etc. As coupled with intense competition and huge media spending, use of more targeted and accountable communication tools have been prevalent. Henceforth, cause related marketing is of growing interest among marketing practitioners and is at nascent stage in India. Therefore, there is a felt need to evaluate the effectiveness of cause related marketing specifically to rationalize its accountability.

This study attempts to contribute to a developing body of research in cause related marketing and the effectiveness of this emerging area in the corporate social responsibility. Further, there is a vacuum in the literature concerning how the cause related marketing benefits the company and common consensus is to extend to know the effect of cause related marketing on consumer attitude and purchase intention in general and the extent of the potent effect of cause involvement and consumer scepticism. In simple words, what happens if the consumers are involved with a cause? Does this hurt the consumer attitude and their purchase intention? Does the Indian consumer has trust in corporate communication and will it affect on its attitude and intention? This insights regarding how the attitude change can be stimulated and purchase intentions can be formed to strengthen the position of the company in marketplace will be very handy for the managers who practicing cause related marketing.

OBJECTIVES OF THE STUDY

This paper aims to examine the relationship between the company, cause and customer. It also examine how cause involvement and consumer scepticism are influencing the effect of cause related marketing (CrM) on consumer attitudes and purchase intentions.
The specific objectives that we intend to meet are as follows:

1. Investigating the effectiveness of CrM on consumer attitude and purchase intention.
2. The moderating effect of cause involvement on consumer attitude and purchase Intention.
3. The moderating effect of consumer scepticism on consumer attitude and purchase Intention.

**RESEARCH METHODOLOGY: DESIGN, PROCEDURE AND MEASURES**

This present study was to test the effectiveness of cause-related marketing on consumer attitude and their purchase intentions and also investigate the role of consumer scepticism and cause involvement as moderators in cause-related marketing context. Sample was come from UG and PG students of universities of Ahmedabad and Mehsana, Gujarat (considering high level of diversity of students). 424 participants were selected conveniently. Moreover, data collection was done during March-May 2013.

The true-experimental design used considering post-test only control group method due to its ability to control major extraneous variables than its rival designs. Two questionnaires were developed for each group. Both questionnaires were divided in two sections: first, demographics and second, study variables (consumer attitudes towards the ad, attitude towards brand and purchase intention). These measures were taken from previous studies. Seven-item, seven-point semantic differential scale of attitude towards the ad developed by Holbrook and Batra (1987) and further used by Ferle, Kuber and Edwards (2011) was adopted. In addition, five-item, seven-point semantic differential scale of attitude towards brand was adopted from Myers and Kwon (2013) study. 3-item, five-point Likert type purchase intention scales was adopted from Lii and Lee (2011) study.

Participants were shown a printed CRM offer ad in which a firm (Procter and Gamble) promises to donate minimum of ₹ 1 crore to Shiksha for supporting child right to education. This questionnaire was shown to 171 participants labelled as ‘experimental group- EG’. On the contrary, remaining 171 participants (so called ‘control group-CG’) were given a questionnaire without CRM offer ad. Participants were grouped in EG and CG randomly and matched on selected characteristics.

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**DATA ANALYSIS AND RESULTS**

The scale reliability of all study variables were acceptable as all scales achieve the Cronbach’s alpha was greater than 0.6. SPSS 20.0 was used for data analysis. The possible effect of CRM on AtA, AtB and purchase intention was tested individually (i.e. main effects only) using one-way analysis of variance (ANOVA). Three separate ANOVs were performed
Consumers' Responses to Cause-related Marketing

considering exposure to CRM offer as independent variable and AtA, AtB, PI as dependent variables. Results reveal that AtA, AtB and purchase intention was found to be statistically significant (p<0.05). Mean analysis reports that participants who were exposed to CRM offer reported higher AtA, AtB and purchase intention than who were not exposed to it. Moreover, to check the moderation effect of variable, analysis of covariance (ANCOVA) was performed. It was reported that for both moderating variables i.e. cause involvement and scepticism, effect of CrM on AtA, AtB and PI was found to be significant (p<0.05) and thus moderated.

IMPLICATIONS OF THE STUDY

The findings of this study help marketers to understand the effectiveness of cause related marketing on consumer attitude and purchase intention and justify the rupee invested in this form of marketing. Moreover, it also provides the insights about the moderation of consumer scepticism on study variables and enhances the understanding of communications to consumers. Finally, the analogy between cause involvements create an appeal to consumers and therefore stimulate the attitude and purchase intentions that will help companies into adopt better positioning strategies. Though a few big Indian companies practice CRM (Cause related marketing), the extent to which it is done is unsatisfactory.

There has been growing awareness among the academic institutions as well towards cause related marketing and corporate social responsibility as a subject to sensitize the future managers of this nation to the societal needs besides generating profits for their organizations with increased efficiency. India is a favourable country for the success of cause related marketing. Apart from this, study also adds theoretical evidence to the body of knowledge concerning cause related marketing.

References


Can Sales Promotions Build Brand Equity?  
Yes, At Times

Joshy Joseph*  
Bharadhwaj Sivakumaran**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION
Sales promotions are generally seen as detrimental to brand equity, even though they produce positive impact on sales and revenue (Winer 1986; Mela, Gupta and Lehmann 1997). Contrary to research evidence that sales promotions erode brand equity, the ratio of advertisements to sales promotion in the IMC budgets of companies, which was heavily skewed towards ads earlier, has now shifted towards promotions (Spethman, 1998; Joyce, 2006). This widespread usage of sales promotions by the industry, despite the conflicting research findings forms the background for this paper.

CONCEPTUAL FRAMEWORK
One-way of classification of promotions is into consumer franchise building (CFB) and consumer non-franchise building (Non CFB) promotions (Belch and Belch 2004). CFB promotions communicate distinctive brand attributes and contribute to the development and reinforcement of brand identity while non CFB promotions try to generate immediate sales or shorten the buying decision.

CFB promotions would thus contribute to the development of brand equity, while non CFB promotions could reduce it as the focus is to provide incentives for buying now, without considering brand development. However, this need not be true always, as different customer groups have different individual characteristics and purchase intentions and thus

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may not always be influenced by the above logic. In addition to customer-related factors like personality traits and purchase motivations, there are other factors too that makes the customers develop positive evaluations of the brand, leading to higher brand equity during non CFB promotions.

Individuals with high levels of deal proneness respond more to deals and they are seen more appreciative of promotions than low deal prone customers (d’Astous and Jacob 2002). Involvement is the subjective perception of the personal relevance of an object to an individual. Highly involved customers relate to a product as a part of their lifestyle and are likely to learn more about the product category and search more during their purchase processes. They pay more attention to the product’s ads and read and cognitively process the fine print (Lockshin and Spawton 2001). Advertising affects brand equity through brand associations and perceived quality. Perceived advertising spending contributes to brand equity (Villarejo-Ramos and Sanchez-Franco 2005). Advertising also increases product knowledge of customers. Therefore, we hypothesized that brand equity would be different in customer segments with high and low levels of deal proneness, knowledge and involvement and when the product is supported with high and low levels of advertising.

**RESEARCH METHODOLOGY**

Two experiments were conducted to test these hypotheses in which students at graduate level participated. Brand equity, deal proneness and involvement were measured using standard scales. Experiment 1 was based on a 2 × 2 factorial design where respondents were exposed to two types of promotions (CFB and non CFB) and two levels (high and low) of involvement. The second study also had a 2 × 2 design with two levels of promotions and two levels of advertising (high and low).

We presented the participants of the experiment with three fictitious brands of a medium involvement product – hair shampoo, among which one was on sales promotion. We used fictitious brands, as participants may have had prior knowledge, experiences and prejudices about real brands in the market, which could confound experimental results.

We then followed up the experiments by a customer survey with real products and customers, which helped to fortify the experimental results and also to capture the long-term effects of promotions on brand equity. We selected the same product (hair shampoos) for the customer survey and considered two popular brands in the market, of which one predominantly uses CFB promotions, the other that thrives by offering non-CFB promotions. Thus, by using a combination of experimental and field survey methods, we sought to maximize the strength of our findings.

**RESULTS AND DISCUSSION**

We found that at higher levels of deal proneness, involvement and ad support, non CFB promotions lead to higher brand equity.

In experiment 1, following Baron and Kenny (1986) we regressed brand equity on type of promotion, deal proneness, involvement and type of promotion * deal proneness and type of promotion * involvement. The regression was found significant ($F = 3.466, p = 0.001$;
adjusted $R^2 = 0.23$). We found that the main effect of deal proneness on brand equity was significant ($\beta = 0.376, t = 3.747, p = 0.000$). As hypothesized, we obtained support for the interaction effect of promotions and deal proneness ($\beta = 0.182, t = 1.773, p = 0.081$) and that of promotions and involvement ($\beta = 0.204, t = 2.055, p = 0.043$) on brand equity.

In experiment 2 also, we followed Baron and Kenny (1986) and performed a two-way ANOVA with brand equity as the dependent variable and type of promotion and level of advertising support as independent variables. As, we obtained support for the main effect of level of advertisements on brand equity ($F = 6.282$ and $p = 0.013$) and the interaction effect of the promotion and level of advertisements on brand equity ($F = 4.816, p = 0.030$).

We followed the same regression procedure (Baron and Kenny, 1986) for the data from our field survey and found it to be significant with adjusted $R^2$ value of 0.170 ($F = 6.893, p = 0.000$). Also, we found that the main effect of deal proneness on brand equity was significant ($\beta = 0.153, t = 2.778, p = 0.006$). The main effect of ad support on brand equity was also found significant ($\beta = 0.260, t = 3.857, p = 0.000$). As hypothesized, we obtained support for the interaction effect of promotions and involvement ($\beta = 0.109, t = 1.977, p = 0.049$) and that of promotions and ad support ($\beta = -0.377, t = -1.673, p = 0.095$) on brand equity. However, we did not get support for the interaction effect of promotions and deal proneness ($\beta = 0.021, t = 0.378, p = 0.705$). Thus, we found the survey results to be similar to the experimental results, to a large extent.

This study would be one of the pioneering efforts to investigate the positive impacts of sales promotions on brand equity. The reasons for increased promotional spending by companies, as mentioned earlier, could be due the presence of large numbers of high deal prone and high involvement customers and the high levels of ad spending by companies. In sum, we found that the characteristics of the market and the marketing actions taken by the company would decide whether CFB or non CFB promotions will contribute in building brand equity, and not just the promotion, as believed earlier.

**FUTURE RESEARCH**

This research has studied sales promotions by classifying it into CFB and non CFB promotions. Future works can find out the effect of each type of promotion on brand equity, including at different levels of discounts offered.

Study on the differential impact of promotions on dominant and non-dominant brands and customers with differing loyalty levels can also be taken up. Similarly, the impact of brand familiarity on the relationship between sales promotions and brand equity would also be interesting. Culture could significantly influence the results and hence the study may be replicated in different cultural settings to find the respective effects.

**References**


What is a Fair Fare?
Development and Validation of a Price (UN) Fairness Scale

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Sanjay Patro**
Debasis Pradhan**
B Mangaraj**
Vinay Kanetkar†

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

It started in the office coffee lounge, Sheila had just come back happy and refreshed from a vacation in the mountains. She had booked in advance and paid ₹ 17,000 per night at the luxury resort. She could not stop telling her colleagues about the deal and the fun. One of her colleagues had gone to the same resort a few months ago and paid ₹ 7,000 per night, another told her that they had gone a year before nearly same dates and paid ₹ 15,000 per night. It's already got her thinking, well on-season – off-season rates are different. Someone explains a changed tax structure between the two years. Now that's understandable. But, yet, why that grin, oh that wicked smile, I didn't pay the right price. That's not fair!

Any transaction between a consumer and a seller entails that a product is sold and a price is paid. For a successful relationship, the price paid must be perceived to be fair by the consumer. Marketing literature (Bolton et al., 2003; Xia et al., 2004) has defined price fairness. It suggests that a price is fair when it is reasonable, acceptable and justifiable.

Just like in the example above, Sheila compared the price she paid with her enjoyment and with other colleagues, this input/output comparative is distributive justice. She looks at

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the prevailing industry norms for on-season vs. off-season (procedural justice). She also looks for relevant explanations provided for her price (informational justice). She also looks at her colleagues’ behaviour (interpersonal justice) in determining the fairness of the price she paid. These facets have been studied in marketing literature also albeit separately (Maxwell, 1999; Maxwell and Comer, 2010; Xia et al., 2004; Bechwati et al., 2009; Bolton et al., 2003; Haws and Bearden, 2006; Ailawadi et al., 2011; Campbell, 2007; Ashworth and McShane, 2012). However, they have not been completely integrated with the prevalent conceptualization of price fairness by Bolton et al., 2003; Xia et al., 2004 and Bechwati et al., 2009. This research proposes to

a. Define the construct price fairness based on the conceptualizations of both the literature and consumers

b. Develop a measurement and structural model to test it.

The various factors that create and influence price fairness are degree of price discrepancies, why the discrepancy came about, was it due to cost changes that are legitimate (in seller’s control vs. not) or was it due to changes in sellers’ profits (positive vs. negative motive) (Bolton et al., 2003; Xia et al., 2004; Bechwati et al., 2009). It is said to depend on whether prices have been set or reset based on accepted social norms of the industry (also what competition charges) (Grewal et al., 2004; Maxwell and Comer, 2010) and whether the consumers’ are familiar with general pricing practices (Monroe and Xia, 2006). Price fairness perceptions are influenced by communication that is who informed the consumer of the change, another consumer or seller. If a consumer communicated the same, did he/she boast (Ashworth and MacShane, 2012) and if it was the seller then was it human (salesperson) or nonhuman (price tag) interface (Campbell, 2007). Information given also creates a perception of price fairness, especially, in the form of explanation given for price increases (Maxwell, 1995; Vaidynathan and Aggarwal, 2003). General information about seller, its reputation, type of CSR activities undertaken (Ailawadi et al., 2011) and goodwill (Campbell, 1999) create fairness perceptions.

Bolton et al. (2003) in their research put forth the concept of aggregate fairness. Overall price fairness is important in pricing theory as it is a determinant of satisfaction and loyalty. Research on fairness in the organizational context also suggests the concept of overall fairness (Greenberg, 1990; Beugre and Baron, 2001). Carr (2007) operationalizes overall service fairness as systemic fairness. Both these research domains show overall fairness as a composite of various dimensions of justice (distributive, procedural, informational and interpersonal). While literature in the organizational domain has debated on the number of dimensions, Greenberg, 1990 suggests two dimensions (distributive and procedural); Beugre and Baron (2001) three (distributive, procedural and interactional) and Colquitt (2001) four factors (distributive, procedural, informational and interpersonal). Carr (2007) proves overall service fairness to be a four factor structure. Both Carr (2007) and Beugre and Baron (2001) find that overall fairness is a second order formative construct. In Bechwati et al., (2009) conceptualization, the three dimensions cause price fairness.

This research assumes that aggregate price fairness should be second order formative construct with four components.
This research defines price (un)fairness as *a perception either positive or negative held by the consumer based on the comparative judgment and associated emotions towards the price paid, the understanding and knowledge of the rules and social norms governing the price and interpersonal relationship held vis-à-vis another*.

Based on the proposed definition, this study tests both the measurement and the structural components (Anderson and Gerbing; 1988). Since the conceptualization treats both fairness and unfairness differently, two different models have been tested. The first two hypotheses are indicative of the measurement model and the last two of the structural model.

**PRICE (UN) FAIRNESS: TESTING THE FOUR COMPONENTS**

Research in organizational literature (Colquitt, 2001) has looked at fairness via the four dimensions of distributive, procedural, interpersonal and informational. A construct is formative when the direction of causality flows from the items to the construct. Jarvis *et al.* (2003) suggest that it is through the indicators that the construct is defined. The items generated for measuring each dimension based on existent literature and consumer pre-study were not interchangeable. This study believes individual dimensions are comprised of formative indicators.

*Hypothesis 1a*: Distributive, procedural, interpersonal and informational price fairness perceptions will have formative indicators

*Hypothesis 1b*: Distributive, procedural, interpersonal and informational price unfairness perceptions will have formative indicators

**Overall Price (UN) Fairness: Second–Order Formative Construct**

In line with the conceptualization of service fairness (Carr, 2007) and organizational fairness (Beugre and Baron, 2001), this study believes that the four dimensions of price fairness form overall price fairness. Therefore, this study will prove that overall price fairness is a second-order formative construct.

*Hypothesis 2a*: The overall price fairness perception of the consumer will be a second order formative construct; such that distributive, procedural, interpersonal or informational price fairness perceptions will form its components.

*Hypothesis 2b*: The overall price unfairness perception of the consumer will be a second order formative construct; such that distributive, procedural, interpersonal or informational price unfairness perceptions will form its components.

**Reference Price and Repurchase Intentions**

Majumdar *et al.*, (2005) feel that reference price is conceptualized as expectation-based, normative and aspirational. A normative reference price is one that is deemed “just” for the seller to charge (Majumdar *et al.*, 2005). A mismatch between these two creates the fairness/unfairness perceptions (distributive justice). Expectation-based reference price has an impact on purchase intentions (Majumdar *et al.*, 2005). Therefore, this study believes that expectation-based reference price is a different construct from price fairness and shall study this.
Hypothesis 3: Reference price will predict repurchase intentions

Price (UN) Fairness and Repurchase Intention

Grewal et al. (2004) prove that price fairness perceptions lead to purchase intentions. It is understood that consumers respond differentially to gains vs. losses (Kalyanaram and Winer, 1995). This study proposes to show that price fairness and price unfairness also evoke different levels of repurchase intentions. It shall be shown that while price fairness evokes a positive impact on repurchase intentions, price unfairness has a negative impact. It shall also show that unfairness induces stronger reactions than fairness.

Hypothesis 4a: Overall price fairness has a positive albeit weak impact on repurchase intention

Hypothesis 4b: Overall price unfairness has a negative albeit strong impact on repurchases intention

RESEARCH METHODOLOGY

Experimental setting has been most frequently used to test the theory (antecedents and consequences) of price fairness (Campbell 1999; Bolton et al., 2003; 2010; Xia et al., 2004; 2008; Maxwell, 2010). Most of these studies have used single item scales, which appropriate for them, does not capture the construct adequately.

To generate the items both inductive and deductive approach was used. Apart from drawing items from the theory, sixty students of a post-graduate class were asked to narrate an incident where they had encountered price unfairness. As a result a questionnaire of 27 items was generated. These items were then subjected to expert opinion and the questionnaire was tested again with 48 respondents. The final questionnaire contained questions for reference price and repurchase intentions. Some corrections were made to the language based on the responses collected.

Final data was collected from 97 respondents. The models were tested using PLS path modelling.

RESULTS

The inter-item correlations for all four components were found to be low.

A. Fairness Model

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<tr>
<td>dist -&gt; overall</td>
<td>0.393</td>
<td>0.0935</td>
<td>4.2039</td>
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<tr>
<td>infor -&gt; overall</td>
<td>0.0649</td>
<td>0.0591</td>
<td>1.0972</td>
</tr>
<tr>
<td>interp -&gt; overall</td>
<td>-0.0239</td>
<td>0.0687</td>
<td>0.3476</td>
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<tr>
<td>proc -&gt; overall</td>
<td>0.5024</td>
<td>0.1104</td>
<td>4.55</td>
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$Q^2 = 0.393; R^2 = 0.713$
What is a Fair Fare?

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<td>Ref_Pr -&gt; Rep_Int</td>
<td>0.3027</td>
<td>0.0796</td>
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<tr>
<td>overall -&gt; Rep_Int</td>
<td>0.3858</td>
<td>0.1538</td>
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Q2 = 0.284; R2 = 0.399

This shows that only distributive and procedural fairness has a significant impact on Overall Fairness. This is a deviation from the originally hypothesized 4 component model for overall fairness. As theorized Repurchase intention is significantly impacted by both reference price and overall fairness.

B. Unfairness Model

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<th>t-Statistics</th>
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<td>infor -&gt; overall</td>
<td>0.1982</td>
<td>0.07</td>
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<tr>
<td>interp -&gt; overall</td>
<td>0.1846</td>
<td>0.0839</td>
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<tr>
<td>proc -&gt; overall</td>
<td>0.2841</td>
<td>0.0793</td>
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Q2 = 0.193; R2 = 0.412

This shows that the four components of fairness have a significant impact on Overall Unfairness. As theorized repurchase intention is significantly impacted by both reference price and overall fairness. As expected, overall unfairness decreases repurchase intention. However, this study does not prove that unfairness has a greater impact on decreasing repurchase intention. Fairness is better predictors of repurchase intentions. A price is fair only when it is fair on all dimensions whereas, perception of unfairness comes even when one of the dimensions is seen as unfair.

**IMPLICATIONS OF THE STUDY**

Fairness is important to consumers. It is shown to have a positive impact on purchase intentions. This work defines and measures price fairness. This work shows that price fairness is a second-order formative construct with formative indicators. It brings out differences between price fairness and unfairness. This research creates a better understanding and a measure for price fairness. This is important for both theoretical and empirical development of this construct.

**References**


An Investigation into Consumer Search and Evaluation Behaviour

Effect of Brand Name and Price Perceptions

Kavita Sharma*
Shivani Garg**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

In a highly competitive business scenario, marketers are increasingly using market cues as perceptual indicators to influence consumer product evaluations. Consumers infer value from the cue presented, supported and promoted by the marketers. Present complex marketing environment has rendered consumers unable or unwilling to conduct an exhaustive search and consumers have shifted from focusing on product characteristics to cues such as brand name, price and store name (Dodds and Monroe, 1985; Richardson, Dick and Jain, 1994; Zeithaml, 1988).

RESEARCH GAPS AND RESEARCH PROBLEM

Though, marketing managers are highly interested in gauging consumers’ value perceptions, still until recently researchers rarely have explored and measured the antecedent variables influencing value perceptions for Indian consumers. Despite number of studies exploring price, brand and value relationship, it is still unclear if the Indian consumer impute value from the price she perceives or from the brand name she perceives relevant.

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** Research Scholar, Department of Commerce, Delhi School of Economics, University of Delhi, Delhi.
OBJECTIVES OF THE STUDY

The purpose of the study is three fold. First, is to explore and measure the factors affecting consumers’ search and product evaluations through value perceptions. Secondly, to delineate the intricate linkages between brand name and price as a cue and consumer value perceptions through perceptions of quality, sacrifice and risk (posited to be the variables influencing value perceptions). In the process of examining the linkages an attempt is made to alleviate confusion regarding the nature of posited variables to act as enhancers/detractors of consumer value perceptions. Empirical tests are undertaken to add new knowledge to the effects of price and brand name on consumer product evaluations. Thirdly, results propose implications for managers to develop and redefine marketing, positioning and communication strategy.

Figure 1 illustrates hypothesized relationship and interactions between different variables.

RESEARCH METHODOLOGY

The study first develops a framework by describing cues and dichotomizing into intrinsic and extrinsic cues (such as brand name and price) (Olson and Jacoby, 1972). Then the different constructs as considered in the study are explained. Further, hypotheses are derived from previous exploratory studies (Dodds and Grewal, 1991; Dodds and Monroe, 1985; Teas and Agarwal, 2000) positing the effects of market cues on consumers’ product evaluations and a re-examination of linkages between different constructs and perceived value is undertaken. Data was collected through the administration of structured questionnaire based survey. Sample comprised of 116 respondents, and majority of them were city residents in the age group of 20-25 years. Based on previous studies, different scales measuring the constructs under study were replicated. Responses were sought for participants’ level of
familiarity and knowledge with the stated product categories – mobile phones and athletic shoes. The choice of products was guided by the principle that participants must be prospective buyers and the products of use to both male and female population, so as to avoid biasness in evaluations. Participants provided a brand name for each product category to which they were comfortable in forming opinions about quality, sacrifice, risk (performance risk, financial risk) and value. The idea of seeking a brand name from the participants was to ensure that the name is working as a cue in consumers mind. It is assumed that the name is specified when participants have paid attention to it, considered it in decision situations and/or purchased sometime. Unlike previous studies brand names are not pre-specified. Rather, than testing few “concrete” brand names, consumers’ built-up perceptions around the name rendering it an identity and hence locating it in the space of a “brand” are tested. This enhances the scope of evaluations and generalizations of results.

DATA ANALYSIS AND RESULTS

Cronbach alpha was used to test the internal consistency of the scales under each major construct. The scales for perceived quality, perceived sacrifice, perceived performance risk and financial risk have the cronbach alpha values more than the norm of 0.6, and therefore, indicate satisfactory representation of these constructs. Analysis of Variance (ANOVA) technique was used to examine differences in mean values of the search variables understudy with different levels of familiarity and knowledge. Results indicate that significant differences are observed in searching time expended by consumers possessing varied levels of familiarity and knowledge (p<0.05). Consumers with low levels of familiarity and knowledge are bound to decide on the basis of stimuli (cues) available in the immediate environment. However, no such conclusions can be drawn for search source and search characteristics looked into by the consumers.

Correlation coefficients were computed to determine both the nature and extent of relationship between variables and support for major hypotheses was established.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Variable</th>
<th>Correlation coefficient</th>
<th>p-value (one tailed)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality</td>
<td>Perceived Value</td>
<td>0.162</td>
<td>.047b</td>
<td>Perceived Quality is positively related to Perceived Value. (Supported)**</td>
</tr>
<tr>
<td>Perceived sacrifice*</td>
<td>Perceived Value</td>
<td>-0.245</td>
<td>.019b</td>
<td>Perceived Sacrifice is negatively related to Perceived Value. (Supported)**</td>
</tr>
<tr>
<td>Perceived performance risk</td>
<td>Perceived Value</td>
<td>-0.207</td>
<td>.031b</td>
<td>Perceived Performance risk is negatively related to Perceived Value. (Supported)**</td>
</tr>
</tbody>
</table>

Contd...
Linear regression analysis was performed to explore the role and nature of different variables in influencing the relationship between different predictor variables and perceived value as criterion variable. The nature of a specified variable is determined using the technique of moderator regression analysis specified by Sharma, Durand and Gur-Arie (1981). Results indicate that:

- The linkage between consumers’ price perceptions and value perceptions is negative. Though, perceived financial risk does not interact with price perceptions, but it is significantly related to it (corr. coeff. 0.265, p<.01) and in fact intervenes in the relationship between them ($R^2=0.258$, $p<.01$; $B_{price} = -.261(p<.001)$, $B_{financial\ risk} = -.112$ ($p<.10$). The hypothesis: Perceived Price and Perceived Value relationship is mediated by the effect of Perceived Financial Risk is supported.

- Perceptions for sacrifice act as a quasi-moderating variable in the linkage between perceived price and perceived value ($R^2=0.356$, $p=.000$; $B_{price} = -.292 (p<.001)$, $B_{sacrifice} = .151 (p<.05)$, $B_{price \times sacrifice} = .096 (p<.05)$. Hypothesis – Perceived Price and Perceived Value relationship is influenced by the effect of perceptions for Sacrifice- is supported.

- Perceptions about quality as a specification variable do not interact with price perceptions. Since, correlation of quality with both price perception and value is low and insignificant at $p <.05$, the effect of quality perceptions on value needs further investigation. Hypothesis – Perceived Price and Perceived Value relationship is influenced by the effect of Perceived quality – is not supported.

- Perceptions for performance risk negatively affects value perceptions and the presence of brand name as a cue (tested as a specification variable by substituting it with perceived quality) though improves $R^2$ from .0473 ($p<.10$) to .055 but the model is insignificant with $p >.10$ with $B_{quality} = .017 (p > .10)$. So the hypothesis, Performance risk perceived and Perceived Value relationship is influenced by the effect of Perceived quality is not supported.
Perceived value is affected negatively by perceived financial risk and positively by perceived quality individually. Though, the introduction of perceived quality is significantly enhancing the relationship between perceived financial risk and perceived value, the nature of relationship need further investigation ($R^2 = 0.105$, $p<.05$; $B_{financial risk} = -0.202$ ($p<0.05$), $B_{quality} = .146$ ($p>.178$). Hence, the hypothesis: Perceived financial risk and Perceived Value relationship is influenced by the effect of Perceived quality is only partially supported.

**IMPLICATIONS OF THE STUDY**

The study contributes by indicating that presence of cues stimulates consumers with lower level of familiarity and knowledge and reduces their search time by facilitating quicker cognitive processing. Perceptions for price work dominantly for Indian consumers. Although, brand perceptions independently affect perceived value but when both extrinsic cues are communicated together then brand name works as a lesser significant cue in alleviating consumers risk apprehensions. Price perceptions are reported to be higher order perceptions having greater predictive power for Indian consumers’ product evaluations. Favourable perceptions for price reduce perceived sacrifice and contribute in value enhancement. Although, brand name is lesser significant still it enhances evaluations by consumers. Marketing managers may position a product in the marketplace considering the interplay of brand name and price for a product. On the basis of how consumers perceive different variables marketing strategy is to be formulated. Price being a dominant cue may be specifically communicated to consumers to assist them in valuation process. A superior brand name when substantiated with price information shall be deciphered highly by the consumers. For marketing managers, modification of price is comparatively simpler than the re-instatement of brand name, so managers can quickly adjust positioning of a product through price modifications. The study intends to enable managers for managing communication of brand name and price as stimuli ultimately resulting in a positive product image by favourably influencing perceptions for quality, sacrifice and performance, financial risk.

**References**


Decision Factors affecting Consumers Purchasing Behaviour for Publicly used Products

Mahabir Narwal*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Manufacturers have been applying interpersonal influence in their advertising and marketing practice to influence consumers. Some companies are competing by promoting its high tech features while others competing through so-called ‘star power’ with celebrity endorsement to their products. Not unusual, there are also companies competing with unique aesthetical features like attractive appearance, dialling speed, colour, shape and the possibility of customization. But today marketers are facing the challenge of understanding consumers purchasing behaviour. It is more complicated when consumers decide to purchase publicly used products like mobile phone because final purchase decision of such products is highly influenced by many factors including reference group, product attributes, etc. The purchase decision of cell phone is strongly influenced by the consumer reference groups (Bourne, 1957 and Bearden & Etzel, 1982). Historically, a cell phone has been priced with the market dominated by business users (Kendall, 1997). Earlier it was considered a status symbol for the rich during the early 1990s all over the world. Currently, one can easily find many advanced new emerging generations of cell phones, smaller, lighter, better designed, multi-functional, and with a much affordable price (Jiaqin et al., 2007). Therefore to influence consumers to purchase such products is not an easy task and there is a need to synchronize the factors influencing consumers purchasing behaviour.

RESEARCH GAP AND RESEARCH PROBLEM

The decision making process that consumers go through when choosing publicly used products like cell phone is influenced by many factors. As the awareness level of such

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products among consumers is too high, therefore to influence them is not an easy job for marketers. Today consumers are using not only traditional commerce but also e-commerce to purchase publicly used products and saving their time and money. Thus, thorough study of all the factors affecting consumers purchasing behaviour is required. Previous researches indicate that consumer purchasing decision is strongly influenced by the social reference group (Bourne, 1957; Moschis, 1976; Bearden & Etzel, 1982; Bachmann et al., 1993; Makgosa & Mahube, 2007 and Jiaquin et al., 2007) and other factors (Jiaquin et al., 2007). However, most of the studies in this area are conducted in foreign countries; therefore it will be interesting to see to carry out a study in India.

OBJECTIVE OF THE STUDY

The specific objective is to study the influence of decision factors on consumer purchasing behaviour for publicly used product.

RESEARCH METHODOLOGY

The research design employed for the present study is basically exploratory cum descriptive. The primary data is collected with the help of questionnaire based survey of 730 respondents i.e. students studying in UG, PG & professional courses, from Haryana and NCR (National Capital Region). The questionnaire consists of statements on reference group influence (informational, utilitarian, and value expressive influence), a scale developed by Park & Lessig (1977) and product attributes viz. new technology, design & appearance, lowest price, and attractive call plan package, (Jiaquin et al., 2007). The data, thus, generated has been analysed with the help of Descriptive Statistics and one way ANOVA. The data was tested for reliability and Cronbach’s Alpha came to .66.

DATA ANALYSIS AND RESULTS

The findings indicate that reference group has strong influence on consumers purchasing behaviour. Among these (i) informational influence is based on the desire to make informed decisions and optimize the choice, (ii) utilitarian influence is an influence in which an individual is willing to satisfy a certain group's expectation in order to obtain the praise or to avoid the punishment from the group and (iii) In value-expressive influence people are willing to better express themselves to the society by making themselves similar to the group that they want to belong to. Among these reference group influences informational influence is most important followed by utilitarian and value-expressive influence. These findings are in consistent with the findings of Moschis (1976), Witt and Bruce (1972), Lessig and Park (1978), and Bearden & Etzel (1982) who found that consumer final purchasing decision is influenced by reference group. Jiaquin et al. (2007) who conducted a similar kind of study in China and USA also reported that cell phone purchase decision is strongly influenced by social reference group in these cultures.

The result of ANOVA highlight that there is no significant difference between the students of Haryana and NCR as far as informational and utilitarian influence is concerned but they differ on value-expressive influence, wherein students from Haryana are found highly influenced by value-expressive function of reference group in comparison to NCR students.
Product attributes are also having strong influence on consumers purchasing behaviour. Among these factors new technology is having the strongest influence followed by design & appearance, lowest price and most attractive call plan package. These findings got support from Jiaqin et al. (2007) who found that consumer purchasing behaviour is strongly influenced by product attributes. The ANOVA results reveal that among other decision factors, there is a significant difference between the students from Haryana and NCR. The students of Haryana are highly influenced by new technology, design & appearance and attractive call plan package in comparison to students from NCR while purchasing mobile phone. However, both are equally influenced by lowest price among relatively similar products, i.e. having similar functions.

To see the overall impact of reference group and product attributes on consumers purchasing behaviour, the score of related variables have been clubbed respectively. It is found that product attributes have strong impact than reference group influence on students. A perusal of ANOVA result makes it amply clear that students differ on decision factors influencing their purchasing behaviour. Here the students from Haryana are found to be highly influenced by product attributes as well as reference group as compared to NCR students.

The above result reconfirms the common belief in the business strategy research that while the marketing effort can help a firm to sell its products/services, to be competitive in today's marketplace, a firm must be able to produce the best available products/services with the best available technology in terms of better design, high quality, and low price. It must also be said that here it is not to suggest that the theory and practice of those reference group influences have no practical implications. In fact, while other factors being equal, i.e. no significant differences, the marketing effort with the appropriate application of those reference group influences certainly can help firms to better sell their products/services.

**IMPLICATIONS OF THE STUDY**

Today mobile phone (handset) industry is very competitive, growing at a fast rate and offering numerous options, however, pose a challenge for manufacturers to influence consumer purchasing behaviour. The findings of this study will make marketing managers not only aware of decision factors influencing consumers purchasing behaviour of publicly used product but also to find out innovative ways to promote these products.

**References**


Luxury and Masses
The New Connect

Manaswini Acharya*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

“Luxury brands are brands whose ratio of functional utility to price is low while that of intangible utility to price is high.” Luxury, derived from the Latin word luxus, means indulgence of the senses, regardless of cost. From an economics point of view, luxury products are those products whose price/quality/service relationship is the highest in the market. In other words, it is a product that can consistently command and justify a higher price than products of comparable functions and similar quality. Traditionally, luxury and the masses have had no connect whatsoever. There has been a clear distinction between products for the ‘classes’ and products for the ‘masses’. Rich people bought luxury products and the ‘un-rich’ did not. In India, for a long time, people had a thrift mindset that in fact dissuaded them to go in for expensive, luxury products even if they could afford them. Indians are essentially value seekers and hence they would look for value even in luxury goods. Thus, luxury marketing had always been a huge challenge for marketers.

Luxury used to be closely associated with high price, prestige and ostentation. As large segments of consumers moved upscale and luxury goods moved downscale, there has been an explosion of products and services that seek to fulfil a consumer’s experiential needs. As a result, the market for luxury products now includes people living in small condos, the inner city and even affluent villages. They are students, young professionals and even senior

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citizens. Today, millions of Indians who once made up the mass middle market are less price-sensitive and are migrating upscale toward premium and luxury goods.

**RESEARCH GAP AND RESEARCH PROBLEM**

Worldwide, there's an increasing trend whereby people's buying habits do not necessarily correspond to their income level. This, coupled with people's perpetual aspirational desires, has resulted in the emergence of a completely new category called the 'new luxury' products that fall somewhere between the traditional luxury products and the mid segment products.

This phenomenon has been existent in the west for quite some time and hence some amount of study has been done on it already. However, in the Indian context, this is an emerging trend and surprisingly, virtually no study has been done to understand this phenomenon and what factors do/would sustain it in a diverse country like India.

This paper seeks to understand the factors that have resulted in this phenomenon both from a consumer and the business point of view. The paper would also try to predict the future of ‘new luxury’ products in India and give suggestions as to how Indian businesses could tap this phenomenon.

**OBJECTIVES OF THE STUDY**

The study would look into the phenomenon from both the consumer and the business point of view. The study would endeavour to understand the factors that lead a middle class consumer into buying a luxury product. This would include cultural, demographic, social and income factors to an extent.

From the business point of view, the study would try to focus on what luxury marketers can do to understand the connection between luxury and masses better and give suggestions on how they could benefit most.

- To study the phenomenon of ‘Massification of Luxury’
- To study the reasons for customer migration from mid segment brands to luxury brands
- To study the impact of social factors and the impact of the importance of the self in consuming luxury products

**RESEARCH METHODOLOGY**

Mall intercept in-depth one-to-one interview was conducted in three major cities of India e.g. Delhi-NCR, Mumbai, and Ahmedabad.

**RESULTS AND IMPLICATIONS OF THE STUDY**

We have looked at luxury mainly from the consumer's point of view. Through past literature and exploratory research, this study tried to understand what luxury means to the masses and why the consumers buy these luxury goods. We have made an attempt so far to look
Listening to Consumers of Emerging Markets

beyond the obvious and make an attempt at understanding the motivations of the masses in consuming luxury goods.

Certain changes are happening amongst the Indian that could affect the business of luxury products. To begin with, the middle class of people now seem to have a little more disposable income, especially after 1991, and they are now trading up slowly but surely driven by their aspirations. The middle class which is upwardly mobile is now indulging in purchasing luxury brands and their ownership is seen as a universally accepted statement of good taste. The ever increasing middle class is well educated and well informed and is willing to pay a premium for luxury products. They are on the lookout for products that would appeal to their emotions and help fulfil their aspirations for a better life. It would be extremely important for marketers to understand that even though India is not a homogenous country by any stretch of the imagination, there are certain things that are common across cultures and regions in India that need to be internalized by every organisation.

A prominent point that every luxury marketer would have to appreciate is the fact that even in buying luxury goods, the consumers are value conscious and look for value even in such luxury purchases. While one may argue that people buy luxury goods for reasons that may not necessarily be rational, it has been observed that in India that is not the case and hence it becomes imperative for luxury marketers to appreciate that fact while targeting the masses. Another factor that demands attention is the fact that Indian masses like to develop a relationship with the products they buy and luxury products are no different. They seek stable relationship with the brand which begins with the initial acknowledgement of the fact that the brand is meant for him/her and like him/her. This probably has to do a lot with the Indian culture in which relationships play an extremely critical role. It was also observed that parents often spend unending amount of money to satisfy their children's need for luxury. They would often compromise on even their basic needs to satisfy the luxury requirements of their children. Also, the Indian masses are extremely aware of their culture and traditions which again needs to be kept in mind while marketing luxury goods at them.

Luxury marketers in India therefore must appreciate the fact that luxury is a product category in itself. Thus, both, jewellery and a piece of art could be considered as luxury by the masses. It essentially means that luxury marketers are not necessarily competing in their own product category (e.g. cars, apparels, etc.) but are competing for a wallet share of the luxury goods in total. Today, for the Indian masses, exclusivity is something that doesn't come on the top of the list when one thinks of luxury brand consumption. The masses base their decision on the relevance of the aura of the brand with respect to the fulfilment of his/her needs. Another phenomenon taking place amongst the Indian masses is that of something exactly opposite to trading up, i.e. trading down. Hence, both trading up and trading down happen simultaneously which clearly shows the ambiguity that luxury marketers of today have to face. The best example of this would be fashion brands that give luxury brands a competition due to their branding strategies and marketing mix that make it acceptable to pair the two brands, e.g. wearing a pair of Gap jeans with an Armani shirt.

The fact that banks provide easy loans for the masses to buy luxury goods has made luxury much more accessible for them. Today, a person may buy a luxury product which is many
times the earning that he/she makes in a month. Thus, the fact that the masses can pay up a lot more than what they earn is a factor that the luxury marketers must always keep in mind while taking pricing decisions. In addition to easy finance schemes available, what has made luxury a lot more accessible to the common man is the fact that luxury businesses have actually introduced cheapened versions of the premium luxury brands. As a result, a lot more people can afford luxury goods than ever before. While it is not a bad strategy, it also opens up the danger of luxury brands being completely converted into mass brands. Thus marketers need to walk a tight rope on this issue. So these are some of the factors that the luxury marketers need to keep into mind while marketing to the masses. While these are important factors that actually connect luxury to the masses, possibly the biggest and the most important connect between luxury and the masses is the rise of individualism amongst the masses.

The importance of conspicuous consumption is slowly on the decline. The common man is today more aware of his needs, both internal and external. He does not mind indulging himself in luxury and strives to maintain a certain lifestyle. He buys luxury goods that meet his self image or help improve it. He buys luxury goods that add to the quality of life he leads and goods that may make his life much easier. He is more informed to make choices and does not fear while making them.
Family Roles on Computer Acquisition

An Analysis of Gender, Age, Marital Status, Position in Family and Income Level amongst Brazilian Undergraduate Students

Marcelo L D S Gabriel*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The importance of family roles on purchase decision is not a new subject in Marketing (Berey & Pollay, 1968; Pollay, 1968; Davis, 1970; Kollat, Engel & Blackwell, 1970; Sheth, 1971) and a general and conceptual framework is usually presented in Consumer Behaviour classic textbooks (Blackwel, Miniard & Engel, 2005; Sheth, Mittal & Newman, 2001; Solomon, 2008) given the impact the family has on modelling the patterns of consumption, as analysed by Wells & Gubar in 1966.

Like other models or theoretical constructs, a basic conceptual framework on family buying decisions includes external and internal sources of information and an extra component: family life cycle. This variable along with other socio-demographic data is crucial to help both academics and practitioners to understand and predict certain consumption habits amongst a certain group of consumers.

The roles performed by every family member on purchase decisions are sensitive to the nature of product, the family life cycle, socio-demographic variables (e.g.: income, education level, etc.), with emphasis on who performed which role, being the most cited in the literature: (a) proposer: the person in the family who proposes the idea or identifies the need, (b) influencer or information seeker: the person who brings information on alternatives, (c) decision-maker: the person in the family who decides based on the proposer and influencer

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inputs, (d) **buyer:** the person in the family who effectively purchases the goods or services and (e) **the user:** the person in the family who really uses the goods or services acquired. (Blackwel, Miniard & Engel, 2005; Sheth, Mittal & Newman, 2001; Solomon, 2008)

Most of the theories developed in the last fifty years have its roots in Sociology and have evolved from time to time by adding new sources of information (e.g.: from radio/newspaper to television or from television to Internet), new family configurations (e.g.: couples without kids, single parent with kids, etc.) and new market scenarios (e.g.: Latin population in US; Chinese consumers, etc.).

Since its first appearance in 2001, the word BRIC has created significant interest in the four economies which comprise the acronym: Brazil, Russia, India and China. This has led several scholars, journalists and market analysts to start a crusade to better understand and translate them to interested audiences. From 2007 to 2013 more than 200 articles were published on BRIC in several journals, ranging from International Business, Agricultural, Finance, Marketing and Automotive Technology.

Overwhelmed by inflation rates of four digits in the late 1980’s and mid 1990’s, Brazil experienced a positive change on its economy in 1994 with the launching of “Plano Real” (Real Plan), based on three main pillars: fiscal austerity, inflation targets and flexible exchange rates. (Ferreira & Lopes, 2009; Rodrigues, 2013)

Despite the consequences of several global downturns during the period 1994-2013, the foundation pillars of “Plano Real” and an aggressive wealth distribution program started in 2003 (by President Lula da Silva) and supported by pro-poor growth concept, social programs, credit grant and labour market initiatives (Kakani, Nero & Son, 2010) led to the birth of a new middle-class in Brazil (Brazilian New-Middle Class or BNMC), which gained access to a new market of consumer goods, such as; luxury goods, electronic appliances and cosmetics, usually acquired in instalments.

Even considering the dynamic balance between consumption, income and interest rates (Gomes, 2010) the BNMC is responsible for an annual consumption of BRL 1 billion (around USD 443Mio) and if considered as an independent country would be in the eighteenth largest in the world (Meirelles, 2013).

**RESEARCH GAP AND RESEARCH PROBLEM**

About celebrating its 20th anniversary in 2014 the Brazilian “Plano Real” started a profound change in macroeconomic foundation and paved the way for future improvements on microeconomic instances like the individual consumer. Both plans were criticized by scholars, politicians, market analysts and NGO’s for its weaknesses in allowing low-income people access to the consumption market (Real Plan) and, on the other hand, not ensure autonomy to people when the grants and support are eliminated (wealth distribution program). Even though critics abound, the real stimulus is already in place: more consumption from people with different economic backgrounds consuming more of the same products and services.

Unfortunately most of published articles on the subject are concerned only with the conceptual point of view from supporters and antagonists of each political party and ignores the real effects on consumer behaviour, in particular, and for Marketing, in general.
Based on this evidence, the following research problem was formulated: Are students from different income levels different in their attitudes toward computer acquisition?

**OBJECTIVES OF THE STUDY**

The specific objectives of the study are:

1. Evaluate the role performed by each family member during an acquisition of a personal computer
2. Compare the roles performed by every family member according to the family income

**RESEARCH METHODOLOGY**

Based on the theory about roles on family purchase decision a self-administered questionnaire was developed to collect personal data like gender, age, marital status, position within the family (only son, oldest son, middle son, youngest son), and purchase roles within the family: proposer, influencer, decision-maker, buyer and heavy user (who uses most). The questions were evaluated by a panel of experts to validate structure and content. The questionnaire was then submitted to a sample target population for semantic validity.

Data were collected amongst 707 undergraduate students from public and private universities in São Paulo State, Brazil and 660 questionnaires were considered valid after checking missing data and inconsistent answers. For the purposes of the survey only respondents with computers at home were considered valid.

Female respondents counted for 61% of total and age of respondents ranged from 17 to 61 year olds (Mean = 24.9, SD = 7.3). Age data was re-coded in increments of 5 years to allow comparisons with official data from Brazilian Institute of Geography and Statistics. Data were analysed using IBM SPSS 20.0.

**DATA ANALYSIS AND RESULTS**

Data were tested on univariate and multivariate normality using Shapiro-Wilk’s test for univariate normality and Doornik-Hansen’s test for multivariate normality. In both cases data was not normal, therefore non-metric tests were selected.

Mann-Whitney U test was employed to verify the influence on gender on roles performed during a computer acquisition, results are presented in Table 1.

<table>
<thead>
<tr>
<th>Table 1: Mann-Whitney U Test for Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>proposer</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Mann-Whitney U</td>
</tr>
<tr>
<td>Wilcoxon W</td>
</tr>
<tr>
<td>Z</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>
All statistics for Z are significant ($p<0.05$), indicating differences between gender on roles performed during the computer acquisition.

Kruskal-Wallis H test was employed to verify the influence of age, marital status, position on family and income level (measured in Minimum Wages = MWs) on roles performed on computer acquisition, as presented on Tables 2, 3, 4 and 5 respectively. Table 2 shows the results of Kruskal-Wallis H test for age.

### TABLE 2: KRUSKAL-WALLIS H TEST FOR AGE

<table>
<thead>
<tr>
<th></th>
<th>proposer</th>
<th>influencer</th>
<th>decision</th>
<th>buyer</th>
<th>user</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>13,514</td>
<td>14,657</td>
<td>4,614</td>
<td>30,719</td>
<td>6,225</td>
</tr>
<tr>
<td>df</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.095</td>
<td>.066</td>
<td>.798</td>
<td>.000</td>
<td>.622</td>
</tr>
</tbody>
</table>

As shown in Table 2, only the buyer role is significant ($p<0.05$) indicating that age has influence during the effective buy process on computer acquisition in families. Table 3 presents the results for marital status.

### TABLE 3: KRUSKAL-WALLIS H TEST FOR MARITAL STATUS

<table>
<thead>
<tr>
<th></th>
<th>proposer</th>
<th>influencer</th>
<th>decision</th>
<th>buyer</th>
<th>user</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>6,068</td>
<td>3,282</td>
<td>13,146</td>
<td>9,536</td>
<td>14,544</td>
</tr>
<tr>
<td>df</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.048</td>
<td>.194</td>
<td>.001</td>
<td>.008</td>
<td>.001</td>
</tr>
</tbody>
</table>

On Table 3, with the exception of decision-maker and user, all other roles are significant ($p<0.05$) suggesting that marital status has influence in the roles of proposer, influencer and buyer. The results of Kruskal-Wallis H test for position in family is presented on Table 4.

### TABLE 4: KRUSKAL-WALLIS H TEST FOR POSITION IN FAMILY

<table>
<thead>
<tr>
<th></th>
<th>proposer</th>
<th>influencer</th>
<th>decision</th>
<th>buyer</th>
<th>user</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>8,084</td>
<td>4,654</td>
<td>1,848</td>
<td>2,227</td>
<td>12,380</td>
</tr>
<tr>
<td>df</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.044</td>
<td>.199</td>
<td>.605</td>
<td>.527</td>
<td>.006</td>
</tr>
</tbody>
</table>

Position in family, as shown on Table 4, is significant ($p<0.05$) for the roles of proposer and user in the computer acquisition. Income level’s Kruskal-Wallis H test is presented on Table 5.

Respondents’ income level was divided in four categories: (1) from 1 to 3 minimum wages (MW); (2) from 3 to 5 MW; (3) from 5 to 10 MW; and (4) above 10 WM, with the following distribution: 15.7% on category 1, 31.5% on category 2, 29.2% on category 3.
and 23.6% on category 4. Respondents with income level from 1 to 5 WM counted for 47.2% of sample.

**TABLE 5: KRUSKAL-WALLIS H TEST FOR INCOME LEVEL**

<table>
<thead>
<tr>
<th></th>
<th>proposer</th>
<th>influencer</th>
<th>decision</th>
<th>buyer</th>
<th>user</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>6.472</td>
<td>7.324</td>
<td>.169</td>
<td>9.090</td>
<td>1.647</td>
</tr>
<tr>
<td>df</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.091</td>
<td>.062</td>
<td>.982</td>
<td>.028</td>
<td>.649</td>
</tr>
</tbody>
</table>

Income level is significant ($p<0.05$) on the role of buyer only, being the exception for the other roles.

**IMPLICATIONS OF THE STUDY**

The changes on Brazilian economy allowed low income people to step into the consumption market and share the same benefits from products and services possessed by high income classes, threatening them to a high credit risk exposure but, on the other hand, supporting them to expand their expectations for personal wealth and belonging, from a marketing point of view and from a sociological point of view.

Meireles (2013) emphasizes that BNMC don’t want to be rich, rather they prefer to be “like rich” in terms of consumption pattern but not in behaviour. Preliminary results from this research points to evidence that supports this statement.

Socio-demographics variables like gender, age, marital status and position on family also presented interesting results, indicating the need of an in-depth analysis of data with use of 2nd generation data analysis (e.g.: SEM) to identify causal relations between them and the roles performed during a computer or other product/service acquisition.

**References**


Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Ever since the economy became more global, consumers have to a large extent been affected by fast evolving fashion industry. Fashion reflects our society and culture; likewise it reflects how people define themselves. People tend to equate fashion with clothing, accessories and lifestyle even though fashion processes affect all types of cultural phenomena. Fashion can be found in almost any human activity. The term involves change and can be defined as series of short-term trends. (Solomon & Rabolt, 2007).

The term fashion also includes the personal shopping behaviour that displays individuals’ values and tastes to others. Fashion can be related to all characteristics of someone’s appearance that provide value on different levels. Fashion can now more than ever become an important and meaningful activity in clothing and accessories interested person’s life (Andrews & Pentecost, 2009).

The perception of fashion varies among different generations. Younger people generally prefer a higher number of low quality, cheap and fashionable clothes, compared to the older generation which prefers to purchase a fewer number of higher quality clothes. The older consumers will see fast fashion as a waste since it means buying several garments of low quality and then throwing away older clothes as soon as the new ones hang in the closet. (Bhardwaj & Fairhurst, 2010).
Numerous studies have been done by marketers concerning shopping behaviour as it relates to certain demographic groups. A demographic group is defined as measurable, substantial, accessible, and actionable (Donthu & Cherian, 1994). A generation meets these criteria and is defined in the literature as a group of people with certain attitudes and behaviours in common that are different from the generation before it (Beirne, 2008). As they come of age, Generation Y (born between 1976 and 1994) has become increasingly interesting to marketers due in large part to the role they play in the consumption process. This cohort, largely comprised of individuals in their college years, serves as the focus of this study as well.

Specifically this study seeks to investigate the shopping behaviour of collegians in UAE, as delineated by involvement with shopping, by inquiring where they get ideas for clothing purchases and their self-identified shopping behaviours.

**RESEARCH GAP AND RESEARCH PROBLEM**

The teenage market is a vigorous and extremely competitive environment. It represents a broad market that can be generalized (Piacentini & Mailer, 2004). Though it offers plenty of opportunities for new entrants, and great scope for innovations, the target audience is notoriously hard to please (Taylor & Cosenza, 2002). All facets of the media (i.e. fashion, television, the Internet and music) form significant influences, and make teens savvy towards what they want. Also, many of the researchers have suggested that teenagers are lavish spenders when it comes to branded and luxury products (Anderson & He 1998; Dotson & Hyatt, 2005; Taylor & Cosenza et al., 2002). Further, O’Cass & Frost, (2002) proved that younger consumers are driven by the need to possess and display status brands.

However, Piacentini & Mailer et al. (2004) indicated that teenagers from wealthier families having more disposable money are less likely to be involved in status consumption. On the other hand, teenagers from the lower and middle social classes are more likely to be involved in status consumption to display their “wealth”. Consistent with studies (Eastman, 2011; O’Cass & Frost et al., 2002) status seeking consumers can come from any income or social class level. On the contrary, Cha & Schor, (1998) demonstrated in a study on cosmetics that the status seeking consumers are mostly Caucasian, higher in education and income, and live in urban communities. Further, Deeter-Schmelz, Moore & Geobel, (2000) ascertain that consumers’ income have minimal impact on prestige concept.

O’Cass & Frost et al. (2002) indicated that consumers may recognise the brand name and image associated with a status brand. However, these same consumers may not necessarily be familiar with other features of the brand. Grace & O’Cass (2002) determined that a status product possesses good quality and a favourable brand name.

A report by (Merrill Lynch & Cap Gemini, 2005) stated the highest percentage of millionaires present in USA. The percentage of luxury consumption was reported highest in Asia (37%), closely followed by Europe (35%), and USA (4%) (Chadha Husband, 2006). Such statistics clearly indicate the potential for growth of the luxury market, but also point out the amount of wealth is unequally distributed worldwide.
The United Arab Emirates as well contributes a significant percentage towards the growth of the luxury fashion market. The country has developed a reputation of being an exquisite destination for anyone who aspires to live in the lap of luxury fashion. Statistics disclosed by UAE’s Ministry of Economy showed that within the last decade, the country has more than doubled its GDP (IMF, 2009) and the economy has continued to see a positive trend in their economic growth rate, despite the recent global recession. Bolter (2011) cited that “According to Credit Suisse’s Global Wealth Report for 2010, wealth per adult in the country is $150,000 (about Dhs 550,000), which is higher than that of even the Netherlands.” Such information gives an idea of the high purchasing power of the people living in the UAE. However, is having such tremendous buying power the sole factor motivating Emiratis (The UAE citizens) to purchase luxury goods? The UAE has been listed among the best locations worldwide for organisations to conduct business, and there are over 400 multinational brands present in Dubai alone (Balakrishnan, 2008). The country houses several regional and international luxury brands, which are eager to attract and sell their products to the citizens of UAE.

Despite such rapid growth of the luxury market, there is scant research on the marketing of luxury goods (Vigneron & Johnson, 1999) and the behaviour of luxury consumers (Dubois & Laurent, 1994) with particular reference to the UAE.

OBJECTIVES OF THE STUDY

1. Examine the various psychographic variables like activities, interest and opinion to segment College-goer (teenager) in UAE.

2. Group the products and services purchased by the college-goer (teenager) in terms of purchase frequency.

3. Investigate college-goer (teenager) perception towards “Luxury foreign brands” versus “Local Brands” of same product.

RESEARCH METHODOLOGY

The methodology used in this research based on literature review on Luxury fashion influence and its various aspects College-goers (Teenager) in UAE. A study conducted by Vel, Captain, Al-Abbas & Hashemi (2011) describe the fashion trend in UAE as “the UAE demonstrates the social consumption motivation theory whereby individuals are driven to purchase these high fashion products to be part of the elite society and to gain social approval from their peers and close knit community friends and family.” Buying these fashion luxury products is a way of climbing up the social ladder and creating a social status among these groups. On the other hand, Coelho & McClure (1993) focused on the fashion market by analysing status consumption from an economic perspective. In Piacentini & Mailer’s et al. (2004) study, the underlying assumption was that teenagers do engage in status consumption on clothing and other fashion accessories for different purposes and preferences.

Further, the literature review helped in developing the hypothesis, which explains shopping behaviour of fashion products of College-goers (Teenager) in UAE. The hypothesis conceded
through primary data collection by conducting electronic survey on 250 convenience sample of College-goers (Teenager) students enrolled at various universities, college, institute in major cities of UAE (Dubai, Abu Dhabi, Sharjah). The technique of convenience sample of College-goers (Teenager) students through questioner is supported by the overviews of Kinley, Josiam & Lockett (2010); Zaichkowsky (1985); Josiam (2005); Kinley (2000).

DATA ANALYSIS AND RESULTS

This empirical study expects to gain a comprehensive insight which indicates fashion clothing and accessories brands and stores should focus marketing efforts to college-goers (Teenager) consumers. While, Kinley, Josiam & Lockett et al. (2010) found this generation to be different than precious generations in many regards, they look for opinion validation and advice when it comes to fashion purchase. College-goers (Teenager) consumers do respond to marketing efforts, but they want to “discover” product themselves. Thus the most frequent idea sources were shopping, store displays, and internet shopping sites. Retailers need to focus resources on visual merchandising – both in their bricks-and-mortar and online stores. Further, aligning the clothing brand with fashion leaders and celebrities continues to be an important strategy.

IMPLICATIONS OF THE STUDY

Using the study findings, teenage consumer segmentation can be made in UAE context on the basis of demographic and psychographic factors for formulating suitable marketing strategies for luxury fashion products. Even at regional-level, one can apply similar strategies to target the same consumer segment in different countries, under the assumption that the segment’s responses would be similar across the nations because of similar demographic and psychographic factors.

References


An Analysis of Intergenerational Differences in Materialism in India

N Meenakshi*
Arun Kumar*

Extended Abstract (Understanding Consumer Buying Behavior by Listening to the Voice of the Customer)

INTRODUCTION

A great deal of research has been done in the area of materialism, particularly in the last few decades. Most of the research initially emanated from America and focused on the materialistic tendencies of the American consumers. Subsequent research now covers countries such as China, Turkey, Romania, Singapore, India, Japan, Ukraine, New Zealand, Germany, Thailand, Australia, France, Mexico, and U.K (Ger and Belk, 1996, 1999; Clarke III and Micken, 2002; Schaefer, 2004; Mishra and Mishra, 2011). In many of these studies, cross cultural differences in materialism have been explored, particularly in order to understand the differences between American and other cultures (Friend et al., 2009). The materialism scales developed by Belk (1983, 1984, 1985), and Richins and Dawson (1992) are used extensively to measure materialism (see also Kasser, 2002). These scales have also been validated, or suitably modified depending on the context of the research (Micken, 1995; Mick 1996).

Many studies have examined one or more antecedents of materialism (Rindflieisch and Burroughs, 1997). Others have studied the consequences of materialistic tendencies, particularly in terms of impact on consumption behavior, compulsive behaviors (Dittmar, 2005), and status consumption (Roberts, 2000), excessive debt levels, well-being (Felix, 2008), and life satisfaction (Atay et al., 2009). There is also some research on the impact of materialism on the environment (Norgaard, 1995). Most of the research has focused on the

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“dark side” consequences of materialistic traits, although researchers such as Micken and Roberts (1999) have challenged this by offering alternative conceptualizations of materialism. Some researchers have also focused attention on understanding the nature of materialism itself—terminal materialism or instrumental materialism (e.g. Csikszentmihalyi and Rochberg-Halton, 1981), whether it is a positive or a negative trait, whether there is a difference in the nature of materialism among different types of individuals, or whether societal materialism and individual materialism have different meanings and implications.

Research on materialism has also focused on understanding the socialization agents and processes through which the materialistic tendency develop among individuals. The primary socialization agents that have been examined are the mass media, particularly TV viewing and advertising, and the family (Burroughs et al., 2002; Goldberg, Gorn et al., 2002; Nguyen, Moschis and Shannon, 2009; Benmoyal-Bouzaglo and Moschis, 2010).

**RESEARCH GAP AND RESEARCH PROBLEM**

Despite such extensive research, there still exist several lacunae in the extant literature on materialism. Few existing studies have focused on intergenerational differences in materialism. For instance, Rindfleisch and Burroughs (1997) focused on understanding the relationship between family structure and materialism, though the study was primarily done to compare the levels of materialism among adolescents belonging to disrupted and undisrupted families in America. Perhaps such studies of intergenerational influences may not be so relevant for Western countries where materialism among the earlier generations was also found to be high (Friedman, 1985). However, in emerging nations such as India and China, such studies will be extremely pertinent due to the radical changes in the cultural environment over the last few years (Gu et al., 2005). The reason for the gap in research in the Indian context can simply be attributed to the fact that India is still considered to be a large land of opportunities intent on finding more customers for more products.

Similarly, there are few research studies specifically on materialism among adolescents (Goldberg et al., 2003; Schaefer, 2004; Bottomley, 2010; Benmoyal-Bouzaglo and Moschis, 2010). Most research use adults as respondents due to the fact that cognitive development among adolescents is still in its formative stage. But to understand the development of materialistic tendencies, adolescents will be the best respondents. Despite the fact that adolescents are the largest consumer group in India, and that are also likely to emerge as the largest consumer cohort in the world, there is hardly any research on Indian adolescents.

The proposed topic is important and unique in several ways. India is an extremely important market for all multinational corporations due to its large customer base, rising income levels, young population and consequently, high growth potential. While multinationals consider India to be a high growth market, the Indian government is also trying to position India as an attractive investment destination. The government’s policies are thus fueling the GDP growth by encouraging consumption1. Popular literature suggests that this has

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1 Research by Bottomley et al. (2010) details concerns about rising levels of materialism among children in the most developed countries of the world US and UK, and mentions the role of the family, government and marketing initiatives as the main culprits for this. See also Goldberg, Gorn, Perrachio, and Bamossy (2002).
sparked off a remarkably high level of materialism among Indians. Not much research exists in the Indian context about materialism. Although there was a cross-cultural study in the early 1990s that included India and provides a benchmark for the present study (Ger and Belk, 1996), as well as another more recent study (Mishra and Mishra, 2011), the positive or negative impact of materialism on an individual, and family effects have not been investigated. This is the first research that proposes to understand the dyadic relationship between a parent and child in the formation and transfer of materialism.

This research aims to understand the intergenerational transfer of materialism from parents to their adolescent children. The research also focuses on understanding the influence of significant socialization agents such as the mass media and the peer group on the formation of materialism among adolescents. Finally, the study also seeks to understand the consequences of materialistic values in an adolescent's life and his decisions as a consumer.

**OBJECTIVES OF THE STUDY**

This is a qualitative research which specifically aims to answer questions such as – How does the intergenerational transfer of materialism occur from the parents to their adolescent children? What are the perceptions of adolescents and their parents about the role of other socialization agents such as the peer group and mass media on the formation and influence of materialistic values in an adolescent's life? What are the consequences of materialistic values in an adolescent's life? And what are the consequences of materialism on the adolescent as a consumer? What are the perceptions of materialism across generations, particularly in terms of being a desirable or an undesirable value? What are the perceptions of adolescents and their parents about the change in materialistic values across generations? What products and brands are representative of materialism among adolescents and their parents? How does materialism influence the consumption of these products? Do parents mediate the transfer of materialistic values from the mass media and peer group to the adolescents? Do adolescents also influence the materialistic tendencies of their parents, i.e. does reverse socialization exist?

**RESEARCH METHODOLOGY**

This is a qualitative research. The depth interview technique has been used to obtain data from the respondents. 20 families belonging to various socioeconomic classes (SEC A, B and C) are interviewed. In each family, an adolescent child, the mother and the father have been interviewed. All interviews have been conducted separately to avoid any response biases. In order to select the families, purposive sampling technique is used. Each depth interview lasted for about 45 minutes to an hour and a half. Interviews have been conducted in English or Hindi language. Prior appointments were sought from the families as the interviews lasted for nearly three hours or more. Respondents were paid for their participation.

**DATA ANALYSIS AND RESULTS**

The data obtained from the depth interviews was transcribed. The data was coded and interpreted to form conclusions.
The transfer of materialistic values from parents to adolescents occurred mainly by observation and imitation. Excerpts from conversations with the adolescents indicate that they do not perceive the peer group or mass media to really trigger or fuel materialistic tendencies, though interviews with parents indicate that the peer group does play a large role in fuelling materialism.

Variations across socioeconomic classes suggest that materialism is a more desirable value among the upper class families than among the lower and middle class families. In the upper socioeconomic classes, parents encourage materialistic consumption and view such consumption as a means to fill the voids that they experienced during their formative years. Among the middle and lower classes, frugality is still valued. Children are taught the significance of saving and spending wisely.

Adolescents in the upper socioeconomic classes are also more prone to peer pressures to conform and participate in group rituals. In middle and lower classes, the peer pressure is resisted by the adolescents. However, in some instances, parents in the middle and lower socioeconomic classes suggested lack of financial resources, and not unwillingness to conform to the peer group as an inhibitor.

Adolescents do not perceive themselves to be materialistic. They justify consumption and the desire for objects as a manifestation of essential needs in their lives. There were strong suggestions of self-control in spending among all adolescents, although there were differences in the amount of money spent across SECs. Technology products such as mobiles, mp3 players, laptops; clothes and personal grooming products such as perfumes, cosmetics top the wish list of the most desirable products for adolescents. The purchase or the desire to purchase these products evidently fulfilled the need to possess. Adolescent respondents strongly resisted any suggestions of peer pressures to buy or own products.

Reverse socialization of parents by the adolescents existed for several high involvement purchases for the house, such as a car (or a bigger one), latest technology products and travel plans. Adolescents even initiated and persuaded their parents to buy specific products and brands in most instances. Parents often gave way to their requests or demands for the purchase of products and brands, either immediately or after a delay, by rationalizing their legitimacy.

**IMPLICATIONS OF THE STUDY**

The study enables the understanding of the processes through which materialistic values get transferred across generations. It stresses that adolescents’ perceptions of materialism and the parents’ perceptions of materialism vary. They also have different perceptions about the influence of the other socialization agents in the life of the adolescent.

**References**


Cracking the Search Code

Pushkar Chaudhari*
Meheer Thakare*
Amit Zaveri*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The ₹ 2850 crores Online Advertising industry in India has showcased a phenomenal 20% growth last year. There are several avenues for promoting goods and services on the internet. Some of the most commonly used are Display advertising, Social Media and Search. While each of the mentioned three avenues is being actively used currently, Search has been subjected to the least amount of performance analytics given its long standing history. This has led the avenue to have the least amount of transparency which consequents into lesser practice. So much so that, a recent report has indicated that on a global level, display advertising will soon overtake search in terms of ad spends (Mashable, 2011).

Our study has attempted to bridge the gap between Search (yet another voice of a customer) and other forms of online promotions. With the help of our research, we are in a position to provide never seen before performance analysis specific to search.

Through this synopsis we have attempted to put up a brief of details on our research.

NEED FOR RESEARCH

Promoting a product or service on Search engines essentially has two sub-avenues; (a) Paid or Sponsored listings and (b) Natural or Organic listings. Many media agencies in India devote the vast majority of their time and budget to sponsored or paid search listings. This is a safe environment where each action has an immediate and predictable result; to take

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first position in the sponsored search results costs x amount per click, taking second position will cost amount y (which is generally less than x) and so on.

By contrast, the area of organic listings is a strange and bewildering world. No longer can companies buy positions on the results page. Each search engine has different criteria to judge the position of each site and they refuse to reveal their exact conditions. Google is heavily influenced by incoming links but also rates the quality of your site by considering an array of onsite elements. Incoming links are also important for Yahoo, but they also consider a wider array of factors as well.

In organic listings nothing is guaranteed. A site that is riding high one week can disappear from the first page of listings overnight. The organic listings are forever in flux, and controlled by an inscrutable, exterior force. Google, the largest search engine by searches made, is constantly rolling out new updates to refine its results further, and webmasters either end-up celebrating wildly or crying into their beer as their site's position sinks from view.

Why then would a company devote time, effort and budget into this uncertain game? Simply this; studies show that around 70% of all search engine clicks occur on the natural links rather than the sponsored links on the same page (SEJ, 2012). This traffic, although more difficult to capture, makes up the majority of searches made on all engines. This traffic is just as valuable as the traffic from the paid sites; and companies need to make a serious attempt to bring this traffic to their site.

**RESEARCH OBJECTIVES**

To analyse and identify specific performance analytics of search results that will help search marketing professionals with cutting edge keyword optimization intelligence.

**RESEARCH APPROACH**

The results of this paper are based on an all-India panel-based research conducted among active Internet users. Panel members are enrolled after they are made aware of the specific terms of their participation. Every panel member is provided with a software application (meter) that they are expected to install on their PCs. As and when the panel members navigate to an Internet website, the software meter pulls the start time, website URL and the time of navigating away. The pulling is done by the meter and the data is stored in servers centrally located at the company's premises. The panel has been developed and maintained for the last two years.

For this research, we have studied the click stream search data of the entire panel for the period of 15 days. Considering the global reach and usage of Google Search, we have made the assumption that our data will be applicable to all SEO activities conducted by practitioners. For this reason, the data extracted for this study is only that of ONE search engine; Google. For the major part of the analysis we were involved in identifying the search results as well as the links available on the results page for pattern recognition. The following steps were followed,

1. **Data Extraction:** The Data Extraction stage comprised of two stages. Firstly, we extracted the panel data from the recent history of 15 days. The data was for all those
users who have searched on Google.com. For the rest of the synopsis we will refer to this data set as “Links” data. The Links data basically consisted of hyper links available on the page where Google displays its search result (reason of filtering Google Search is being referred above). These hyper links included all the possible sponsored as well as organic search results.

Secondly, we identified the various sessions during which panel members searched on Google.com. For the rest of the synopsis, we will refer to this data set as “Visited” data. The Visited data basically consisted of all those web pages visited by the panel members who searched on Google.com during the time period mentioned above.

2. **Search Keyword Analysis:** At this stage, we wrote a keyword extraction algorithm which was equipped with the ability to scan each and every URL (A URL is the address of a webpage on the Web, such as www.example.com). We ran the algorithm on the Links data mentioned above (refer to Data extraction stage above for explanation). While scanning, the algorithm pulled out the keywords that are embedded in the URLs of the search engine.

3. **Display Pattern recognition:** At this stage, we wrote another algorithm to conduct a display pattern recognition analysis. We ran this algorithm on the Links data mentioned above. While scanning the URLs, the program recognized and marked the landing pages of each website displayed in the search results. This gave us an indication of the websites that ranked for respective keywords.

4. **Click through rate (CTR) analysis:** Finally, we referred to the ‘Visited’ data mentioned above (refer to Data extraction stage above for explanation). We used this table to look up for search URLs visited by the panel members. This data was then fused with the data points from the stages 2 and 3 mentioned above in order to reveal unseen search insights for the industry.

**FINDINGS OF THE RESEARCH**

Given the large investments in Online Advertising, the insights from this research hold paramount importance to all the stakeholders. Moreover, the insights although simplistic in nature, open up the opportunity for the stakeholders to exercise Search Engine Optimization on a basis of measurable performance analytics.

1. **Keyword analysis:** Through this study we were able to extract customized keywords searched by respondents of our panel. Top keywords had the potential to be weighted on the all India level to gauge their overall popularity. The example in the info graphic showcases the multi-level depth of the keyword analysis possible through our study.
2. **Website Rankings:** We were also able to determine the position of every website on the search page for their respective keywords. This allowed us to keep a continuous track on the dynamic positions of a website from time to time.

3. **Consumer behaviour:** With the help of our click through rate analysis, we were able to determine the behaviour of consumers in terms of the links they clicked, the number of search pages they surfed before clicking on the link.

**FUTURE DIRECTIONS**

While the data presented above has got immense novelty for the industry considering it is retrieved from a third party panel study, it does have further scope of innovation.

Future directions for this study would include writing an algorithm which would work in a systematic approach to retrieve the Links URL. The algorithm will send a virtual bot to the search pages to scrap the title and the description of the websites displayed in the search results.

The data extracted from the above approach would then be fused with the other available data to run semantic analysis to gauge the relationship between the displayed title & description of the link to its performance in terms of click through rate achieved.

**References (Works Cited)**


Moderating Role of Big Five Personality Traits on the Brand Trust in the Context of Baby Care Toiletries Product Brands

An Empirical Investigation

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Amit Mookerjee**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Brand trust which is an extension of general trust theory has gained recent attention among marketing academia. Several conceptualizations of brand trust exist in the product and service domains and these have offered valuable insights into the processes that consumers use to evaluate and choose brands within a given category. However, baby-care products have been neglected in the literature so far; they require special attention due to their differing nature from other product categories. In the baby-care product category, the buyer and the user are different individuals and purchases involve a high level of perceived risk. It is a product category in which parents are initially unable to judge brand performance, as consumption is undertaken by babies who cannot express an opinion about the usage experience. High perceived risk in baby care product brands can be attributed to two elements: the uncertainty of an outcome of product brand usage and the severity of negative consequences associated with the outcome of brand choice (Rousseau et al., 1998). Hence, under such high risk situation, mothers who are the ultimate buyer of baby care products,

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feel threatened by ambiguous and novel situations and are reluctant to try new brands. They perceive them as risky because the ultimate consumer in this context is a baby who cannot express his/her view. Extant literature suggests that perceived risk can be reduced by using trusted brand (Erdem and Swait, 1998; Erdem et al., 2004). Hence, the existence of brand trust (Ballester and Aleman, 2001) is very necessary for the purchase of any product in this category. Lack of trust and high risk are found to be the main drivers preventing mothers from purchasing new and unknown brands, so trust in a particular baby-care brand is one of the most crucial factors for success in this product category.

Present study inspired by social trust theory of Lewis & Weigert (1985) has conceptualized two dimensions of brand trust namely cognitive and affective brand trust. Cognitive brand trust has been defined as the knowledge driven trust based on ‘good reasons’ of which brand to be chosen, under which respect & under what circumstances, whereas, affective brand trust is defined as the trust based on the emotional bond between brand and customers. Through extensive literature review and primary qualitative research a model has been conceptualized examining antecedents of brand trust in baby care toiletries product category. Additionally, the moderating effect of mother’s big five personality trait on brand trust and its antecedents in the baby care toiletries brand category has also been empirically examined in the Indian context. Mothers with different personality trait are proposed to develop cognitive and affective brand trust for baby care toiletries brand in different manners.

**RESEARCH GAP AND RESEARCH PROBLEM**

Brand trust has been analysed from different perspectives in marketing literature and generally been conceptualised having cognitive component only. However this study apart from investigating cognitive dimension also proposes affective aspect of brand trust as in the context of baby care toiletries products, mothers also make emotional investment in trust relationship with the brand and expect genuine care and concern from it for their babies. Further in the past, much research has been undertaken for the purchase of different products of grown up kids but not for infant or babies, where the purchase decision is totally in the hands of parents and the infant has no influence on it. Few or little work (Broadbridge and Morgan, 2000; Yee and Chin, 2007; Ballester and Aleman, 2000) has been done with respect to the purchase decision of baby care products.

Past studies have been conducted on infant food (Yee and Chin, 2007), diapers (Ballester and Aleman, 2001), and soap (Broadbridge and Morgan, 2000), but not in the broad toiletries product category as a whole. A study by Ballester and Aleman (2001) is only empirical in nature, whereas other studies in the baby toiletries product category (Broadbridge and Morgan, 2000; Beattie, 2004) are qualitative in nature and lack empirical support. Most of the studies are for other baby product categories such as food, apparel, and toys, but they also lack empirical support and are qualitative in nature. Hence, this study not only proposes the antecedents of brand trust along with the moderating influence of the mother’s personality variables on brand trust and its antecedents but also provides empirical validation for its findings.
OBJECTIVES OF THE STUDY

The main objective of the paper is to extend the study of brand trust in the high perceived risk product category of baby-care toiletries. The study incorporates the antecedents of brand trust in baby-care toiletries products and shows what antecedents are preferred by which segment of mothers on the basis of their personality characteristics. The following are the research objectives:

1. To identify the major antecedents of brand trust in baby-care toiletries product brands.
2. To find out the effect of the mother's personality variables in the relationship between the antecedents of brand trust and brand trust.

RESEARCH METHODOLOGY

Apart from the literature support, primary research has been conducted to develop propositions. In the next stage, to pre test the survey instrument; in depth interview of forty mothers of baby under age three is conducted. Final data collection results into 507 fully filled data points to empirically test the hypothesis. Structural equation modelling has been adopted to test the validity and reliability of the model through measurement model. Then path analysis is done to check the relative importance of the antecedents of brand trust. The moderating effects of mother's big five personality traits between antecedents and brand trust were tested through hierarchical moderator regression analysis.

DATA ANALYSIS AND RESULTS

Confirmatory factor analysis resulted into all seven constructs have composite reliability of more than the cut off criteria of 0.6 (Bagozzi and Yi, 1988). All items except two loaded more than 0.5 on their respective constructs and these items are deleted from further analysis (Anderson & Gerbing, 1988). All the other items have significant factor loadings ranging from .50 to .91. Discriminant validity of the constructs is also assessed as specified by Anderson and Gerbing (1988) to fix the variance of the latent to 1 and to fix the covariance between the two factors at 1.0 and then compare the $\chi^2$ value for constrained and unconstrained model. Path analysis indicated that brand predictability and brand innovation are the significant predictors of cognitive brand trust. Whereas, brand reputation, family influencer and brand intimacy resulted into significant predictors of affective brand trust. Further, moderator regression analysis found that personality trait moderate brand predictability and brand intimacy.

IMPLICATIONS OF THE STUDY

The findings of the paper suggest that knowledge-based and emotion-based brand trust are different and have different factors influencing them in the baby-care toiletries brand context. This indicates that to generate these two different types of brand trust, managers need to look for unique and different antecedent factors. The results suggest marketing strategy implications for companies that what essential elements they must keep in mind while
promoting their brand and for winning trust of mothers. Since India, has the highest number of infants and baby care market is expanding faster, thus the findings of the study can be beneficial for the companies in tackling competition. Companies would also understand how to position their brand among different types of mothers and win their trust. The present study might also attract more researches in the less researched context of high perceived risk product category of baby care.

References


Brand Equity and Social Media
An Exploratory Analysis to Measure Customer-based Brand Equity Using Twitter Data

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION
Social media, i.e. social networks or microblogs, have become the most rapidly growing communications media (Fogel and Nehmad 2008, Morgan Snelson and Elison-Bowers 2010). Twitter is the second most widely adopted social media, with more than 400 millions of users and it is the fastest growing globally (Global Web Index 2013).

Social media (hereinafter: SSMM) provides a bidirectional connection between companies and the target audience, allowing companies to better understand consumer behaviour and directly contact customers online (Demerling 2010, Bruhn et al. 2012). Although companies are concerned about how to use the huge volume of SSMM data to produce valuable information for marketing strategies and tactics, the current success of such data mining is limited. In a time characterized by an increasingly rapid change and an even faster technological progress, it becomes essential for companies to develop mechanisms to generate and analyse market information.1 This allows companies to respond efficiently to consumer’s demand. In this line, the importance of SSMM as medium to connect consumer and firms, and using this kind of data to understand the role of customer as co-creator of online brand value, because today SSMM’s users have an active participation in the firm’s communication.

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Nowadays, is fundamental to determine the financial impact of marketing actions on the firm value (Rust et al. 2004). In particular, firms invest huge amount of money into the SSMM, and marketers need to justify their actions. Thus, a clear understanding of relation between SSMM and brand equity is key to taking appropriate marketing investment decisions.

RESEARCH GAP AND RESEARCH PROBLEM

While theoretical development of brand equity is a core idea in the marketing literature (Aaker and Keller 1990, Aaker 1991, Keller 1993) and there is agreement among researchers on the general definition (Ailawadi et al. 2003), its empirical measurement deserves more scholar attention (see, e.g., Srinivasan and Hanssens 2009). In particular, the branch that studies the measurement of brand equity from a customer approach is the less developed in the literature. The roots of this weakness in the empirical analysis based in this approach (e.g., Aaker 1991) can be founded on the limitations of the survey based data. This kind of analysis is costly and difficult to replicate and validate. Despite the centrality of brand equity and SSMM, little attention has been devoted to examine how they relate to each other. This absence provides several interesting future research avenues. From our understanding, this kind of data enable a great opportunity to listen consumers voice, in particular the customers from emerging markets.

OBJECTIVES OF THE STUDY

The main objective of this paper is to introduce new insights about online brand equity issues. I propose a conceptual framework that allows me to use new sources of data in order to measure the impact of SSMM strategies on brand equity. In particular, the introduction of SSMM data enables a different measurement of the brand equity from customer perspective, typically based on survey data. I will also develop a new empirical strategy to analyse the online voice (tweets) using a unique dataset with data of the popular microblogging platform Twitter. This dataset will allow me to extend the existing literature by including in the analysis the complete online voice related to a particular brand or topic. To perform the analysis I will construct different metrics that will be useful to summarize and interpret the SSMM data, in order to develop a ranking of online brand equity based on Twitter data. Finally, this large dataset enables the application of different empirical methods.

RESEARCH METHODOLOGY

We propose different alternatives to measure in a simple, objective, and managerially useful way the online brand equity using social media data. Based on core concepts of customer view, like awareness and associations, and combining with the sentiment of tweets we propose compute an online ranking of brands in the automobile sector, it reflect the relationship between online effort and results on some dimensions of brand equity like awareness and associations.

To detect the sentiment and associations we use a multinomial logistic and lasso variable selection in order to construct an algorism that enable classify tweets. In this line, to build
the classifiers we need to partition our dataset into three disjoint sets, the training set, the validation set and the test set. The training set is the set of tweets observing which the leaner builds the classifier. The validation set is the set of tweets on which the engineer fine-tunes the classifier. The test set is the set on which the effectiveness of the classifier is finally evaluated. In both the validation and test phase, “evaluating the effectiveness” means running the classifier on a set of pre-classified tweets and checking the degree of correspondence between the output of the classifier and the pre-assigned category. Following Liu (2006) and Aggarwal et al. (2012), we employed three graduate students to classify each tweet based on the sentiment content as positive, negative or neutral and the same for the case of associations. In each case we obtain a high inter-rater reliability for the coding of tweet, suggesting a high level of agreement.

We use as measure of awareness the total number of non-corporate tweets that mention the brand/firm. We take into account the sentiment of each tweet (positive, negative, or neutral) and also we use the number of followers and followings to weigh the relative importance of each. Also we perform a measure of the effort that each firm do on Twitter, for this purpose we employ the total number of corporate tweets and also information about the number of followers and followings. Finally, to measure the online associations of each brand/firm, we take into account the total number for each firm, and also the diversity and uniqueness relative to the rest of the sector.

In order to detect the associations to each firm, we conduct two different strategies. First, we based on the Aaker’s personality dimensions and adapt it to the automobile sector (we include new categories that fit better to our data). Second, we perform with expert on the topic a free association classification of a training group of tweets, and later we check the inter judgments in order to find stable (reliable) categories and diminishing the subjectivity of individual judgments.

DATA ANALYSIS AND RESULTS

In this research we use data collected directly from Twitter using Twitter’s application programming interface (API; see https://dev.twitter.com/docs/api/1.1). We tracked all tweets from the selected firms in the Spanish language and for the Spain region. This data collects information of 92 firms, from automobile sector, between January and July 2013, for tweets in Spanish and from Spain. In total we capture about 15 millions of tweets.

We collected all the tweets that were related to the selected firms, and we capture the complete chain of text, others variables related to the tweet (if it was re-tweeted, if it was replied, the year, month, day and hour of creation), and also variables related to the user (the number of followers, the number of users followed, geographical location, age, gender, nationality, occupation, seniority -date of activation of the profile-, etc.). Using this information we add new variables related to the content of each tweet.

Up to now, we only have access to a restricted part of the data, because this project is starting and the construction of the dataset is not complete yet. However, the available data is still useful to do a preliminary analysis that will allow us to show the potential of this methodological approach.
For the sentiment analysis, we are working with two of the main firms in the sector (BMW and Mercedes Benz). From 1500 tweets of each firm that belong to the training set, we find that in average 25 per cent of the tweets express positive feelings to the firm/brand/product, the 5 per cent express negative feelings to the firm/brand/product and the 70 per cent are neutral (don’t have enough information to classify in positive or negative). At this moment, we are determining the features for each firm in this set, then we calibrate it with the validation set, and finally we extrapolate the classification of tweet to all the dataset.

In the case of associations, we only have information for one firm BMW, and only for 200 tweets that belong to the first version of the training group. About 8 per cent of tweets express aspirational associations to the firm/brand/product, 17 per cent show sophistication associations, 6 per cent represent competence association, 7 per cent excitement associations, 2 per cent ruggedness associations and 7 per cent is related to sincerity associations to the firm/brand/product.

**IMPLICATIONS OF THE STUDY**

This work makes two main contributions to the growing literature in brand equity. First, introduce a novel and big dataset, which enable to take into account issues that the traditional approach not considers. Second, this new kind of data gives the possibility to use strong empirical approach to perform topic analysis to online raw data.

**References**


The Prospects and Challenges of Indian Retail Sector

A Study on Preferences of Consumers Based on Formats

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Since developed markets have reached a point of stagnation by exhibiting anaemic growth, developing markets remain important sources of growth for the retail sector. The 12th annual edition of the Global Retail Development Index (GRDI, 2013) explores many opportunities for retailers seeking to grow and expand in fast-growing developing markets—big and small. India is under active and aggressive plan of Global Retail giants and ranked at 14th position after Malaysia having scored 36.8 (out of 25%) for market attractiveness, 59.4 (out of 25%) in country ranking, and 63.3 (out of 25%) for market saturation, 60.6 (out of 25%) towards time pressure to enter in to the market, with an overall GRDI Score of 55. Furthermore, the BMI India Retail Report for the first quarter of 2011 forecasted that the total retail sales has grown from US$ 392.63 billion in 2011 to US$ 674.37 billion by 2014, while its report for the first quarter of 2012 estimated total retail sales to grow to US$ 825.46 billion by 2015. The report highlights strong underlying economic growth, population expansion, increasing disposable income and rapid emergence of organized retail infrastructure as major factors behind the forecast growth.

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The Prospects and Challenges of Indian Retail Sector

The growing wealth among the middle-class, the population size with a sizeable population in India being in the age group of 30s, it opens immense opportunities for entrepreneurial growth in the retail sector. The Technopak Advisors have further estimated that the country's retail market is expected to touch 620 billion Euros (around ₹ 37 lakh crore) by 2020 at a compounded annual growth rate (CAGR) of more than 25%. The economics of Indian consumerism is buoyant, with India ranked as the fourth largest economy in terms of Purchasing Power Parity (PPP), next only to United States, Japan and China. Retail is one of India's largest industries, contributing to about 10 per cent of the GDP and providing employment to 8 per cent of the nation's workforce. Indian retail business promises to be one of the core sectors of the Indian economy.

The present study has been conducted with a purpose of understanding the changes taking place in the minds of consumers towards modern retail formats and traditional retailers as well. The consumer prefers to buy from unorganized outlets like Kirana shops because of convenient location, quick and personalized services, besides credit and bargaining facilities which he/she may not avail in a modern retail format. The organized formats have entered into the tier-II cities and other small cities focusing on the middle class population, after having covered almost all the metropolitan cities in India. Both organized as well as unorganized retailers need to add value added services to make the shopping experience more comfortable and value oriented for consumers.

In case of unorganized outlets which dominate the Indian retail market, convenient location, quick personalized services of the store, credit and bargaining facility have been the main factors influencing consumer's preferences. Both organized as well as unorganized retailers need to add value added services to make the shopping experience more comfortable and value oriented.

**OBJECTIVES OF THE STUDY**

The present study is an attempt to reveal the driving factors behind consumers’ preferences for these two distinct shopping formats offering different shopping experience and value delivery. Traditional Kirana stores carry a legacy of trust and long term binding personal relationship focused at individual needs of customer, while super-stores offer high quality products and services, convenience and a delightful shopping experience under one roof. The present research is an attempt to get some relevant insights in this context which is based on Primary survey data gathered from a cross section of respondents of Berhampur City in Odisha State.

Following are the objectives outlined for the present study:

1. To explore and reveal factors affecting Consumers” preference for Super-Store or Kirana Shops as preferred destination for buying
2. To explore and establish a relationship between customer’s buying preferences and socioeconomic strata (Qualitative interpretation only)
3. To understand consumers buying behaviour of Kirana and Super-store buyers and correlate group-wise observed priorities for various value offering factors with prior assumptions (confirmatory approach)
**LITERATURE REVIEW**

Consumer buying behaviour is not only prime concern from a marketing perspective but also it has social implications. Due to rapid urbanization and growth of service sector industries a contemporary socio-economic class has evolved. Though the 21st century consumers have decent buying power, extended working hours tend to incline them for convenience. They don't shop just out of necessity, but for a delightful experience too.

Gupta (2012) in her study in Jammu, India indicated that the consumer’s preferences with regards to retail keep on changing. Arshad *et al.* (2007) revealed that dynamics of the demographics, double income, urbanization and internet revolution have tilted the consumer’s preference towards organized retail outlets. Dash *et al.* (2009) found that consumers coming from growing middle class, coupled with the increase in spending capacity have favoured the growth of organized retail. (Gupta, 2004) found that consumers visiting malls and supermarkets are fashion and brand conscious. Jasola (2007) observed that malls, specialty stores, discount stores, department stores, hypermarkets, supermarkets, convenience stores and multi-brand outlets are the most preferred retail formats in India, and that in the organized sector, super-markets contribute to 30% of all food and grocery retail sales. Ghosh and Tripathi (2010), attempted to analyse purchase pattern of customers towards organized retail outlets in terms of merchandise, stores switching behaviour and store attribute. They indicated that those shoppers who remain within a store for longer do consider shopping experience as stress releaser and fun activity. The study further revealed that customers in tier 2 and tier 3 cities evaluate a store on convenience and merchandise mix, store atmosphere, and services.

Singh (2007) concluded that production oriented market has been shifting towards consumer oriented market. Traditional consumption pattern has also been facing large-scale changes. The study pointed out that the degree of brand awareness of various food products among urban respondents is more in comparison to the rural consumers. Tender and Crispin (2009) studied the influence of in-store shopping environment on impulsive buying among consumers and the results showed that among poor consumers, economic factors such as cheaper prices, coupons and helpful shop assistants were more likely to influence their impulsive buying. Consumers are identified under various categories such as: economic shoppers, personalizing shoppers, apathetic shoppers, store loyal shoppers, recreational shoppers, Convenience shoppers, price oriented shoppers, Brand loyal shoppers, Name conscious shoppers, problem solving shoppers, quality shoppers, fashion shoppers, Brand conscious shoppers, and impulse shoppers etc. (Bellenger & Korgaonkar, 1980)

The literature refers to a great diversity of methodologies, to varying temporal and spatial contexts, and to different store types, making both generalizations and typology construction a difficult task. For example, studies revealed that simply the emotional and affective perspective would not work; rather the functional and objective attributes have to guide the decision regarding the store patronage such as price, product quality (Bearden, 1977), Assortment and Location (Schiffman *et al.*, 1977). Among the emotional and intangible attributes, the most important ones are: atmosphere and store characteristics, Sales Personnel, and Advertising.
From the above literature review, it is imminent that there is a need to study shifting preferences of consumers towards various retail formats. A study could also seek for answers as to whether there exists any relation between the demographic profile of the consumers and preferred retail format, and whether the personalized service and convenience could influence the consumer's selection of a particular retail format. It also raises a concern such as: “Are super-stores eroding market share of traditional Kirana Stores which are the livelihood for millions of Indian engaged in unorganized sector?” Not only young generation but a whole gamut of consumers are driven towards malls and super-stores throwing challenges for the unorganized Kirana to enhance their unique services to compete with the size, finance, network and modern technology available to organized retail chains. The problems faced by consumers shopping from organized as well as unorganized retail outlets also need a thorough study.

**HYPOTHESES FORMULATION**

Three hypotheses were tested against the null hypothesis (H₀) in the present study as follows:

\[ H₁: \text{Consumers preferred buying from Super-Store or Kirana shop depends upon Convenience in delivery (distance).} \]

\[ H₂: \text{Consumers preferred buying from Super-Store or Kirana shop depends upon the Value proposition of products and services offered to them.} \]

\[ H₃: \text{Consumers preferred buying from Super-Store or Kirana shop depends upon Ease of buying at the marketplace.} \]

**RESEARCH METHODOLOGY**

The present study has used Primary data through Questionnaire Survey and Secondary Data from Retail Market related Journals and Reports. It targeted households in Berhampur who visited either to Kirana and Super Stores for buying. Through Cluster Sampling, the study attempted to capture diversified population from all economic strata to ensure that sample is representative of population. The survey was conducted from 1st of July 2013 to 30th of September 2013.

**DATA COLLECTION**

840 respondents were selected by convenience sampling technique in Berhampur City in the state of Odisha in India covering Super Markets such as: Vishal Mega Mart, Bazar Kolkata, City Mall and V2 in Organised Sector, and Kirana Shops form Prem Nager and Bhapur bazaar areas of this city. Data related to Demographics, Economic Status and other pivotal factors (with 11 variables analysed by using Likert-type scale) for purchase-place preference of consumers, have been recorded for our study.

**DATA ANALYSIS**

Three distinct sets of variables are used separately for clustering to classify respondents on basis of Demographics, Economic Status and Purchase place preference. The variables were
identified on the basis of Cluster Analysis using Group Linkage method and squared Euclidian distance. The Dendogram identified the 3 significant clusters with a distance of 10.

**Inferences from Factor and Cluster Analysis**

11 variables were taken into consideration in the present study, based on the expectations of consumers, which were recorded on a 5-point Likert-type scale. By factor analysis the structure of the interrelationships among these variables were identified. Finally, a set of common underlying dimensions or factors were identified. These dimensions represented more fundamental concept related to customer behaviour. In other words, these groups of variables may be interrelated to the extent that they are all representative of a more general concept.

Factor Analysis tool was applied to different clusters on basis of Demographics, Economic Status and Buying place preference of consumers. This information was useful in identifying target consumers who prefer services offered in a particular shopping place such as Kirana Store or Super-Store.

Clusters formed on the basis of Purchase place preference don't have any distinction in terms of demographic and Economic Status variables, as respondents across the demographics and Economic Status visit both the Kirana Stores and Super-Stores for different needs and occasions. Interdependence among variables and corresponding factors are varying for different clusters on basis of Demographics and Economic status of consumers.

Consumers exhibited a psychological bias towards Kirana shops which ensured trust, long term relationship, and quality assurance to them, while Super-Store buyer were more inclined towards service quality, ambience of store, and overall delightful shopping experience.

**FINDINGS AND CONCLUSION**

To distinguish Kirana Shoppers and Super-store buyers based on demographics and economic variables, the gathered data was subject to univariate and bivariate analysis, findings of which revealed the following:

Unlike older age consumers 'who prefer to visit Kirana stores, the younger generation has more inclination towards organized retail. Families with annual income less than 4.0 Lakh and having a single bread earner prefer shopping with nearby mom-n-pop shops .consumers' with higher qualification were found to be more attracted towards organized retail outlets. It is indicated that unorganized retailers also need to add more product lines and focus on quality as well as variety to regain the losing market share.

Women were more inclined to Super-Stores due to ambience and friendly environment at super-markets. This result might be due to the fact that most of the women respondents were working professionals. Respondents in the age group of 40-45 years preferred Kirana Stores, while the respondents in the younger and older age groups exhibited inclination towards Super-Markets which attracted them for comfort, ambience and variety. Higher income groups preferred Super-Market for their purchases. It might have resulted due to the fact that Super-Market shopping is conceived by consumers to be expensive than Kirana
stores. With respect to purchase of grocery items, male consumers were found to be more active buyers as compared to females in both supermarkets and traditional Kirana stores. Private sector employees preferred supermarkets while those in the government sector were inclined towards traditional Kirana stores. This might have resulted due to the disparity in the income, and preference of one-stop shopping by the private sector employees who were subject to extended working hours.

Retailing provides a crucial link between producers and consumers in modern market economy. Retail in India is most dynamic industry and represents a huge opportunity both for domestic and international retailers. Modern retailing is not threat to independent Mom and Pop stores as most of the consumers said that they never stopped visiting Kirana stores. They strongly agreed on coexistence of both is requirement of the day. Their frequency of going to Kirana stores is reduced but it’s kind of opportunities for reorienting Mom and Pop stores (Manocha and Pandey, 2012) for attracting more consumers. So, organized retailing is beneficial for India because it’s not alarming to create conflict with unorganized stores but reshaping unorganized stores into budding/nascent organized stores.

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Understanding the Influencing and Motivating Factors behind Buying Patterns of Indian Rural Consumers

An Analysis

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Consumer behaviour study is the most interesting and researched topic. India is land of villages; with its vast and multicultural landscape it has most different consumers. Indian consumers are very different in their buying decision process and it largely depends on their self relevance and understanding about the product. For the marketers there are ample opportunities in rural market as it is yet to be explored to its fullest. The price factors remain most important attribute in overall buying decision. Hence, considerably low priced products can be very successful in these parts. Further, it is observed through numerous studies that rural consumers largely consist of homogenous groups who have similar needs. However, for marketers it is important to understand the difference in the attitudes of rural consumers in relation to urban consumers and the factors that influence their buying decision. There are several theories and concepts that discuss ‘how consumers make their decision.’ With regards to purchase decision, rural consumers are very different from urban consumers. This paper examines the influencing factors behind buying patterns of rural consumer. It

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explores the theoretical concept of rural consumer buying process through the model of consumer buying behaviour and the buyer decision process. Researchers try to match the sequence of buying process with collected data by creating hypotheses and prove through statistical data analysis.

**RESEARCH GAP AND RESEARCH PROBLEM: A LITERATURE REVIEW**

There is a lot of research has been done on mentioned topics and gives immense scope for further deeper research. As define by ministry of Rural development MoRD (2012), the census of India defines the term rural as any habitation with a population density of less than 400 per sq. km., where at least 75 per cent of the male working population is engaged in agriculture and where there exists no municipality or board. The growth rate of rural per-capita consumption expenditure rose exponentially during the last seven years owing to consistent and unhindered focus of the Indian Government on social sector in general and the rural India in particular (MoRD 2012). According to data, rural India consists of about 6.27 lakh villages and is home to around 70 per cent of India’s population. The rural life revolves around social rituals, deep rooted community values, joint families and age old customs and traditions. The decision process is largely influenced by family decisions. The rural market is heterogeneous, fragmented, and complex and remains largely untapped.

A recent study conducted by Nielsen India (Nielson, 2011) mentions that rural Indian consumer is constantly changing and so is their shopping basket. Their shopping habits and value-for-money purchasing is growing in importance. While small-sized packages are vital for entry into the market, as purchasing power increases, rural consumer is focused on buying larger packs at a lower cost per serving. Retailers who cater to these changing needs by offering a portfolio of products that provide a value proposition will be poised for growth. The Nielsen study also indicates that reaching rural Indian consumers today is becoming easier. At the same time increasingly, rural consumers are upgrading technology – 84 per cent have a television and 80 per cent own a mobile phone. The report suggests some key tips for marketers when marketing to the Rural Consumers. The paper discusses the theoretical and conceptual model of consumer buying decision process. The distinctiveness of rural consumers requires the 4 A’s of marketing, that is, affordability, availability, awareness and acceptability. These 4 A’s have evolved as a more customer oriented solution to designing an appropriate marketing strategy for rural market (Kashyap 2012). The literature review suggests a model of consumer buying decision process (Krishnamacharyulu and Ramakrishnan, 2011). This is a basic model for understanding consumer behaviour largely applicable to consumers universally. This model broadly does explain about the consumer behaviour in rural India, however, rural India is quite different due to homogenous groups, and other factors like culture, social rituals, groups, caste that create more challenge and complex situation for marketers. Rural India has its own customs, traditions and beliefs, which overall impact the process of the decision-making (Kashyap 2012). The model broadly discusses the stimulus and response of the consumers in the buying behaviour. It suggests that rural consumer is influenced by many factors like, Cultural, Social, Personal, and Psychological. Each of these can be further divided into sub-classes. Researchers have analysed how rural consumers make buying decisions. The conceptual model of consumer
buying decision process follows a logical sequence of five steps. It starts from need recognition and ends with post-purchase behaviour. This model implies that consumers pass through all five stages in buying process. But in low involvement purchase, depending of the products, some of the stages may be skipped or even reversed. The mentioned model is studied and reviewed on the selected sample.

Researchers have reviewed the literature on family decision-making. Peter & Olson quoted that marketers are very interested in family decision making, how family member interact and influence one another when making purchase and to fully understand the family decision making, marketers need to identify which family members take on which roles. (Peter & Olson 2010) This paper makes an attempt to explore these aspects through research analysis.

**OBJECTIVES OF THE STUDY**

The research objectives of the study are:

1. To understand the influencing factors behind the buying behaviour of rural consumer
2. To analyse whether the rural consumers follow the sequential steps of the buying decision process.
3. To understand the factors affecting the buying decision. In particular, analysing the role of television advertising on pre-purchase search efforts of the rural consumers.

**RESEARCH METHODOLOGY AND SAMPLE**

The focus of the paper is the buying behaviour of rural consumers in the convenience goods sector. The relevant data has been collected using semi-structured interviews from a rural village named Gudli, in Udaipur district, Rajasthan, India. This village has been chosen since the interviewer (who is also one of the authors) is familiar with the culture and language of the village, making it easier for building rapport with the respondents and getting meaningful responses. Further, due to limited time for sample collection, the sampling technique employed is *convenience sampling* from different locations like near government school, retail stores, tea stalls, kirana shops, and aaganwadi centre. A total of 61 responses have been obtained. This sample is in the age group of 18 to 60 years. As mentioned in literature review section, people play different roles in any decision making process. Since the objective of the paper is to investigate factors influencing every step from *need recognition* till *purchase* for rural buying behaviour, only those respondents who claimed to be the final purchasers have been considered for the study. Those respondents who were only influencers or had no role to play in the final buying decision process were excluded.

The paper follows both qualitative and quantitative approach for analysis. The inputs from *semi-structured interview* of the respondents are used to understand the rural buying behaviour process. Some of the aspects for which graphical technique has been used are:

1. The sources of information about the product for rural market at the information search stage of the consumer buying decision process
2. The motivational factors (like price, brand, functional attribute, advertising and packaging) for buying decision of rural consumers.
3. The pre-purchase search efforts in terms of the (likely) number of alternative retail shops considered by the rural consumer before purchase of a product.

In addition, a logistic regression model (Gujarati, 2003) is used to analyse the determinants of pre-purchase search efforts of rural consumers. In particular, the paper examines whether television advertisements influence the pre-purchase efforts in terms of the number of alternative retail stores considered by the rural buyer before purchase of a products, largely in the convenience goods sector.

**DATA ANALYSIS AND RESULTS**

Some insights from semi-structured interview:

1. Rural consumers differ with regards to the first stage of the buying process, that is, need recognition.

2. More than 75 per cent of the respondents consider self as one of the sources of knowledge regarding the products. Interestingly, around 60 per cent of the respondents rely on television advertisements for information on products. Only 35 per cent believe that their friends and relations can give reliable information on the products that they intend to purchase.

3. Television advertisements seem to be an important factor influencing the rural buying behaviour.

4. There is evidence of gender differences with regards to the role of self and spouse in making the final purchase decision. Only 1/3rd of the male respondents did the final purchase in consultation with their wives. However, in the case of female respondents, more than half of them did the final purchase in consultation with their husbands.

5. The price and the functional capability emerge to be primary motivational factors for buying a product.

Some insights from the logistic regression model are:

1. Television advertisements have a positive and statistically significant effect on pre-purchase search efforts.

2. Even friends and relatives are able to influence the pre-purchase search efforts of the respondents.

3. Age of the respondent has a positive influence on the search efforts of the buyers.

**IMPLICATIONS OF THE STUDY**

The paper discovers that rural consumer is changing with regards to access to information before product selection. It is well established in marketing literature that advertising affects the buying behaviour in urban consumers. This paper finds support for the view that advertising can influence buying behaviour of even rural consumers. A deep understanding of the product may lead to repeat purchase by the rural consumer.
References


Redefining the Marketing Concept
Adapting Our Research to Focus on Consumer Choices in Emerging Markets

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The naïve public – and several marketing scholars – believes that knowledge creation in marketing essentially boils down to helping companies sell more products to consumers. As marketing academics, we know better. However, it has been argued that we’re dealing with euphemisms. That we’re just making that basic premise sound better by saying that marketing involves “creating exchanges that satisfy consumer needs while meeting organizational objectives.” If you ask most marketing executives, they’d be quite satisfied with a consistent record of increasing sales as long as they’re doing no significant harm. The research produced by marketing scholars has also been criticized as being irrelevant to the broader professional marketing community implying, within that statement, that we as marketing academics have a responsibility to the professional marketing community in order to be relevant.

The basic premise of this paper is that marketing is, or can be, much more than this and that the research we produce can have a positive impact on consumers beyond making them happy that they have a new HDTV. Moreover, I argue that the potential impact of that research in the long run is much greater in emerging markets than in America. Rather than advocating that consumer researchers shift their research agendas towards a more social orientation, I suggest that all many of us need to do is simply adjust our perspectives slightly. We can and should do research we are passionate about, but it may be easier to

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positively impact consumer welfare than some think. The heart of the argument is that the very theories we currently use in our research can be adapted to make our work more impactful for consumers.

Emerging markets tend to be particularly exciting hotbeds for applying consumer research to rapidly expand sales among the growing middle class. There tends to be a surge in interest in how years of research on consumer behaviour can be strategically employed to gain an advantage when facing an opening economy as firms suddenly start to compete for customers. The basic premise firms quickly learn is that a focus on customer satisfaction is the most reliable path to profit maximization, other things remaining equal. And understanding customer satisfaction is clearly within the domain of marketing. Researchers find that they can make a positive impact on the business world with the knowledge that already exists in marketing journals. Experts from abroad are eagerly sought out and conferences are well attended. But, in this very environment, marketing can easily be more.

**REDEFINING THE MARKETING CONCEPT**

We have all learned that marketing is all about exchanges that satisfy consumer needs while meeting organizational objectives. I suggest that we adopt a more evolved definition of exactly what marketing is, to give us a broader view of our responsibilities as marketing scholars.

This is the core idea underlying a rapidly growing movement in consumer behaviour research that we call Transformative Consumer Research. The basic belief is that we don't necessarily need to look at new theories to underlie the research we do. Rather, the very same theories we use to understand consumer choice so organizations can serve them better can be equally effectively used to help consumers make choices that enhance their own personal welfare whether or not this meets any specific organizational objective. That is, to truly embrace marketing's broad focus on consumers, we need to see ourselves not simply as agents of corporations looking to sell more products to consumers, but also as consumer advocates looking to help them make better choices that can improve their overall health, wealth, and happiness. It boils down to this: Whose side do we see ourselves on? Instead of assuming that we are on the side of companies selling products, let’s start also seeing ourselves on the side of consumers making increasingly difficult choices from among a dizzying array of competing alternatives that satisfy a variety of different (and often competing) needs.

This paper will present an alternative definition for the marketing concept that embraces the idea of focusing consumer research on consumer welfare rather than on organizational objectives. Specific examples will be used to demonstrate how existing research insights can be used not only to benefit organizations marketing to consumers but consumers looking to make better choices in the short and long term.
**Major Shifts in Family Structure and Adolescents’ Influence in Family Purchase Decision in Indian Context**

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**Extended Abstract** (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

**INTRODUCTION**

World has witnessed a remarkable changes in past decades. India has also become a part of these changes. Due to modernization and Urbanization, India witnessed a tremendous change in consumer profiles. Due to globalization, changes in family structure, disposable income drive a change in consumer behaviour which is totally different from Indian consumer in past two decades. According to Mckinsey (2007), India is expected to be fifth consumer market by 2025. India has undergone a major shift in social and economic status (Doston et al, 2005). Also there has been a shift in society from joint family to nuclear family and rise in parental income. In past, it was seen that decision making was done solely by parents but now adolescents seem to play a substantial role in the family purchase decision process. McNeal (2003) revealed that adolescents constitutes three types of market: “current market for existing product desire”; “Future market for all products”; “influential market where they have an influence on family purchase decision”.

Teenagers comprise a significant marketing area. Teenage is the second stage of life which leads towards maturity. Adolescents are different from childhood, but their struggle towards ego development and emotional skills deny them from adult categorization. And there is one more term called adolescents’ which means to grow up. Adolescence is a “transitional stage of physical and the psychological human development. “The period of adolescence is
most closely related to the teenage years” (http://en.wikipedia.org/wiki/Adolescence). Hence, here in this paper both the terms Adolescents and the teenagers will be used interchangeably. Blackwell et al. (2001) state that adolescent influence on household spending varies by product user and by degree i.e. they have a greater influence in decisions on purchases of products for their own use. According to Koenderman (2001) cited by Tydskrif vir (2001) teens spend 4.5 billion/year in South Africa and influence the spending of another 20 billion/year including the purchase of items such as television sets and cars. In India, the literature on adolescent’s influence on family purchase decision is very limited or only the partial influence of teens on family purchase decision has been investigated. Indian society perceives a rapid increase in single parent families, and the dual earner families, also family structures are undergoing the transformation. A notable amount of research in this field has been done in western countries but the parameters used in these researches also merits investigation in different cultural settings. According to Webster (2000) which is cited by Singh & Kaur (2006), “India is an interesting culture in which to explore the antecedents of marital power because its social and intellectual grains operate in ways vastly different from those the West takes for granted. For instance unlike western culture, where the nuclear and neo local families are both the ideological and factual norm, the joint family has been and continues to be an important element of Indian culture”. Hence the main aim of this paper to evaluate and critically examine the avenues already explored by researchers both in India and in Western countries.

In this paper a conceptual model is developed to see the impact of socializing agents, SRO and family communication pattern on the adolescents’ consumer decision making style and to see how all these variables have an impact on adolescents’ influence on family purchase decision which results in the adolescents satisfaction. A deeper understanding of the factors precedes the adolescents’ influence on the family's purchase decision and their satisfaction with the decision.

**RESEARCH GAP AND RESEARCH PROBLEM**

Adolescents’ role in family decision making is essential to examine not only because of they constitute a sizeable market, but also acts as an information source to the parents. They also act as an influencer for the parents in the decision making process and also on the consumption related activities. Teenagers act as co-decision maker with family members in case of both simple impulse purchases as well as for more planned & long term purchase (Kuhn & Eischen, 1997). They pointed out that in some cases adolescent acts as a primary decision-maker. A large number of studies about the adolescents’ influence in family decision making have been done but still in India it needed to be explored further.

**OBJECTIVES OF THE STUDY**

The study has postulated the well-defined antecedents for the adolescents’ influence in family purchase decision and its consequences on adolescents’ satisfaction with the decision. Here in this paper the authors have defined the constructs from the perspective of adolescents' consumer socialization. Today adolescents not only make purchases for themselves but also have an influence on family purchase decisions. Their decision-making style or purchase behaviour is conquered by the manner they have been socialized to act as consumers. This
research has examined the existing literature with respect to adolescents’ influence on family purchase decision. This paper sights the researches done in past two decades on adolescents influence on family purchase decision and their way of socialization and then it pinpoint the areas for future research with focus on Indian culture.

**RESEARCH METHODOLOGY**

The research design employed for the present study is basically describes and explains adolescents’ influence on family purchase decision in the modus that sheds light on the concepts of adolescents’ consumer socialization and the Adolescents’ decision-making style and sets an arena for the future research.

**DATA ANALYSIS AND RESULTS**

Adolescents’ consumer socialization is a considerably a more involving type of approach. It has been found here that how the adolescents consumer socialization results into a particular type of decision-making style, and hence how they have an influence on the family decision making process and adolescents’ level of satisfaction with the decision.

Adolescents are efficiently fitting into consumer role particularly to time constraint and income effects in dual earner families. Besides, introduction of mass media and debate with parent guarantee that adolescents are not only have expertise in the available brands but also have capability to comprehend them on various attributes. In Early adolescence period the children are generally affected by the parental behaviour, while in late adolescents, they have full cognitive development and hence, the proper understanding of how to process information and selections are made. A research on adolescents as consumer gives an aid to the marketers to formulate the marketing plans and strategies accordingly by identifying their motivation, perception and the level of involvement with the particular product category. It has been analysed that they behave as purchasing agents for the family and delegated the task of purchasing the product for which they are not the consumers. Products for which the adolescents are the purchasing agent help the marketers and managers to understand their behaviour so that they can direct appropriate messages towards them.

The complexity of the factors that are involved in studying about the Indian market such as prevalence of joint families over nuclear families, large rural market, etc. concludes that we need to project our study in such a manner that will include all the factors that are involved. In India it has been seen that females generally exercise covert influence in the household decision. A major shift has been seen in Indian households i.e. from joint families to extended families and then to nuclear families. Further, changes have been seen in the role of women from home earner to the working outside, hence these changes gauged a light for the scope of future research in this area.

**IMPLICATIONS OF THE STUDY**

The paper is original and creates a foundational provision that can be very useful for the researchers and the marketers. The findings would add values to the international companies/marketers who are on the queue of capturing Indian market.
Listening to Consumers of Emerging Markets

Conceptual Model

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The Urban Indian Middle-class Woman as Consumer
An Exploratory Study

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Globally, women control about $20 trillion in annual consumer spending, and that figure could climb as high as $28 trillion in the coming years. Women represent a growth market bigger than China and India combined – more than twice as big (Silverstein & Sayre, 2009). The urban Indian woman forms a significant proportion of this growth market, and has surprisingly been an understudied subject for marketing academics.

Globalization and liberalization has helped India to become a fast growing economy with an average GDP of 7% during the last 10 years. The service sector leads the way with almost 60% contribution to the country’s GDP. This has led to the telecommunications revolution and the advent of transnational corporations resulting in globalization of culture and media alongside the availability of the same products throughout the world. It has also resulted in the emergence of burgeoning middle-class consumers who through their consumption practices are driving the growth of the Indian economy.

A report (2010) by National Council for Applied Economic Research’s (NCAER) Centre for Macro Consumer Research indicated that by 2015-16, India will be a country of 53.3 million middle class households, translating into 267 million people falling in the category. Currently India has 31.4 million middle class households (160 million individuals). Further ahead, by 2025-26 the number of middle class households in India is likely to more than

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double from the 2015-16 levels to 113.8 million households or 547 million individuals. Interestingly, the report also states that the middle class that represents only 13.1 per cent of India’s population currently owns 49 per cent of total number of cars in India, 21 per cent of TVs, 53.2 per cent of computers, 52.9 per cent of ACs, 37.8 per cent of microwaves and 45.7 per cent of credit cards. The percentage of the middle class in the country’s total population will increase to 20.3 per cent by 2015-16 and 37.2 per cent by 2025-26. Around half of this consuming population will be women.

A lot has been and is being discussed about the ‘new’ Indian middle class (Fernandes, 2006) and their changing lifestyles (Brosius, 2010), their increasing capacity to consume and their growing importance in emerging markets. Within this very burgeoning middle-class there is a unique group of consumers - the urban Indian women – transforming slowly but steadily and whose needs seem to be expanding rapidly.

Along with the increasing participation of the urban Indian woman in the economy have come far reaching changes in the consumption patterns of Indian households (Wessel, 2004), and a markedly increased focus by marketers on Indian women as a distinct segment – reflecting the increasing influence of this segment on the economy as consumers, especially with a lot of spending power (Upadhya, 2009).

**RESEARCH GAP AND RESEARCH PROBLEM**

Researchers abroad have been studying the changing lifestyles of the educated working women and their impact on purchase behaviour in the last couple of decades (Bartos, 1977). Women have been traditionally targeted and studied by marketers and researchers equally in the western world, for consumption of routine products and services like cleaning and cooking, apparels and cosmetics, grocery and vegetables.

In general academic research on the consumption habits of Indian women is marked by its relative paucity. There seems to be a significant transformation in the consumption habits of urban Indian women that the extant research has almost entirely missed – their increasing participation in the purchase of assets such as computers, televisions, two-wheelers, cars and houses, as well as other non-routine items such as modern clothes and leisure services – part of a class of purchases we shall subsequently label as non-routine purchases. There has been very little research done on understanding and exploring the inter-generational shifts in the consumption habits of the urban Indian middle-class women with regards to these non-routine purchases. However it is these very non-routine purchases by Indian women that are visibly transforming the urban Indian marketplace. It is this significant gap that this exploratory study has attempted to plug, with the aim of creating awareness among researchers, regarding the changing roles of the urban Indian middle class women in the broadening panorama of consumption that would include non-routine products and services.

**OBJECTIVES OF THE STUDY**

This study is an initial effort at exploring the changing consumption portfolio of urban Indian middle-class women. We use a qualitative method to probe into consumption habits
of a sample of urban Indian women, probing in particular the antecedents and consequences of their purchase and consumption of non-routine products.

In this exploratory research, an effort has thus been made:

- To understand the consumption practices of the urban Indian middle-class woman and the motives behind the purchase behaviour especially for non-routine products
- To explore the inter-generational shifts in purchase behaviour that seem to be occurring across different age groups and the corresponding consumption lifestyle categories

RESEARCH METHODOLOGY

The ethnographic location chosen was Kundalahalli, near Whitefield in Bangalore. The sample consisted of a sample of married, urban middle-class Indian women and the responses are obtained to a broad set of questions through in-depth interviews.

The site for doing research was the home of the respondent in most cases. A discussion guide was used for setting the tone of the interview and the questions were modified along the way in response to the answers provided by the respondent. The in-depth interviews are recorded both in writing and by audio recording that is later transcribed into word documents.

The urban Indian middle class woman for this research project has been taken to be a well-educated, professionally qualified individual who is married and may be working or is a homemaker; her family owns at least a house/flat and/or a landed property. The family could own a car or any four-wheeler besides a two-wheeler. But this is not mandatory. The non-routine products include all products with the exception of grocery, fruits & vegetables, cosmetics and household cleaning products.

DATA ANALYSIS AND RESULTS

The major theoretical frameworks that were adopted as a setting for embedding the discourses obtained during the participant – observation process conducted among the respondents are the global modernity flows (Appadurai, 1996), description of the new middle class as explained by well known sociologists (Fernandes, 2006; Liechty, 2003; Wessel, 2004), the process of consumption (Warde, 2005) and the culture of materialism (Belk, 2001).

The middle-class urban Indian woman has observed and experienced extensive changes in the consumption practices today vis-a-vis the bygone era before liberalisation (before the ‘90s). The extent of transformation to a certain degree conforms to the description of the postmodern consumer (Firat and Venkatesh, 1995) and the makings of a society constructed on organic solidarity principles of Durkheim (Barnes, 1966).

The younger group generally enjoy shopping with friends or close family and also were comfortable with shopping at malls and supermarkets and also online. There is a general acceptance of materialistic way of living as long as one could afford it. Fashion seems to be the basis for the purchase of non-routine products like watches, mobile phones, sunglasses
The Urban Indian Middle-class Woman as Consumer

and dresses. Quality and latest models are sought by the younger group with price as the next important consideration. Among the senior group quality and price are the prime considerations in purchase of any non-routine product or service. They are reluctant adaptors to the fast & modern lifestyles that are being enthusiastically followed by the younger age group consumers and also their own children. Although they are not in favour of the changing trends, they feel the need to move with the tide and accept the inevitable. A conflicting discourse among the different age groups and the young children in the family could be perceived by the researcher with respect to the preservation of the old middle-class values that defined this senior group's upbringing before the liberalisation era i.e. hard work, meritocracy, saving & education, that have today to a great extent been diluted and dominated by consumption values and materialistic tendencies. Materialism is on the rise and urban Indian middle-class women are affected by it specifically with respect to family and societal relationships (Belk, 2001)

Based on what they do in their free time, what they enjoy shopping for and where they shop, the sample of respondents are conceptually categorised into three forms of consumption practices. These are:

Aesthetic Consumption may be explained as those purchases that are normally made with the sole purpose of decorating the house or for intellectual stimulation or for conservation of nature (altruistic reasons). These consumers do not seem to enjoy impulsive shopping behaviour and are not avaricious purchasers of personal products.

Judicious Consumption would involve need-based purchases of quality products at reasonable prices. The purchases are normally pre-planned and made solely on fixed budgets.

Both the above types of consumption seem to be prevalent among the senior group of consumers.

Indulgent Consumption denotes frequent personal shopping for keeping up with the latest fashion or technology trends on a continuous basis often leading to impulsive purchases. This is found to occur mostly among the younger age groups based on the current sample of respondents. These shoppers take great pleasure in spending their time at big commercial centres like malls, exhibitions & multiplexes.

**IMPLICATIONS OF THE STUDY**

The explored consumption trends point to an increasing role in the participation of the urban middle-class Indian woman in purchase decisions for many non-routine products like televisions, cars, cameras, and mobile phones. The paper goes on to define, discuss and present the consumption practices of the urban Indian middle class women in a new typology as perceived by the authors in a pre-defined ethnographic setting. This paper may thus be seen as a first step in theory building on the changing consumption practices of urban Indian women. It also contributes to the fields of consumer research and marketing, providing a deeper understanding about the factors that impact the purchase behaviour of the urban Indian middle-class women consumers, and the intergenerational shifts in their consumption lifestyles.
References


Consumers' Preference for Bonus Packs and Discounts in Sales Promotion

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Often criticized, but a necessity in today’s world of competition, sales promotion has become a strategic tool for firms to reach out to consumers, both current and prospective, as a reward for their loyalty or as an incentive to shift from a rival brand. Steenkamp et al., (2005) showed that any reaction to a rival action is generally in terms of similar instruments, specifically promotion attacks being countered through promotion. This has been observed in recent times, as we have a large number of cases wherein a promotional offer by a producer leads to similar offers from its rivals. Blattberg et al. (1995) suggest asymmetric cross promotion effects implying that the magnitude of any action by a firm A on a rival firm B will be different than the effect when firm B takes a similar action. The main reason behind this is that competing promotion offers are viewed differently by consumers and thus the outcomes such as the effect on short term sales of such offers may vary. This asymmetric preference for promotional offers raises the question of which promotional offer a consumer prefers. The present authors believe that consumers’ appreciation for a promotional offer is not constant across different product categories and is dependent on the feeling of control over the consumption experience.

The most common promotion tools observed are price discounts and bonus packs and some studies have attempted to determine the causes of consumer preference for the two offers. Some of the earliest works in this regard have dealt with preference for the type of

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promotion based on certain aspects of the type of the promotion itself. Diamond (1992) showed that consumers preferred discounts over extra product promotions when extra product promotions are presented in monetary terms. He further showed that for lower levels of promotions, consumers prefer bonus packs over discounts while the reverse holds in case of larger levels of promotion. Chandon et al., (2000) showed that monetary promotions are perceived as being more utilitarian while non-monetary promotions are perceived as being more hedonistic. The study also suggested that when two offers are presented in monetary terms, price discounts are generally preferred. Hardesty and Bearden (2003) showed that for low and moderate levels of promotion, consumer's valued discounts and bonus packs similarly while for larger levels, consumers preferred price discounts over bonus packs.

Some of the relatively later works dealt not with features of the mode or technique of promotion but rather the features of the products themselves. Kwok and Uncles (2005) showed that hedonic products are associated with monetary promotions while utilitarian products are associated with non-monetary promotions and also that cultural differences do not translate into differences in behaviour as far as preferences for type of promotion is considered. They suggested that uniform promotion strategy could be pursued at a national level. Mishra and Mishra (2011) established that consumers prefer bonus pack offers in case of virtue goods while they prefer discount offers in case of vice goods with virtue and vice being described in terms of relative healthiness of the products. Lowe (2011) showed that perceived performance risk affects consumers' preference for price and quantity promotions. The advent of the information age has led to the rise of the concept of the smart shopper yet Chen et al., (2012) showed that consumers have a tendency to ignore base values and thus concluding that opting for bonus pack offers leads to higher gains even when presented with equivalent bonus pack and discount offers. They were of the opinion that this leads to biased preference for bonus packs.

PERCEIVED CONTROL

The theory of perceived control states that the consumers prefer being in control over their daily lives and everything associated with it. They appreciate choices more when they willingly choose to consume a brand, rather than when such choices are forced upon them. The use of perceived control in the marketing literature has been mostly limited to explaining consumer satisfaction arising due to perceived control in various service environments (Chang, 2008, Hui and Bateson, 1991; Winter, 2001-2002). The studies establish that consumers are more satisfied when they have control over the service experience. Koufarsis et al., (2001-02) established that perceived control increased the intention of new web customers to return. Hui and Bateson (1991) showed that over-crowding in certain service environments led to lower feelings of control and diminished consumer satisfaction. In an exploratory paper, Wathieu (2002) noted that that consumers experience higher satisfaction when they have some control, as they feel empowered. We believe that it is this empowerment of consumers' which would help us to explain their preferences for discount and bonus packs.
The theory of perceived control is the driving force behind the present paper. The authors are of the opinion that consumers’ preference for promotion offers can be explained through perceived control. Similar to the service environment consumers would prefer those promotion offers which leave them in control over their expenditure and number of units of a brand to be purchased. However, the authors are of the opinion that consumers would be willing to sacrifice this control, under certain situations such as when they are adequately compensated in terms of quality of the brand.

**HYPOTHESES DEVELOPMENT**

Perceived control has been shown to positively affect consumer satisfaction (e.g. Hui and Bateson (1991) and reduce negative feelings of distress (e.g. Brockner et al., 2004). A discount pack enables consumers to control the number of units of a product to purchase and thus aids them in controlling their expenditure on a particular product. On the other hand a bonus pack offer forces consumers to purchase more units of a product irrespective of the consumers’ need for the extra product. A consumer does not possess any control over the number of units purchased in case of a bonus pack offer. The purchase decision and hence the expenditure pattern on the product is governed by the manufacturer. The lack of control over the marketing objectives would result in consumers’ preferring discount offers over bonus packs. This leads to the following hypotheses.

**H1:** Discounts are perceived to offer more control than bonus packs.

**H2:** Consumers prefer discounts over bonus packs at equivalent price.

**H3:** Perceived control mediates preference for discount versus bonus packs.

Increased control is perceived to empower the consumer and would be more agreeable than decreased control. However, Wathieu et al., (2002) speculate that increasing control might not always lead to the consumer being better off. They cite the example of a couch potato who can select what he wants to watch on the television but more often than not end up channel surfing and is unable to decide on a particular channel. We believe that the sense of empowerment depends on the “progress in the overall choice process”. We are of the opinion that the couch potato, by exerting his control, may choose to watch television rather than engaging in other activities. However once chosen and subsequently struck with indecisiveness, the couch potato may be willing to let go off his control, in the form of channel selection i.e. he might be just as better off (or even more so) if a friend recommends that he watch a particularly interesting game of football. Thus we believe that a consumer would willingly give up control when faced with certain situations. Consumers will exchange positive attributes related to a product with their control and this would in turn affect their preference for discount and bonus packs. Therefore, we forward the following hypothesis.

**H4:** In case of brands that are high on a consumer’s consideration set, the consumer prefers bonus packs over discount offers.

Manufacturer’s reputation has been established as being an important determinant of sales. Cole and Flynn (2009) suggest that producer reputation affects consumers’ choice for
automobile brands and this holds true for other categories of products. Herbig and Milewicz (1995) define reputation as the estimation of consistency over time of an attribute of an entity with the estimation being based on the entity's willingness and ability to perform an activity repeatedly in a similar fashion. We believe that once a consumer is able to distinguish between two manufacturer in terms of reputability, he then proceeds to give up his control when dealing with the manufacturer with higher reputation while retaining his control over choices made while dealing with the manufacturer with the lower reputation. Chiefly, we believe that a consumer would give up his control and prefer bonus packs when he is presented with a brand with a highly reputable manufacturer and prefer discount offers in case of highly disreputable manufacturers. We, therefore, present the following hypothesis.

\[ H_5: \] Manufacturers’ reputation interacts with perceived control to influence the preference for discount versus bonus packs.

**RESEARCH METHODOLOGY**

It has been previously established that consumers prefer bonus packs in case of virtue foods and discount offers in case of vice goods (Mishra and Mishra, 2011). A questionnaire was administered to students of a reputed university of India as well as a mall-intercept survey was carried out to find out products that are viewed as neutral in terms of vice versus virtue characteristic. Based on the survey results, two products, one in the foods category and another in non-food category, were identified as perceived being neutral.

Chen et al. (2012) showed that consumers have a tendency to neglect base values and thus end have wrongly preferring bonus packs over discount offers. In order to do away with this, it was decided to use equivalent promotion offers of “buy one and get one free” against “50 per cent off”. To further emphasize, words like “equivalent offers” were included to indicate to consumers that the promotion offers they were presented with are equal in value terms. Frequency of usage and hoarding behaviour were included as control variables.

**IMPLICATIONS OF THE STUDY**

The authors believe that the findings of the present study would have significant implications for marketers of consumer packaged goods, which has, in recent times witnessed an explosion of promotional activities. The findings of the paper will provide a good understanding as to how consumers make decisions while choosing between discount and bonus packs. The findings would also highlight whether consumers view discount and bonus packs differently with respect to the extent of control they offer, and if the perception of perceived control has a role to play in consumers’ choice of promotional offer. With consumer empowerment being high on the agenda of the manufacturers, the present paper also attempts to highlight the conditions under which consumers might not always prefer promotions that endow them with a larger extent of control.

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Consumers’ Preference for Bonus Packs and Discounts in Sales Promotion


A Study on Ethnocentrism and Purchase Intentions of Consumers in an Emerging Nation

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

India, as an emerging nation with market potential of 205.9 million households has captured the attention of several multinational corporations across the world (Kumar, 2009). Its liberal trade policy has led to the entry of multi-national products into the country providing its people with more foreign product choices than ever before. Listening to the voices of Indian consumers with respect to products from foreign nations would be of great interest to the MNCs, national marketers as well as the consumer behaviour researchers. Among the various factors which may affect a consumer’s decision to buy domestic or foreign products could be consumer ethnocentrism, animosity, social status and self-esteem.

RESEARCH GAP AND RESEARCH PROBLEM

Studies have been conducted at the international level to assess the impact of demographic profile (Sharma et al., 1995; Klein et al., 1998; Bandara and Miloslava, 2012) and culture (Yoo and Donthu, 2005) on ethnocentrism; analyse relationship between ethnocentrism and country-of-origin and diagnose the impact of ethnocentrism on purchase intentions (Ranjbarian et al., 2010; Klein et al., 1998). However, there is still a paucity of research looking at the antecedents which impact ethnocentrism and purchase intentions of consumers in emerging nations with respect to foreign brands. Possibly no study has been done in India to understand the impact of customer animosity, social status and self-esteem on ethnocentrism and their relationship with customer purchase intention. This study is based on the premise that there is a gap in the research looking at the antecedents which impact the purchase intentions of consumers with respect to Chinese products.

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OBJECTIVES OF THE STUDY

The first objective of the study is to understand the effect of customer animosity, social status and self-esteem on ethnocentrism. The second objective is to find out the impact of ethnocentrism, customer animosity, social status and self-esteem on purchase intention of Chinese products by the Indian consumers.

CONCEPTUAL FRAMEWORK

Consumer Ethnocentrism

The construct of ethnocentrism has sociological origin and it refers to a feeling of superiority for one’s own group (Sumner, 1906). The concept of consumer ethnocentrism was first explained by Shimp and Sharma (1987) as “the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign made products represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign made products” (p. 280). Therefore, it is hypothesized that:

\[ H_1: \text{There is a negative relationship between Indian consumers’ ethnocentrism and their purchase intention towards Chinese products.} \]

Customer Animosity

Klein et al. (1998) postulate that animosity towards a particular foreign country will deter the consumers from purchasing products of that nation. So, it may hypothesized that

\[ H_2: \text{A positive relationship exists between customer animosity towards Chinese products and ethnocentrism of Indian consumers.} \]

\[ H_3: \text{Indian customer animosity has negative association with purchase intention of Chinese products.} \]

Social Status

Eastman et al. (1999, 41), status is “the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding”. Foreign products may be purchased to convey improved social status (Batra et al., 2000). However, since the Chinese products are priced low and perceived to be of poor quality (Schniederjans et al., 2011) it is hypothesized that:

\[ H_s: \text{A negative relationship exists between social status and ethnocentrism.} \]

\[ H_5: \text{Social status has negative impact on purchase intention of Chinese products.} \]

Self-Esteem

“Self-esteem is a personal judgment of the worthiness that is expressed in the attitudes the individual holds towards himself” (Coopersmith, 1967). It is quite possible that feelings of
self-esteem are associated positively with feelings of superiority of one’s own culture and preference for domestic products over Chinese products. Hence, it is hypothesized that

\( H_6 \): A positive relationship exists between self-esteem and ethnocentrism of Indian consumers.
\( H_7 \): Self-esteem has negative association with purchase intention of Chinese products.

RESEARCH METHODOLOGY

The research instrument comprised 14 items on animosity adapted from Klein et al. (1998), 5 items on purchase intention adapted from Klein et al. (1998) and Nijssen and Douglas (2004), 9 items on social status adapted from Eastman et al. (1999) and 5 items on self-esteem adapted from (Rosenberg, 1965) and 16 items on ethnocentrism adopted from Shimp and Sharma (1987). Responses on the scales on animosity and purchase intention were recorded on a 5-point Likert scale ranging from “strongly disagree” to “strongly agree” where strongly disagree = 1 and strongly agree= 5, while a 7-point Likert scale ranging “strongly disagree” to “strongly agree” where strongly disagree = 1 and strongly agree= 7 was used for measuring ethnocentrism. 4-point Likert scales ranging from “strongly disagree” to “strongly agree” where strongly disagree = 0 and strongly agree=3 were employed for measuring social status and self-esteem. 970 usable questionnaires were received. Questions on demographic aspects of respondents such as age, gender, income, education, marital status, religion, city, occupation, no. of family members were asked in a separate section. The products selected for the study include Chinese apparels, torch, battery and mobile phones.

The study was conducted in the state of Uttar Pradesh, the most populous state of India. Stratified sampling technique was employed to select the sample units. The state of U.P. was divided into four geographic regions: Eastern, Central, Western and Bundelkhand regions. Two regions and then a city representing each region were selected randomly. The cities were Varanasi from Eastern region and Lucknow from Central region. The sample respondents were drawn from each of these regions in proportion to their respective population size. A total of 300 respondents were contacted. Incomplete questionnaires were rejected, resulting in 287 complete questionnaires.

DATA ANALYSIS AND RESULTS

The demographic profile of the respondents is presented in Table 1.

<table>
<thead>
<tr>
<th>TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Age (in years)</td>
</tr>
<tr>
<td>Upto 20</td>
</tr>
<tr>
<td>21–24</td>
</tr>
</tbody>
</table>

Contd...
A Study on Ethnocentrism and Purchase Intentions of Consumers in an Emerging Nation

<table>
<thead>
<tr>
<th></th>
<th>25–34</th>
<th>129</th>
<th>44.9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35–53</td>
<td>12</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>54 &amp; above</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>Education</td>
<td>Uneducated</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>High School</td>
<td>6</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>Intermediate</td>
<td>52</td>
<td>18.1</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>117</td>
<td>40.8</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>88</td>
<td>30.7</td>
</tr>
<tr>
<td></td>
<td>Above Post Graduate</td>
<td>23</td>
<td>8.0</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married</td>
<td>101</td>
<td>35.2</td>
</tr>
<tr>
<td></td>
<td>Single</td>
<td>186</td>
<td>64.8</td>
</tr>
<tr>
<td>Residence</td>
<td>Urban</td>
<td>238</td>
<td>82.9</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>49</td>
<td>17.1</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>90</td>
<td>31.4</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>23</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>111</td>
<td>38.7</td>
</tr>
<tr>
<td></td>
<td>Self Employed</td>
<td>34</td>
<td>11.8</td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>28</td>
<td>9.8</td>
</tr>
<tr>
<td></td>
<td>Retired</td>
<td>1</td>
<td>.3</td>
</tr>
<tr>
<td>Family Income (₹) per month</td>
<td>Less than 5,000</td>
<td>4</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>5,001–10,000</td>
<td>16</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td>10,001–20,000</td>
<td>58</td>
<td>20.2</td>
</tr>
<tr>
<td></td>
<td>20,001–30,000</td>
<td>84</td>
<td>29.3</td>
</tr>
<tr>
<td></td>
<td>30,001–40,000</td>
<td>47</td>
<td>16.4</td>
</tr>
<tr>
<td></td>
<td>above 40,001</td>
<td>78</td>
<td>27.2</td>
</tr>
</tbody>
</table>

Exploratory factor analysis was conducted on the construct measures by using principal component extraction with Varimax rotation. One item of ethnocentrism was deleted as it cross loaded on two factors at almost the same value. After re-running exploratory factor analysis a 5-factor structure emerged accounting for 57.88% of the cumulative variance. It retained 44 items of the original 45 items. The KMO value of 0.84 was obtained and the Bartlett test of Sphericity was found to be significant. The items had high loadings and the reliability coefficient of all the factors was high. The Cronbach alpha value of the various scales was as follows: customer animosity: 14 items, \( \alpha = 0.928 \); self-esteem: 5 items, \( \alpha = 0.782 \); social status: 5 items, \( \alpha = 0.747 \); ethnocentrism: 15 items, \( \alpha = 0.922 \); purchase intention: 5 items, \( \alpha = 0.965 \).

Confirmatory factor analysis was done on the measurement and structural models by using the maximum likelihood fitting process in AMOS 16. On running the CFA the model did not yield a satisfactory result with \( \chi^2 = 3424.937 \ (df = 935), p=0.00, GFI= \).
0.647, TFI =0.710, CFI= 0.726, RMSEA= 0.096. To obtain a better fitting model the items with large covariances were addressed through modification indices and then those items were deleted whose standardized residual covariances had value greater than 2.0. After deleting each item CFA was run to check if the model could be still improved upon. 20 items were deleted in this iterative process till the resultant model reported a good fit with CFI = 0.939, TLI = 0.927, GFI= 0.877, RMSEA = 0.063, CMIN/DF = 2.137 (Figure 1).

Table 2 shows the parameter estimates of various variables with ethnocentrism and purchase intention. The critical value (CR) standard of > 1.96 indicates that self-esteem is a significant predictor of ethnocentrism of Indian buyers while self-esteem and animosity are significant predictors of purchase intention of Indian customers towards Chinese products. The negative sign in the table connotes the inverse relationship. It was surprising to find that ethnocentrism has no impact on purchase intention of Chinese products. Social status is found to have insignificant relationship with both ethnocentrism and purchase intention of Indians.
TABLE 2: STRUCTURAL EQUATION MODELLING RESULTS

<table>
<thead>
<tr>
<th>Variables</th>
<th>Estimate</th>
<th>SE</th>
<th>C.R.</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentrism ← Social Status</td>
<td>.178</td>
<td>.191</td>
<td>.931</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Ethnocentrism ← Self-Esteem</td>
<td>.766</td>
<td>.284</td>
<td>2.701</td>
<td>Significant</td>
</tr>
<tr>
<td>Ethnocentrism ← Customer Animosity</td>
<td>-.144</td>
<td>.089</td>
<td>-1.620</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Purchase Intention ← Social Status</td>
<td>-.051</td>
<td>.165</td>
<td>-.312</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Purchase Intention ← Self-Esteem</td>
<td>-.129</td>
<td>.062</td>
<td>-2.077</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Purchase Intention ← Customer Animosity</td>
<td>1.024</td>
<td>.271</td>
<td>3.785</td>
<td>Significant</td>
</tr>
<tr>
<td>Purchase Intention ← Self-Esteem</td>
<td>-.271</td>
<td>.080</td>
<td>-3.400</td>
<td>Significant</td>
</tr>
</tbody>
</table>

IMPLICATIONS OF THE STUDY

The current study seeks to expand existing literature on purchase intention in emerging markets. Marketers can decide their marketing mix strategies keeping in mind the findings of this study. The Indian consumers come across as very confident and practical who are status-neutral with respect to Chinese products. The study is limited to certain demographic profile and cannot be generalized for the entire population. Further studies can be done with different socio-economic groups and products of other foreign countries.

References


**Acknowledgement**

I duly acknowledge the financial support provided by the Major Research Project (UGC Reference F. No. F-5-371/2010 HRP dated 23 May 2011) entitled, ‘An exploratory study on antecedents of ethnocentrism, consumer ethnocentrism and purchase intention of consumers’ for preparation of this paper.
Multiplicity of Consumer Identity and Its Expressions
A Psychographic Segmentation of Indian Youth

Sandip Anand*
Atul Kumar*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

In this paper, we study today’s middle class youth often being referred to as netizens—those set of citizens who are very active on internet. This set of consumer is young in terms of their biological age, and active in social media. Their expressions are marker of today’s period. Each period has its own emphasis, themes, and consciousness. Indian consciousness in recent history can be seen as of three kinds – pre-independence consciousness, post-independence but pre-liberalization consciousness, and post-liberal (1991) consciousness. Today majority of the population in India seems to be born after Indian independence only. This age composition is critical as pre-independence period is not easily accessible by majority of Indians. What freedom struggle did for India was the creation of language which had deeper political and ecological consciousness. The current study indicates that there is dearth of such sensitivity in today’s conversation. Today’s language seems to be revolving around economic growth and western aspirations. Co-existence of traditional and modern spaces (Gusfield, 1967) seems to have expended into cyber space too.

Online social media channels like Facebook and Twitter have provided new opportunities for consumers to raise their voices. Previous research indicates that there are two broad segments of consumers namely ‘haters’ and ‘complainer’ who are active in these communities (Pekala, 2011). From the marketers’ perspective the debate is more about converting these complainers into brand advocates than about understanding the psychology of complaints. Very often than not, from the psychological perspectives, these complaints are found to be

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expressions of consumer’s identity. In the literature of consumer complaints behaviour and intention (Yan and Lotz, 2009) it is shown how complaint behaviour is influenced by the presence of others and explained with the help of social facilitation theory (Zajonc, 1965). Social facilitation is linked with the social identity of consumers (Tajfel, 1969, 74, 81) and related to the idea of crowding, inter-group behaviour, and de-individuation.

**RESEARCH GAP AND PROBLEM**

The social identity of consumers is closely linked with the consumption (Ruvio and Belk, 2013). In Dialogical self-theory (I as knower and Self as known), the dialogical self is construct of society involving oppositions, conflicts, negotiations, cooperation, and coalition among positions (Hermans, 1996). In the given context, there is a need to explore various expressions of consumer identity in cyber space which is increasingly expanding. As education is an instrument for upward mobility, it also necessitates exploration of youth’s attitude towards their life and education to capture their expressions of identity in a holistic way.

**OBJECTIVES OF THE STUDY**

The specific objectives that we intended to meet were following:

1. To explore consumer identity and its expressions amongst Indian netizens
2. To identify segments on the basis of their stated attitudes towards their education

**RESEARCH METHODOLOGY**

In the given context, this study tries to explore the expressions of identity of consumers in India. The study is conducted in two phases. In the first phase, online communities (Facebook and Wikipedia) are explored. It is noticed that broadly the conversation happened in the space of physical meaning, psychological meaning, and social meanings. In the second phase, a sample of 180 MBA students in India is selected. First a qualitative study was conducted with the help of Focus Group Discussions, and then a sample survey was conducted. MBA education is a space wherein consumer identity expressions are common.

**DATA ANALYSIS AND RESULTS**

**First Phase – Analysis and Results**

The analysis of verbatim suggests that there is a pattern in terms of expression of these identities and very often the expressions reflect on the conflict of interests. There are dominant actors on these communities who try to provide meaning to other actors present in the space of these communities. Many a time dominant actors try to influence the expression of other identities through the network of communities. It is noted the online space has its own dynamics of power and polities which is worth considering while looking at expression of identities. Sometimes, usage of metaphors in online space can be regarded as taboo words if used in non-online social space. Thereby the phenomenon is likely to be related with the catharsis which is difficult to be isolated from the expressions of identities.
Online media in India has provided people with an opportunity to assert their primary identities. If you look at Wikipedia for a caste, it seems to be driven by members belonging to that particular caste. However, while expressing the identity interesting interplay of region and caste is observed. Increasingly, it has become evident that online social media has not been able to bring in any fundamental social change, but has extended the assertion of primary identity and stereotypes. This has resulted into either entry of global space or expansion of local/regional space. Entry into global spaces is more dominated by youth who tries to imbibe the persona of ‘cool’. Cool person is a person who is able to break free from all traditional logics. In this way what happens is that she is uprooted from one’s culture by consciously referring to short-term memory, at the same time her long term history seems to be guiding at the level of unconsciousness. However, she is not conscious about the history, there seems to be an active forgetting of one’s history because traditional is regarded as contrary to economic development, as modernity is the key to economic growth in her perception. So social moorings set in the old context doesn’t gel well with the new idea of economic development. In the process she is getting relationally displaced and seems to requiring a programme on social rehabilitation and resettlement.

On Facebook we find that primary identities are getting strengthened. There are responses to popular ad like ‘don’t stare at my T….s’. Therefore, we find a parallel between the comments on various brand communities and latest trend in Indian advertisements.

Indian youth operating in online space is part of three kinds of social space which operate socially. Those spaces are tribal, agrarian, and modern systems. In Indian all three kinds of social space exists simultaneously. So, online expressions exist on continuum. In India usage of terms like ‘Txxs’, ‘Axs’, LKPD, etc. were regarded as non-sophisticated by urban middle class. These terms reflected their root as these referred to tribal and rural part of their identity. The idea of ‘gentleman’ was a colonial idea which seems to have been imported from English men. Now, the youth seems to be arguing that no more hypocrisy is acceptable. These terms are integral part of our social lives and cannot be regarded as taboo. So, the process of ‘Sanskritization’ is no longer seen as virtue rather ‘Hinglishization’ is in vogue. Hinglishization refers to usage of Indian language mixed with English. It refers to all three parts of India – Ancient, Medieval, and Modern; which co-exist in Indian society.

**Second Phase – Analysis and Results**

In this phase an attempt is made to arrive at psychographic segmentation on the basis of consumers’ attitude towards life in general and education in specific. For the purpose of psychographic segmentation, factor analysis, cluster analysis and discriminant analysis were done.
EXHIBIT 1: ASPIRATIONS OF INDIAN CONSUMERS

TABLE 1: FACTOR ANALYSIS OF ATTITUDBINAL STATEMENTS

<table>
<thead>
<tr>
<th>Factor</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
<th>Component 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success means money</td>
<td>0.84</td>
<td>0.07</td>
<td>0.08</td>
<td>0.06</td>
<td>0.05</td>
</tr>
<tr>
<td>Powerful</td>
<td>0.09</td>
<td>0.31</td>
<td>0.17</td>
<td>-0.47</td>
<td>0.28</td>
</tr>
<tr>
<td>Luxury</td>
<td>0.64</td>
<td>-0.26</td>
<td>0.34</td>
<td>0.26</td>
<td>0.15</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>-0.22</td>
<td>0.82</td>
<td>0.17</td>
<td>0.23</td>
<td>-0.35</td>
</tr>
<tr>
<td>Enrich parents' life</td>
<td>0.15</td>
<td>-0.74</td>
<td>-0.09</td>
<td>0.10</td>
<td>-0.49</td>
</tr>
<tr>
<td>Deprivation</td>
<td>0.34</td>
<td>0.05</td>
<td>0.07</td>
<td>0.11</td>
<td>0.78</td>
</tr>
<tr>
<td>Luxurious car</td>
<td>0.47</td>
<td>-0.09</td>
<td>0.62</td>
<td>0.10</td>
<td>-0.02</td>
</tr>
<tr>
<td>Frequent international travel</td>
<td>0.20</td>
<td>0.28</td>
<td>0.68</td>
<td>0.13</td>
<td>0.07</td>
</tr>
<tr>
<td>Exotic food</td>
<td>0.03</td>
<td>0.10</td>
<td>0.81</td>
<td>-0.09</td>
<td>0.18</td>
</tr>
<tr>
<td>Spouse and glamour</td>
<td>0.07</td>
<td>0.09</td>
<td>0.32</td>
<td>0.20</td>
<td>0.57</td>
</tr>
<tr>
<td>Social work</td>
<td>0.05</td>
<td>-0.70</td>
<td>-0.07</td>
<td>-0.06</td>
<td>0.34</td>
</tr>
<tr>
<td>India's development</td>
<td>0.15</td>
<td>0.72</td>
<td>0.04</td>
<td>-0.13</td>
<td>0.32</td>
</tr>
<tr>
<td>Can not live in small cities</td>
<td>0.17</td>
<td>-0.10</td>
<td>0.09</td>
<td>0.83</td>
<td>0.14</td>
</tr>
<tr>
<td>Mega cities and career</td>
<td>0.01</td>
<td>0.14</td>
<td>0.01</td>
<td>0.83</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 7 iterations.
Two key segments are found and they are named as 'Power and Luxury seekers' and 'Moderators/Balancers'.

**TABLE 2: RESULT OF DISCRIMINANT ANALYSIS**

<table>
<thead>
<tr>
<th>Canonical Discriminant Function Coefficients</th>
<th>Function 1</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>succ means money</td>
<td>.005</td>
<td></td>
</tr>
<tr>
<td>powerful</td>
<td>2.32</td>
<td></td>
</tr>
<tr>
<td>luxury</td>
<td>460</td>
<td></td>
</tr>
<tr>
<td>work-life balance</td>
<td>-0.885</td>
<td></td>
</tr>
<tr>
<td>enrich parents life</td>
<td>0.555</td>
<td></td>
</tr>
<tr>
<td>deprivation</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>luxurious car</td>
<td>2.97</td>
<td></td>
</tr>
<tr>
<td>freq international travel</td>
<td>2.23</td>
<td></td>
</tr>
<tr>
<td>exotic food</td>
<td>1.63</td>
<td></td>
</tr>
<tr>
<td>spouse and glamour</td>
<td>0.83</td>
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<td>social work</td>
<td>-1.37</td>
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<tr>
<td>India's development</td>
<td>0.10</td>
<td></td>
</tr>
<tr>
<td>can not live in small cities</td>
<td>1.75</td>
<td></td>
</tr>
<tr>
<td>mega cities and career</td>
<td>-0.31</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-5.183</td>
<td></td>
</tr>
</tbody>
</table>

Unstandardized coefficients

**TABLE 3: TWO SEGMENTS**

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Function 1</th>
<th>1.847</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>-1.718</td>
</tr>
</tbody>
</table>

Unstandardized canonical discriminant functions evaluated at group means

**IMPLICATIONS OF THE STUDY**

It is concluded that online social media space has created a platform wherein all three kinds of identity viz. tribal, agrarian, and modern co-exist. This is in congruence with naming of an agency such as *digitaltribe*. *Hinglishization* is the process which captures these expressions of identities which is not devoid of conflicts as different participants influence others’ expressions. It seems that through *Hinglishization* a balance between traditional and modern identity is achieve. This position helps netizen consumers in coping with the change and allows them to mitigate the risk associated with modernization. The emergence of ‘balancer’ segment and multiplicity of expressions present an argument for Dialogical self (Hermans, 1996).
Listening to Consumers of Emerging Markets

References


Listening to the Voice of Customer
An Investigation of Consumer Sentiments towards Marketing in India

Sanjay K Jain*
Parul Goel**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Since the time liberalization and globalization process was initiated in the country in the early nineties, the Indian marketplace has undergone radical transformation. Far from being a sellers’ market, Indian market has turned into a buyers’ market. With the entry of a large number of national and international firms, the competition in the market has considerably increased. Virtually in every product category, market is cramped today with numerous brands and product choices. Newer forms of advertising and sales promotion practices have appeared on the scene. Retailing and distribution too have undergone unprecedented transformation in terms of number as well as type of retail outlets. Many of these changes are quite in sync with developments in other countries. From a cursory view point, these and other developments appear to be in favour of consumer welfare and their well-being. But the moot question remains: Is it so in reality? Do the consumers in actuality hold favourable sentiments towards marketing in India and find it meeting their needs and expectations? Or are not the frequent instances of consumer grievances reported in the media and complaints filed by the consumers against the erring marketers in consumer courts and other forums pointer to somewhat a different picture (Jain and Goel, 2012).

Authentic and up-to-date information about consumer attitudes towards marketing is need of the hour to enable business firms and policy makers to assess marketing performance

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from a consumer view point and thereby evolve strategies and policies as capable of making marketing more consumer friendly and satisfying.

RESEARCH GAP AND RESEARCH PROBLEM

With the rise of consumerism in the United States in the early sixties and in several other countries thereafter, interest in studies investigating consumer attitudes towards marketing has considerably heightened. Several studies have been conducted in the past and also scales developed to gauge consumer sentiments towards marketing (e.g., Barksdale and Darden, 1972; Barksdale et al., 1982; Gaski and Etzel, 1986; Wee and Chan, 1989; Chan, Yau and Chan, 1990; Bhuian et al., 2001; Lyonski and Durvasula, 2003; Gaski and Etzel, 2005; Orel and Zeren, 2011). However, such studies conspicuously lack in India. Barring a few studies undertaken in the past (e.g., Varadarajan and Thirunarayana, 1990; Bharadwaj et al., 1991; Jain, 2011), no up-to-date study investigating consumer sentiments in India exists. Since consumer sentiments serve as a barometer of marketing performance, it is high time that attempts be made in the country to collect information about consumer attitudes towards marketing and assess as to where the gaps lie and what needs to be done to bring the marketing up to the level of customer expectations. The present paper is an attempt to fill this void in marketing literature.

OBJECTIVES OF THE STUDY

The primary objective of the study is to ascertain consumer sentiments towards marketing in India. More specifically, the study aims at:

- Ascertaining consumer perceptions about adoption of marketing philosophy by the business firms in India,
- Determining consumer sentiments towards marketing as a whole as well as towards each of the marketing mix elements, viz., product, price, place and promotion,
- Assessing relative importance of each of the marketing mix elements to the consumers, and
- Discussing managerial and research implications of the study.

RESEARCH METHODOLOGY

The necessary information for the present study was collected through a survey of consumers living in and around Delhi with the help of a structured non-disguised questionnaire. Consumer perceptions about the adoption of marketing philosophy by the firms in India were assessed through a five-item scale. While the four items were adapted from the study by Gaski and Etzel (1986), one item was developed by the researchers themselves based on their understanding of the subject. ‘Consumer sentiments towards marketing (CSTM)’ scale developed and validated by Gaski and Etzel’s (1986) was employed for measuring consumer sentiments towards marketing. The scale is comprised of twenty-eight statements, seven items each for measuring consumer attitudes towards one of the marketing mix elements. Responses to the aforementioned two scales were obtained on a five-point Likert scale, ranging from ‘-2’ for ‘Strongly disagree’ and ‘2’ for ‘Strongly agree’.
For ascertaining importance of marketing mix variables, consumers were asked to indicate the level of importance they attach to each of the elements on a 5-point scale, where '1' stood for 'Not at all important' to '5' for 'Extremely important'.

After necessary coding, editing and reliability testing of the multi-item scales, unweighted mean scores were computed to analyse consumer responses. Consumers’ overall sentiment towards marketing mix practices, taking into account the four marketing mix elements together along with their weights, were computed using the following formula (Gaski and Etzel, 1986):

\[
CSM \text{ (overall)} = \sum_{j=1}^{n} \left( w_j \sum_{i=1}^{m} x_{ij} \right)
\]

where:
- \(x_{ij}\) = Response to scale item \(i\) in category \(j\),
- \(w_i\) = Importance weight for the marketing mix category \(j\),
- \(m\) = Number of items in a category
- \(n\) = Number of categories, viz., product, price, advertisement and retailing

**DATA ANALYSIS AND RESULTS**

The study reveals surveyed consumers to be holding the opinion that business firms in India are to some extent pursuing marketing concept in practice. They appear in agreement with the statements that ‘most firms operate on the philosophy that consumer is always right’ and ‘most firms behave responsibly to their consumers’. Dismissal of the allegations that most firms ‘are guided by the philosophy of let the buyer beware’, ‘usually fail to fulfil their responsibility to the consumers’ and are ‘more interested in making profits rather than serving their customers’. In terms of the summated index value too, the mean score is found to be positive, thus reflecting a positive opinion prevailing among them about the business philosophy of firms in India. But the score is not found high enough to warrant the inference that the firms are pursuing highly customer centric policies in the country.

In respect of the marketing mix elements, though the mean scores reflect consumers’ positive opinion about each of the four elements; their perceptions do not appear to be highly favourable. These, moreover, are found varying across marketing mix elements. While their sentiments are most favourable towards distribution practices, these are relatively less favourable towards product quality and advertising. Pricing, on the other hand, is the element in respect of which consumers have expressed least favourable attitude.

In terms of importance of marketing mix elements, price emerges as the most important factor. Product quality and advertisement come next in order of importance. Distribution is the element, which the surveyed consumers have opined as the least important variable.

Assessment of consumer sentiments in terms of overall weighted index too reveals a positive opinion prevailing among the consumers. An overall weighted score of 96.20 on a scale of
-280 to +280 corroborates this fact. In order to arrive at a better picture of marketing performance in India, it was decided to compare the weighted score with those of other countries. A slight adjustment in the score, however, arose because of while the number of items used in the study is 28, it has been 20 in the studies pertaining to other countries. No doubt the overall weighted index as a result of this adjustment got revised downwards to a value of 68.7, it still can be observed as being far more favourable than the scores reported in the past studies in connection with other countries such as -14.85, 2.97, -26.13 and -0.84 for the United States, Hong Kong, Australia, and China respectively (Gaski and Etzel, 1986; Wee and Chan, 1989; Chan and Yau, 1990; Chan and Cui, 2004). Even a comparison of scores across marketing mix elements points to the inference that Indian consumers in general hold a more favourable (or less unfavourable) sentiment towards the marketing mix variables than consumers in other countries.

**IMPLICATIONS OF THE STUDY**

The study findings entail useful implications to the marketers for coping with the present and emerging marketing challenges. Since the study finds consumers in the country to be only moderately of the opinion that marketers keep consumers’ interests in mind, it seems advisable for business firms in India to orient their business philosophy so as to come closer to consumer expectations. Industry wise research studies to understand consumer expectations and giving priorities to their satisfaction and welfare can help business firms create more favourable image in the minds of customers.

Study reveals consumers not to be holding much favourable sentiments towards pricing and advertising practices. Their attitudes towards product quality are also only marginally favourable. The obvious implication of these findings is that the marketers in India need to adapt their product offering, pricing strategies and advertising practices to cater more effectively to the consumer needs and requirements, thereby creating a more favourable perception about marketing in the country.

Firms are also required to make efforts to educate consumers and upgrade their shopping skills to enable them to discern differences present in the products offered by different vendors, understand proper usage of products and also appreciate role of advertising in the free enterprise system. Such initiatives can go a long way in improving customer satisfaction, enhancing company image and improving relationships with customers. Firms side by side need to take steps to mitigate the incidence of consumer complaints by designing safer and simpler products and by attempting to improve after sales services. In case complaints arise, there should be an effective mechanism to deal with them. A proactive rather than a reactive complaint handing system can help not only in redressing consumer complaints, but also in effecting product improvements by monitoring and analysing complaints as marketing intelligence inputs, thus building greater brand loyalty and consumer franchise.

It will not be out of place to mention a few limitations of the study that can serve as a guidepost for conducting researches in the area more effectively in future. Being exploratory in nature, the present study has been based on a survey of consumers in and around Delhi. In order to enhance the validity of the results, it will be desirable if studies in future are conducted using a larger and countrywide samples. Furthermore, studies on a longitudinal
basis in the country are needed for tracking changes in the consumer sentiments towards marketing over time to enable the marketers to take the necessary remedial actions from time to time.

Consumer sentiments are likely to differ across demographics and industries. It would be, therefore, desirable if the data on consumer sentiments towards marketing are collected, analysed and reported on a cross-sectional basis, across various industries and product groups.

Keeping in view the emerging tools, institutions and practices of marketing, Gaski and Etzel's (1986) scale also needs to be made more contemporary by incorporating additional statements such as those relating to e-marketing and services sector. The scope of future studies can also be extended by including assessment of consumer sentiments towards government regulations, consumerism and consumer responsibility. Such information can be immensely helpful to the consumer activists and policy makers also to know as to what consumers think about various legislations in vogue in the country to protect consumer interests and in which areas they want consumer organisations and government to come forward and intervene.

References


Conjoint-based Preferential Segmentation of Fruits and Vegetables Choice of Indian Consumers

Satyabhusan Dash*
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Ghazal Masarat**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

A plethora of conference proceedings and academic publication in reputed journal bear testimony to the relationship between unhealthy diet and premature death from coronary disease, cancer and cerebrovascular disease. An essential part of healthy diet is vegetables and fruits. Scottish diet report stated that individuals should eat five portions of vegetables and fruits per day. However these targets hardly reached. Given this, it is essential to know what factors influence preferences for fruits and vegetables so that policy can be devised to fruits and vegetable consumption.

Fruits and Vegetables purchase behaviour of consumers in India has significantly changed due to an increase in the per capita disposable income, global interaction, information and communication technologies, urbanization, education and health awareness, movement of households towards higher income groups, changes in lifestyle and structure. Due to sustained economic growth and increasing urbanization there is high demand of high value fruits and vegetables in the recent past (Kumar et al., 2003; Pingali and Khwaja, 2004). To make the decision of purchasing, consumers take into account criteria such as taste, nutritional value, reliability, quality, price and convenience of the food. They prefer to shop at supermarket due to reliability of the food sold, the ambiance and convenient personal inspection which

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is allowed in big stores. When faced with too many choices and qualities of products, the consumer may be indecisive about which store and product to choose, how best to put money to use and how to provide healthy feeding.

**STATEMENT OF THE PROBLEM AND RESEARCH OBJECTIVES**

The purchase of Fruits and vegetables is one of the most important consumer purchasing decisions. Describing and understanding the reasons how and why households choose varying amount of fruits and vegetable are going to be most important issue in the emerging competitive marketing scenario. With the proliferation of new products and services as well as competitors, insurance companies must identify factors that help to attract prospective customers away from competitors and motivate existing customers to purchase more fruits and vegetables.

Demographic variables such as Age, Income, household size, marital status and gender are taken in to consideration to describe demographic characteristics of respondents. However, demographic variables are not enough to identify comprehensive characteristics of different market segments because customers in the same demographic group have very different psychographic make-ups (Solomon, 2002). Psychographic research mostly allows us to realize why customers behave the way they do. There is no unanimity among researchers regarding a standard definition of psychographics and 24 articles on psychographics contain no less than 32 definitions which are somewhat different (Wells, 1975). Major efforts over the years to profile buyers versus non-buyers, such as the classic work by Evans in the early 1960s where he attempted to profile Chevrolet owners versus Ford owners on numerous personality traits and personality scales in the Simons media and market surveys have met with mixed results. The most vivid example in the area of personality segmentation research was conducted by Procter and Gamble in the early 1970s (Plummer, 2000).

In addition to demographic characteristics, psychographic variables would provide a much more comprehensible profile of the individuals under study. Selective psychographic items and number demographic variables will be used in order to develop a more detailed profile of each cluster of customers of varying preference of fruits and vegetable products. Finally, this study will constitute an early effort to empirically test the effect of demographic and psychographic factors on insurance purchase decision. As fruits and vegetable choice is a decision that a consumer is fairly involved in strategic thinking, it behooves managers and researchers to grapple with the complex interplay between purchase decision and personal characteristics. To ignore the fact that influences on demographic and psychographic factors is synonymous to overlooking the reality that advertising influences consumer choices or lower prices typically lead to higher sales, or higher trust typically leads to more purchase intention. The challenge is apparent—both researchers and managers must become cognizant of in trying to understand demographic and psychographic factors influence on purchase decision of fruits and vegetables products. Keeping this in mind; this research will addresses following research questions in Indian context:

1. What are the most important benefits Indian consumers are seeking while selecting a fruits and vegetables.
2. What are the demographic, socioeconomic and psychographic variables associated in deciding amount and type of fruits and vegetables purchased by Indian consumers?

The study was conducted in order to determine the principles consumers take into consideration and the variables they are influenced by when purchasing fruits and vegetables.

RESEARCH METHODOLOGY

The primary data for this empirical study collected by conducting a field survey on 600 consumers in major cities of India. Conjoint, cluster and cross-tabulation analysis was used for data analysis.

FINDINGS OF THE STUDY AND MAJOR CONTRIBUTIONS

The findings of the study make valuable contributions in determining the factors affecting the growth and success of purchase of fruits and vegetables. Using the empirical finding of the study, consumer segmentation (i.e. demographic and psychographic) can be made in Indian context on the basis of varying benefits such as location, price, freshness and variety seeking from fruits and vegetables. This will be a meaningful framework for fruits and vegetable marketers because there may be equivalent market segments within countries based on consumer groupings on the basis of demographic and psychographic characteristics.

One can apply a similar marketing program to equivalent market segments under the assumption that the segments’ responses would be similar across similar demographic and psychographic characteristics. For example, an agricultural marketing agency may develop fruits and vegetable that may be targeted at very highly income, modern, party oriented, outgoing low socialization preference and religion salience assertiveness consumer segment. Instead of identifying a selective regions that meet this profile the Fruits and vegetables marketer can identify customer segments within each region.

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Verbatim Analytics
Intricate and Adaptable Analysis

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The global marketplace has entered a new era that is more challenging and competitive than any that preceded it. To consistently provide great customer experience, companies and research partners must have a comprehensive understanding of customer requirements. The best way to acquire this knowledge is to listen to customers, particularly when they are speaking most candidly about their needs, wants, and preferences. Global Text Mining software like SaS report that nearly 75% of all data. This Voice of the Customer (VoC) is rich with insights, and can reveal emerging trends, nascent problems, and changes in customer requirements. When this knowledge is integrated into all aspects of Customer Experience Management, personal biases and reliance on “gut” intuition is replaced with a clear vision of customer's wants and needs. Although it is a fast-growing area, text analytics is still new to most organizations. Many are looking for help to understand exactly what text analytics can do for their business – and how to choose a platform and vendor that work best for them.

RESEARCH GAP AND RESEARCH PROBLEM

For years, most firms, specifically Market Research agencies use the conventional coding systems to quantify themes cited by customers across various experience touch points or such information areas. Such mechanisms only provide incidence of a generic information code, that to classified by a semi-skilled resource. Researchers would typically have little or no control on how a verbatim is classified. In addition, such a setup provides on a classification, set by pre-defined codes and nothing else.
Even large firms seek efficient means for analysing social media content, call centre, logs, survey data, emails, loan applications, service notes, and insurance or warranty claims.

**OBJECTIVES OF THE STUDY**

To develop a system that allows researchers to structure and analyse verbatim data:

1. Data classification and determining incidence on the fly
2. Word association – what are the adjectives that the Relationship Manager is typically associated with
3. Easily switch between respondent-wise data/response data – Work on the base of respondents or response (Sentence-level data)
4. Qualify the level of sentiment that respondents relate to a particular theme. Is RM considered much more superlative than to connect with product?

The content provided in this document is based on my development of this mechanism, sample outputs of actual data used. All material is original and has not been published earlier.

**FRAMEWORK AND METHODOLOGY**

The analysis of text is based on four basic text-handling capabilities: text extraction, categorization, sentiment analysis and summarization.

- **Text extraction:** This is where the software identifies many types of words. These words can range from all words in a document to only one type of word in a document. For example, words could be limited to nouns, noun phrases or entities (people, places, organizations, etc.) or to facts (sets of subject-object pairs connected by some type of relationship). Extraction can be done with large, elaborate lists of "named entities" or with automated, rule-based extraction – or any combination of the two.

- **Categorization:** The heart of text analytics, categorization can be done in a variety of ways with different levels of precision and different types of effort by different resources.

- **Sentiment analysis:** Social media, voice of the customer and sentiment analysis have been initiators to the growth of text analytics. And while many people don't consider sentiment analysis to be part of text analytics, it is important to include it as part of the description, because it relies on many of the same techniques and capabilities as the rest of text analytics, particularly categorization.

**DATA EXTRACTION, CLASSIFICATION AND DETERMINING INCIDENCE**

Once data is available, an algorithm identifies the top 100 (number can be changed) incidence words. Grammar words like “a”, “the” are excluded from the list. This list of top words allows the researcher to create categories, e.g. the theme ‘Relation Manager’ can be determined by classifying strings like “RM”, “R.M”, “Rel Mng,” etc. Sub-classification like ‘Helpfulness’, ‘Knowledgeable’, and ‘Communication skills’ can be created based on
their own identities. For example, helpfulness can be associated by terms like “Help”, “Provides support”, “Helpful”, etc.

Although this methodology seems intricate and time consuming, the classification can be built across industries and categories with similar setup, i.e. components defining ‘Relationship Manager’ would not change much between the Finance category and other such setups.

For example:

**RELATIONSHIP MANAGER**

- Helpful (10%)
- Knowledgeable (4%)

**Word Associations**

Linkages between ‘Relation Manager’ and its sub-classification are determined, i.e. what was the incidence of words relating to ‘Helpfulness’ were present when words relating to ‘Relationship Manager’ we identified.

Hence, based on the incidence one can determine what is the term most frequently cited with ‘Relationship Manager.’

Here is an example of the data where different parameters are compared. Below Product was cited more often, and mostly associated with ‘Variety’.

**Relationship Manager → Helpful**

- Service → On time
- Product → Variety
- Billing → Simple
- Company → Innovative

**SWITCHING BETWEEN RESPONDENT-LEVEL DATA AND RESPONSE-LEVEL**

Incidence of the categories can be determined at the respondent and response. The essential difference is that the entire verbatim will be considered as the basic element for the analysis. All sub-classifications will be assigned to the parameter (“Relationship Manager” within the entire verbatim. A downside to Respondent-level is that sub-classification identified for different parameters will be assigned wrongly. For example ‘Helpfulness’ may be assigned to ‘Relationship Manager’ a ‘Call Centre Executive’. So, if the verbatim contains all three strings, but helpfulness was indented to be assigned to the Call Centre Executive, but if ‘Relationship Manager’ was also in the same verbatim in a different sentence - RM would inaccurately be assigned with Helpfulness as well.
Working with Sentiment Analysis

In addition to determining association and incidence, qualifying terms like ‘Good’, ‘Excellent’, ‘Bad’, ‘Poor’ ‘Very’, ‘Slightly’ can be used to add sentiment to a category or sub-classification.

If one would assign score of +1 to ‘Good’, +2 to Very and +3 to Excellent,-1 to ‘Bad’; one can determine the average sentiment of the Category/Sub-classifications

Hence, in the example to Relationship Manager, one can identify the sentiment to Relationship Manager directly or from the sub-classifications.

For example:

<table>
<thead>
<tr>
<th>Relationship Manager (+1.73)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servicing (1.02)</td>
</tr>
<tr>
<td>Product (-2.30)</td>
</tr>
</tbody>
</table>

Within the category “Relationship Manager”:

<table>
<thead>
<tr>
<th>Relationship Manager (+1.73)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpfulness (3.02)</td>
</tr>
<tr>
<td>Knowledgeable (1.30)</td>
</tr>
<tr>
<td>Accessible (-2.75)</td>
</tr>
</tbody>
</table>

CONCLUSION

Knowing what customers needs, and translating this knowledge into products that meet these needs is the path to success. Given the right tools and capabilities, understanding customer requirements is in a sense easier than ever. Consumers are not keeping their needs to themselves; on the contrary, they are using numerous communication channels to literally broadcast their needs and preferences to the world. – This research tool caters to just that.
Effect of Environmental Variables on Green Buying Intention in Different Purchase Situations

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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

The term “Green Marketing” has undergone a change from first workshop on “Ecological Marketing” by American Marketing Association in 1975 (Polonsky, 1994). It has grown to incorporate wide range of activities that include changing production processes, product alterations, packaging variations, and advertising revision. Companies like BodyShop have clear focus on sustainability and green marketing from their inception. These companies focus on cost saving, continuous improvements, eco-packaging and green manufacturing from day one. Global companies like McDonald’s, Nike, GE and DuPont are embracing green marketing. UPS and FedEx have included alternative-fuel and hybrid electric diesel vehicles to their fleets (Kotler et al., 2009).

Green Marketing also acquired high importance due to governmental regulations applicable across sectors. These regulations follow global changes in economic relations, political alignments, environmental treaties and technological developments. As per Raju et al. (2012), biofuel production in India increased from 0.01 million tonnes to 21.0 million tonnes in 2010. Different climate change conferences like the one concluded in Doha recently influence global view on sustainability. Industry also follows the global view and has embraced Green Marketing. Many firms have upgraded to environment friendly technology and have modified their promotions. This includes new greener products by Unilever, ITC, McDonalds, Whirlpool, Indian Oil, Wipro, and Nerolac. This also includes environment friendly services by Tata group, State Bank of India and others in India.

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RESEARCH GAP AND RESEARCH PROBLEM

Different reasons why firms use green marketing are Cost effectiveness, New Opportunities, Social Obligation, Regulations and Competition emulation (Polonsky, 1994). Consumers favour companies having eco-friendly products and services (Yazdanifard and Mercy, 2011). Mahesh and Ganapathi (2012) suggest that Green Purchase Intention is positively and significantly associated with Green Purchase Behaviour. Gupta (2013) suggests that macro environmental forces and elements of marketing mix affect consumers’ Purchase Intention towards preferring green products. These factors are derived from nine parameters that included product quality, price, promotion, availability and five macro environment marketing forces namely government regulation, economic influence, ecological influence, social influence, and technological influence. Consumer research on analysing effect of such factors on consumer purchase intention in different buying situations is yet to be done.

OBJECTIVES OF THE STUDY

Objective of study include exploring and ascertaining if factors that influence consumers’ purchase intention to prefer buying a green product over a normal product are same for two types of purchase situations namely Habitual Problem Solving Buying Situation (Habitual PSBS) and Extended Problem Solving Buying Situation (Extended PSBS). Jobber (2010) explains that Extended PSBS involves high amount of information search and is typically associated with three conditions – (a) Alternatives are differentiated and numerous; (b) Adequate time is available for deliberation; and (c) Purchase has high degree of involvement. It is commonly seen in purchase of cars, video equipment, refrigerator, washing machine, houses, etc. In contrast, habitual PSBS involves little or no evaluation of alternatives. It often applies to repeat purchases like buying the same breakfast cereal, burger, cold drink, everyday clothing, etc. Consumers act differently in different purchase situations (Jobber, 2010). This research aims to study effect of these environmental variables on Green Buying Intention in different Purchase Situations.

RESEARCH METHODOLOGY

Total sample size for study was 107 comprising 37 data points collected through physical method in first phase. The questionnaire for data collection was administered in two phases. Pilot testing of variables was done to ensure that such items correlate moderately with one another before doing factor analysis (Floyd and Widaman, 1995). This helped in evaluating if factor analysis using PCA would be an appropriate method for finding the components. Phase 2 of study was conducted after positive results of phase I study for reliability and appropriateness of factor analysis. Questionnaire used for phase 2 was same as that for phase 1. Final analysis was done on total combined sample of 107 responses collected in both phases.

The data for this research is obtained through consumer survey used for another research paper presentation organized by IIT-Roorkee in March 2013. Current analysis has been done with different focus and extended applications. The data subset for study is derived using different criterion.
Participants had to choose one out of six listed products that they can recall to have bought recently. Questions utilized Likert-type scale for six preference options. Elements of Marketing Mix varied were product quality (product), price, promotion and availability (place). Five varying conditions of Macro Environment forces were government regulation, environment, economy, society and technology. These questions captured consumers’ green purchase intention to buy green product over normal product under changes in above mentioned nine variables. Final analysis was done on 99 usable responses.

**DATA ANALYSIS AND RESULTS**

The first phase data was found to have Cronbach’s alpha equal to 0.613 (>0.5) which passed internal consistency reliability testing (Malhotra and Dash, 2009). All items have correlation of 0.2 or higher with at least one item so none of the items would perform poorly in factor analysis (Floyd and Widaman, 1995). Data was further analysed for appropriateness of factor analysis using Bartlett’s Test of Sphericity and Kaiser-Meyer-Olkin measure of sampling adequacy. The approximate chi-square statistic is 206.337 with 36 degrees of freedom, which is significant at 0.05 level. KMO statistic (0.657) also exceeds 0.5. Total cumulative variance explained as rotation sums of squared loadings is 61.6%, which is more than 50%. Thus, factor analysis is an appropriate analysis technique here (Malhotra and Dash, 2009).

PCA (Varimax) method is used in SPSS-17.0 to separate components that account for large amounts of overall variance. Determination of factors is done by utilizing procedures (Bryant and Yarnold, 1995; Brown, 2009; Malhotra and Dash, 2009) of Per cent of Cumulative Variance, Kaiser's Stopping Rule, Scree Test, Number of non-trivial factors and Split-half reliability.

Based on above-mentioned five methods, three-component solution was obtained. The usable data was divided into two parts for PCA – first part for data of Habitual PSBS and second part for data of Extended PSBS.

**INFLUENCE OF SOCIETY, ENVIRONMENT, ECONOMY AND TECHNOLOGY**

First component having variables of Society–Environment–Economy–Technology affects both types of purchase situations. Society (reference groups and opinion leaders) affects the way we as consumers behave. Consumers’ preference towards green products is higher if these provide combination of societal benefit, environmental benefit, economic sense and improved technology. Example of this is usage of CNG driven vehicles in cities like Delhi, India. This required consumer to first incur expenses and then recover those by reduced cost of usage. Product was technologically good and made economic sense. Society gets benefited by reduced pollution. Taking the argument one step further, we can infer that savings on fuel due to CNG usage would free some funds for diversion towards social development in some way.
INFLUENCE OF GOVERNMENT REGULATION IN EXTENDED PSBS

In case of Extended PSBS, Govt. Regulation has ‘very good’ factor loading on first component. Consumers have relatively high abundance of time and there is high involvement of consumer in case of Extended PSBS like buying of a car/house. In presence of strict Govt-Regulation (like having regulation for green housing or compulsory offering of sustainable fuel operated car), consumers would prefer green product over normal products. Practical evidence of this came in form of highly effective global boycott of CFC driven aerosols.

PROMOTION AND QUALITY (P-Q) INFLUENCE DIFFERENTLY IN DIFFERENT PURCHASE SITUATIONS

Influence of P-Q when Availability and Economy are Common Variables

Availability and Economy have similar loadings on second factor for both types of purchase situation. As economic crises increases, firms wish to cut corners and green marketing is usually the first casualty especially for large companies where green products are not the mainstream products. In such economic situations, there is reduced emphasis on making the product easily available to consumer.

For Extended PSBS, promotion also influences along with availability and economy. Such products like house, normally involve high outflow of cash from a firm’s balance sheet or an individual’s monthly available cash. The purchase will only be done when all details are approved by key influencers like parents and spouse. Thus, high promotion of environment friendly features is required.

For Habitual PSBS, Quality of product plays important role along with Availability and Economy. Buyer would not be highly involved to consider different alternatives and the one that is available with right quality will get favour of consumer in a fast paced decision.

Influence of P-Q when Price is Common Variable

In case of Habitual PSBS, Promotion, Govt Regulation and Price give combined good loading on third component. Consumers’ purchase intention is affected by the support that government regulation gives to the promotion and pricing of green products for Habitual PSBS.

In case of Extended PSBS, Price combines with Quality and Technology to provide this relevant third component. Consumers in case of Extended PSBS can pay more if the quality of the product is very high and it uses the latest technology. Since consumers use such products like Car, House, etc. for long, consumers prefer taking high quality product with latest technology and do not mind paying higher for such products.

IMPLICATIONS OF THE STUDY

Efforts in Green Marketing need to be differently focused in different buying conditions. On one hand, some factors affect both types of purchase situations. Companies need to
ensure that Society, Environment, Economy, and Technology should be given due importance in their overall green marketing programs irrespective of the type of purchase situation. On the other hand, Quality and Govt. Regulation behave differently in each purchase situation. In good economic conditions, a product of habitual PSBS having good quality and availability will be bought by consumers readily. Also, consumers in habitual PSBS intend to purchase a green product if regulation supports promotion and price. Contrast this with Extended PSBS, in which Quality combines with Technology and Price since consumers take long time in deciding the final alternative in this buying situation. Also, Govt. Regulation combines with other macro factors like Society, Environment and Economy to indicate that sustainable products in case of Extended PSBS need acceptance by Society and Economy along with regulations by the Government. Therefore, Purchase situation plays key role in shaping purchase intention of consumers. Companies have to consider the type of purchase situation in designing their Green Marketing programs.

References


Decision Fatigue
Differential Impact of Information Display Formats on Consumer Decision-making

Shawn Mathew*
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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

"Life is a sum of all your choices" – Albert Camus

INTRODUCTION
Everyday examples highlight the negative impact of choice proliferation on decision making resulting in decision fatigue. Research on individual decision making has demonstrated that consideration set formation plays a major role in helping decision-makers process through the clutter of information and improve the decision accuracy and reduce regret. Recent research on information display formats has suggested that gist representation of information helps in improving the decision accuracy by psychologically distancing the decision maker from the information in contexts of information overload. In this study, we combine research from these different streams of literature and study the differential impact of information presentation formats (gist versus verbatim presentation of information) at different stages of the choice process to avoid decision fatigue. We hypothesize that decision fatigue would be reduced when consumers are presented with gist presentation of information at the initial stage prior to consideration set formation and verbatim display would be a more appropriate information display format post consideration set formation when consumers have to make the final choice. We posit that the gist display format helps consumers to focus on the central features and thus conserve the resources needed for decision making without compromising on quality while forming consideration sets. However, in the post

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consideration set formation stage, customers evaluate the products on multiple attributes towards final choice and verbatim information would help in making detailed analysis of the shortlisted options. Anecdotal evidence confirms the resource depletion in post-and pre- decisional stages resulting in mental fatigue and differential information presentation formats can help ease this effect in consumer decision making.

**LITERATURE REVIEW**

The proliferation of choices around us has significantly increased the number of decisions to be made every day. The exponential increase in product diversity has resulted in an interesting choice paradox where people opt for more choices if given a choice, but more choice often leads to reduced decision accuracy and increased regret about choices made. The sheer number of option available often leads to Decision Fatigue, described as the deteriorating quality of decisions made by an individual, when the number of decisions to be made increases. The sheer number of decisions can be effortful and can be effortful (Vohs et al., 2005) and leads to resource depletion (Baumeister, 2003) resulting in poor trade-offs, reduced decision accuracy, reduced satisfaction and increased regret about choices made. The decision fatigue is increased when the decision maker encounters the toughest decisions in the initial phases (pre decisional phase). Decision fatigue can be a major issue in product shopping due to the proliferation of choices in the various product categories. Increased choice sets significantly increases the number of decisions to be made. Behavioural research has demonstrated that while consumers are initially attracted to large assortments to choose from (Iyengar and Lepper 2000), making the final choice from the large initial set becomes a tedious task. Consumers are often overburdened with choice and the process of choosing leads to suboptimal choices, heightened decision difficulty and regret, and even choice deferral in some cases (Iyengar and Lepper 2000). Thus, the question of how consumers wade through the large assortments they are faced with and how these negative consequences can be minimized becomes very important for researchers and marketers.

While providing a smaller assortment to choose from is a solution (Broniarczyk 2006), recent research has indicated that it can negatively impact sales for less frequently purchased product categories (Borle et al. 2005). Appropriate presentation formats can be useful in this regard, especially in e-commerce websites where decision fatigue due to abundance of options is often encountered.

In addition to tools provided by the retailers, consumers try to reduce the clutter by dividing the decision process into various stages and using various heuristics to proceed through the decision making. A very common method adopted by the customers is the formation of consideration sets. When consumers are exposed to a large number of options to choose from, they typically form a smaller subset of seriously considered alternatives called Consideration Set from which they make the final choice (Payne, Bettman, and Johnson 1993). Extant research has documented the role of consideration sets in smoothening the decision process, especially when the consumers feel that they lack the resources or ability to comprehensively evaluate all the alternatives available (Payne, Bettman, and Johnson 1993). Screening from the initial set reduces the chances of making a bad choice and allows the consumers to consider more information about each option and thus make better quality decisions (Alba et al. 1997). Screening influences the nature of final choice (Chakravarti,
Janiszewski, and Ulkumen 2006) and is an important part of the decision process. Consumers use various simplifying heuristics to perform the screening task concentrating on one or more central aspects of the product. It is evident that in the initial stages, consumers focus on a few important details and prefer more elaborate details while proceeding with the final choice as the details help in comparison between the options in the consideration set (Lynch and Ariely 2000). The consideration set strategy adopted by consumers helps minimize the impact of anticipated decision fatigue and corresponds to the pre and post decisional stages of the Rubicon model (Gollwitzer, 1990).

The impact of different information presentation formats at the various stages of decision making is an aspect which has been largely unexplored by existing research. Consumer goals at various stages of the decision making process would be different and suitable information display formats aligned to the consumers goals can positively affect decision making. Drawing upon Construal Level Theory (Trope and Liberman, 2003) and Fuzzy-Trace Theory (Brainerd and Reyna, 1990), studies indicate that psychological distancing from the information can help in alleviating information overload. Trope and Liberman (2003) have shown that psychological distance increases weighting of central (as opposed to peripheral) features, and people in an information-overload situation would hone in on the important information neglecting the less salient information. Gist presentation of information influences psychological distancing and can thus can positively affect consumer decision-making efficacy and decision accuracy (Fukukura, Ferguson and Fujita, 2012). Further, the impact of information presentation formats (gist versus specific information) on the decision making process is high especially under conditions of information overload.

**OBJECTIVES OF THE STUDY**

This study builds on the existing research and explores the role of gist versus specific information formats on the two stages of the decision process – consideration set formation and the final choice. It is hypothesized that when choosing from large assortments, different information formats pre and post consideration set formation can help ease the decision fatigue which might set in due to the large choice sets. When choosing from large assortments consumers would initially prefer the information to be presented in a gist format. Gist presentation helps customers focus on the central features and help the short listing of seriously considered alternatives and help conserve the mental resources. Further, verbatim presentation of information post consideration formation would be ideal to make the final choice which entails elaborate comparison of the shorter set of chosen alternatives. The study also proposes that the impact of the information presentation formats would change according to the nature of the search tasks (browsing vs. searching).

**RESEARCH METHODOLOGY**

The research proposes to use experimental design methodology to test the impact of presentation formats on decision fatigue. A pilot study will be conducted to test the conditions of decision fatigue. The pilot will test the results of the existing research that large set sizes will result in decision fatigue and will involve test subjects making a product choice from sets of varying sizes. The initial set size will be manipulated to test whether large set sizes
results in decision fatigue. The subjects will be exposed to either one of the sets (small versus large sets) and manipulation checks for decision fatigue will be conducted. The small set size will of 6 items and large set will consist of 24 items (adopted from Iyengar and Lepper, 2000). The study plans to use products with medium levels of purchase decision involvement and purchase decision familiarity to remove the effect of dominating preferences.

Further, a between subjects experimental design will be used to test the impact of the different presentation formats (gist versus verbatim) and their impacts on consideration set formation and decision fatigue. Large set sizes will be used to create scenarios of decision fatigue and impact of presentation formats will be tested using choice experiments.

**IMPLICATIONS OF THE STUDY**

Research indicating information overload in ecommerce websites has motivated the selection of the context. Navigating through the increasing amounts of product related information on e-commerce websites is making online shopping a tedious task and often leads to information overload resulting in decision fatigue and its consequences. We draw upon the Accuracy-Effort framework and propose that under conditions of information overload, the information presentation formats have differential impacts at different stage of the decision making process. The formats also interact with the nature of the consumer goals; depending on whether the consumer is browsing or making an actual purchase. The theoretical contribution is in terms of studying the combined effect of these information presentation formats and nature of consumer task in smoothening the decision making process to avoid decision fatigue. Managerial implications include adoption of suitable information presentation formats to influence customer loyalty towards e-commerce websites.

**References**


Pathological Online Gaming among Adolescents

A Review

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Simtha Girja**

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

Pathological gaming is assumed to be a behavioural addiction (Tejeiro Salguero & Bersabé Morán, 2002), and is most prevalent among adolescent. Problematic gaming behaviour (Charlton and Danforth 2007; Gentile 2009) also known as pathological gaming habit is a latest addition to already well documented other addictions/risky behaviours like substance abuse, early sexual activity, risky driving, alcohol dependence, and excessive gambling behaviours. Interestingly, extant literature highlights that this activity is not pathological at first rather it has the power to entertain, educate, develop social, and spatial ability skills and engage people (Grifths, 2005; Paraskeva, Mysirlaki, & Papagianni, 2010, Tarkan et al. 2008), however, it becomes pathological for some people when it begins to produce serious negative life consequences (Gentile, 2009).

Though there is wealth of literature on internet addiction, there are few empirical studies on internet gaming and even fewer that examine pathological internet gaming. While each of extant research that exists have made an important and unique contribution to the literature on addictive behaviour, an additional, research in this area is required to explore and synthesize the organization, structure, and co-variation of risk behaviours, rather than approaching them as isolated factors. Moreover, there has been a shift from single variable

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explanations of risk (e.g., low self-esteem or the absence of positive models) to multiple variable causes that take into account the individual, the environment, and their interaction.

To date, the literature addressing the addictive qualities and risk factors of gaming on the Internet is scarce. The purpose of this article is to synthesize the literature on this newly emerging topic. In so doing, we hope to provide a comprehensive, coherent and organized view of the published material that will inform both practitioners and researchers in this field. We hope that the findings of this paper can be used by practitioners as a foundation to build a stronger base for prevention and treatment protocols of pathological gaming habit among adolescents. Further, an understanding of various risk factors would help researchers develop further research questions, empirical investigations and contribute to marketing literature specifically, dark side of pathological gaming. Therefore, with this literature review, it is intended to provide insight into the emerging phenomenon of pathological Internet gaming and potential addiction by (1) outlining pathological gaming definition, (2) examining motivations for pathological Internet gaming, and (3) identifying negative consequences of pathological Internet gaming.

**RESEARCH METHODOLOGY**

An extensive literature search was conducted using the academic database like EBSCO, and ABI Inform as well as Google Scholar. The following search terms as well as their derivatives were entered: social network, online gaming, gambling, addiction, compulsive, excessive, use, abuse, motivation, personality, problematic gaming, excessive gaming and pathological gaming. Studies were included if they: (i) included empirical data, (ii) made reference to gaming patterns, (iii) motivations for internet gaming, (iv) personality traits of gamers, (v) negative consequences of gaming, (vi) and/or addiction. A total of 43 empirical studies were identified from the literature, five of which specifically assessed pathological internet gaming.

**LITERATURE REVIEW**

The exhaustive review of literature highlights majorly two kinds of studies related to problematic behaviour. One stream of studies has focussed efforts on understanding the risk factors associated with developing such kind of a risky behaviour whereas other stream have explored the negative/positive psychosocial outcomes of such behaviour.

Since, risk behaviours are largely viewed as risk factors for personally, socially, or developmentally undesirable outcomes. Several articles (British Journal of Addiction, 1990, Indian Express, Dec. 2011) and various academic researches (Lemmens et al. 2009; Chiu et al. 2004; Griffiths and Davies 2005) have highlighted psychosocial outcomes in terms of adverse effects of excessive playing on emotional health and well-being of individuals especially in adolescent age-group. Hence, we can say that despite some maturity of the research stream, the present state calls for categorization of literature. Thus, drawing on the previous literature this review integrates empirical researches on “Internet online gaming behaviour” roughly into four areas: (1) Survey studies that compare excessive internet gaming behaviour with non-excessive behaviour (2) Antecedents of gaming behaviour (personal and external factors), (3) Adverse consequences of internet gaming behaviour (4) Other environmental factors as a mediating factors and pull factors for internet gaming behaviour.
RESEARCH FINDINGS

This paper draws a number of conclusions from the review and identifies areas for future research. Firstly, it has been noted that there existed much consensus in the literature in this area that warranted this study and we were able to identify most important reasons why individuals become addicted to games. Hence, in an attempt to build a framework explaining the pathological gaming behaviour we can conclude that across the studies no one factor alone can be deemed to be responsible for developing pathological gaming habits among adolescents. Vitaro et al. (2001) work on behavioural addiction has also suggested interplay of internal and external factors. He suggested that the factors that lead to behavioural addiction are impulsivity, poor parental supervision and deviant friends. Consistent with this approach some other studies established that lower psychosocial well-being is generally regarded as an antecedent of pathological involvement with (online) games (Seay and Kraut, 2007). Thus, based on the cumulative body of research, the complex arrangement of relationships between individuals and their multiple environments can be categorized into risk factors as personal factors i.e. factors internal to an individual (psychological condition and personality types) and factors external to an individual which includes familial factors and peer influence.

Secondly, it can also be deduced that high level of risks in individual's life from different contexts may lead to development of problematic behaviour and at the same time excessive gaming would in turn also lead to negative psycho-social outcomes/consequences. An exhaustive review of literature on adolescent risk behaviour by Richard Jessor (1998) had summarized that all extant researches in this area share a common focus on the role that development plays in problem behaviours and the role that problem behaviours play in the development through the life course.

Thirdly, a contrast in findings in the literature brings about two types of dimensions to gaming addictions, wherein it can be considered as primary problem or secondary problem. For instance, researchers recognized that some gamers play a lot and consequently experience problems, but argues that the gaming behaviour itself may not be the cause of the problems, rather a symptom of other pre-existing problems such as bullying or trouble with emotion regulation. Despite this difference between primary and secondary addictions, the resulting behaviour is nonetheless addiction.

Fourthly, research in pathological gaming area has been predominantly focussed on adolescent age-group as this particular age group has been defined as most vulnerable and symptoms of pathological gaming have been found to progress and aggravate with time with serious consequences not only on individuals but family as well as society as a whole. Researchers at Nottingham University in the United Kingdom polled 7000 gamers and found an addiction rate of 12% by World Health Organization criteria. (Grüsser, et al., 2007) Research in the United States has estimated that anywhere from a small minority to as much as 10% to 15% of players may be affected. (Chak, Leung, 2004). The findings of a study published in The Archives of Pediatric & Adolescent Medicine that followed more than 1,000 healthy Chinese teenagers’ ages 13 to 18 reveals that those who used the Internet excessively for video games were more than twice as likely as the others to be depressed nine months late. (The Indian Express, 22Jan 2011).

Finally, since not only the sales of various kinds of video games is increasing but along with that it has also been observed that the figures for percentage of players getting affected by
video game overuse is also increasing in various countries and contexts worldwide. Though some researchers in past suggested that video game addiction occurs only in a small minority of players, but many other researchers later proved that a significant number of players are getting affected with this and the problem has also been found to progress with time. This indicates that pathological gaming may be considered progressive, and if this behaviour is not controlled or reduced, excessive gaming habits could exacerbate over time, which will lead to problems by displacing other important activities (e.g., Griffiths and Davies 2005).

**IMPLICATIONS OF THE STUDY**

Given the framework for explaining the phenomenon of pathological gaming behaviour, other factors that may influence this behaviour would be an interesting avenue for further investigation. Also, a study can be attempted to examine the relative contribution of these multiple-risk contexts in development of such kind of a behavioural addiction like pathological gaming. In addition to this further research can also be undertaken to identify factors that may protect individuals from developing pathological gaming behaviour.

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Impact of Quality, Value, Satisfaction and Loyalty on Future Buying Behaviour

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Shainesh G*
C N Sai Sravanan*

Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

While the antecedents and consequences of satisfaction and loyalty have been extensive studied in marketing literature, few studies have focused on the impact of satisfaction and loyalty on the consumers’ actual buying behaviour. In this study we focus on the impact of various factors, such as quality, value, satisfaction and loyalty on the actual buying behaviour of service customers. Telecom sector has been chosen for this study as, with very low switching cost and very high attrition, customer loyalty and retention are key enablers for profitable growth.

RESEARCH PROBLEM AND RESEARCH GAP

The satisfaction-loyalty relationship has remained an important matter of research in the services marketing literature for decades (Oliver, 1997; Suh and Yi, 2012). Research has also focused on the impact of satisfaction and loyalty on repurchase intention of the consumers (Cronin et al., 2000; Olsen, 2002). However, the impact of loyalty on repurchase intention can only be realized by a firm when the consumer actually buys the product or the service. Moreover repurchase intention in case of services might not be the only variable of interest. Rather the quantity or extent of the services purchased leads to better understanding of the behavioural effect of consumer specific variables. Hence the actual buying behaviour, and not the intention, is the more important dependent variable to be considered. The current

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study has tried to explore how the various constructs of a consumer’s service experience, such as quality, value, satisfaction, loyalty, etc. lead to change in the actual buying behaviour of the consumers. The research question of this study is the following:

What is the impact of value, quality perception, satisfaction and loyalty on the future buying behaviour of the consumers in the services domain, specifically in the context of telecom industry of emerging markets?

OBJECTIVES OF THE STUDY

The objectives of the study are the followings:

1. Develop and test a model of quality, value, satisfaction and behavioural intention to predict the actual buying behaviour of the consumers
2. Test the moderating role of loyalty on future usage

MODEL STUDIED

Perceived Value\(_i\) = \alpha_0 + \alpha_1 \times \text{Service Quality}_{i}

Satisfaction\(_i\) = \beta_0 + \beta_1 \times \text{Perceived Value}_{i} + \beta_2 \times \text{Network Quality}_{i}

Loyalty\(_i\) = \gamma_0 + \gamma_1 \times \text{Satisfaction}_{i}

Future usage\(_{t+1}\) = \lambda_0 + \lambda_1 \times \text{Current usage}_t + \lambda_2 \times \text{Loyalty}_t + \lambda_3 \times \text{Current usage}_t \times \text{Loyalty}_t

FIGURE 1: STRUCTURAL MODEL OF THE EFFECT OF SATISFACTION, LOYALTY, VALUE AND QUALITY ON BUYING BEHAVIOUR OF CONSUMERS

RESEARCH METHODOLOGY

Customers of a leading telecom services provider were contacted for the study. The questionnaire was sent to around 2500 customers randomly selected from among customers who visited the service centre and having email ids registered with the service provider. Existing scales for quality, value, loyalty and behavioural intention were used to collect data. Tests for reliability and validity and confirmatory factor analysis were conducted. Around 235 usable data points were used for the analysis. Usage data of these respondents was provided by the service provider. The survey was conducted during July to December, 2012. The average billing of these six months was coded as current usage while the billing
for January 2013 was coded as future usage. 3SLS analysis has been done to predict the model given above. Modifications were tested to improve predictive ability of the model.

**RESEARCH RESULTS AND DISCUSSIONS**

**Model 1**

<table>
<thead>
<tr>
<th></th>
<th>Perceived Value</th>
<th>Satisfaction</th>
<th>Loyalty</th>
<th>Future Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>2.8***</td>
<td>1.71***</td>
<td>1.93***</td>
<td>-30.02</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.47***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Quality</td>
<td>0.26***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td></td>
<td>0.48***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
<td>0.64***</td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td></td>
<td></td>
<td></td>
<td>-86.37</td>
</tr>
<tr>
<td>Current Usage</td>
<td></td>
<td></td>
<td></td>
<td>-4.33</td>
</tr>
<tr>
<td>Current Usage X Loyalty</td>
<td></td>
<td></td>
<td></td>
<td>1.24***</td>
</tr>
<tr>
<td>Adj R2</td>
<td>0.4722</td>
<td>0.5969</td>
<td>0.6198</td>
<td>0.5578</td>
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</table>

**Model 2**

<table>
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<th>Future Usage</th>
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<tbody>
<tr>
<td>Intercept</td>
<td>2.74***</td>
<td>1.71***</td>
<td>1.99***</td>
<td>-241.79</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.48***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Quality</td>
<td>0.21***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td></td>
<td>0.52***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td></td>
<td>0.64***</td>
<td></td>
</tr>
<tr>
<td>Current Usage X Loyalty</td>
<td></td>
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<td>0.332***</td>
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<td>0.5926</td>
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<td>0.8848</td>
</tr>
</tbody>
</table>

*** means p<0.05

The results show that satisfaction with the services is influenced by network quality as a measure technical value. Perceived service value, which comes from the service quality offered by the service provider, is also a predictor of customer satisfaction. Satisfaction with the service provided by the service provider leads to loyalty of the customers towards the service provider. Switching cost being very small in the telecom sector of the emerging market, loyalty should be one of the important predictor of the future usage of the customers. But surprisingly in the results the direct effect of past usage and loyalty on future usage has not been observed. Moderating effect of loyalty in the success of loyalty programs in various services has been observed by prior research (Kim et al., 2009). Akdogan et al. (2012) has
also found the moderating effect of loyalty on the impact of ethnocentrism and animosity on repurchase intent. Similarly, in this study we observe a moderating effect of loyalty on the impact of past usage on future. This result is indeed interesting in the context of telecom service. As switching cost is low, past usage alone cannot predict future usage. Similarly loyalty alone can probably predict the consumer attitude towards the service provider, but not the actual usage. We find that the interaction of loyalty and past usage improves predictive ability.

CONCLUSIONS AND IMPLICATIONS OF THE STUDY
The study establishes the impact of various factors on consumer buying behaviour. The study also shows a unique role on customer loyalty in the context of telecom sector where the interaction effect and not the direct effect of loyalty and past usage predicts future usage of telecom customers. While the theoretical implication of the study is to find the impact of various factors on the actual buying behaviour of the consumers and also to show the importance of moderating roles of loyalty, as also seen by a few past researchers (Kim et al., 2009; Akdogan et al., 2012), the practical implication of this study is to provide the service managers with a better forecasting method that can help them predict future growth of customer revenue based on impacts of various marketing measures taken by them.

References


A Qualitative Study to Explore Stage of Readiness
and Mobile Money Acceptance of Micro and Small Enterprises in Indonesia
They Have Not but They would Listen

Usep Suhud*
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Extended Abstract (Understanding Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION
Mobile money is a peer-to-peer financial service through SMS operated by telecommunication providers and mainly dedicated for low income and considered helping unbanked people to manage their own financial transactions and cash management (Dias & McKee, 2010; McKay & Pickens, 2010). Initiated in Kenya in 2007 later this service was applied in other developing countries across Africa, Asia, and South America (Mas & Morawczynski, 2009; Tarazi & Breloff, 2010). In 2009, mobile money was eventually introduced and legalised in Indonesia with banking and telecommunication providers as the operators (Firdaus & Badudu, 2011).

RESEARCH GAPS AND RESEARCH PROBLEM
There are gaps of literature exploring stage of readiness of non-users to accept mobile money technology and studying mobile money acceptance particularly in Indonesia context.
Mobile money operators in Indonesia claimed that they have succeeded introducing and attracting phone users applying mobile money and regarding its population and number of phone users, Indonesia is considered a good market for this service. However, comparing

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to other countries’ success stories, mobile money penetration in Indonesia is considered slow and low. What variables might influence participants’ intention and their stage of readiness to adopt mobile money for financial transactions?

**OBJECTIVES OF THE STUDY**

This study had two objectives. Firstly is to explore the stage of readiness of Micro and Small Enterprises (MSEs) – they could be an agent of change of low income people’s behaviours in cash management – to adopt mobile money technology. According to Prochaska (1994) stage of change or readiness consists of pre-contemplation, contemplation, preparation, action, and maintenance. Secondly is to explore variables that may influence mobile money technology acceptance for financial transaction.

**RESEARCH METHODOLOGY**

The qualitative data were collected in a traditional textile (batik) industrial area in Cirebon, West Java, Indonesia in August 2013. Thirty-one (12 male and 19 female) micro and small entrepreneurs participated in in-depth interviews. Participants’ ranges of ages were between 23 and 67 years old with 19 of them were under 45 years old. In term of method of wage payment, only two participants used bank transfer whereas the remaining participants preferred cash.

**DATA ANALYSIS AND FINDINGS**

The qualitative data were managed and analysed using NVivo and content analysis. The findings indicated that most of participants were in pre-contemplation stage as they have not listened anything about mobile money. In addition, they refused to accept and adopt the service for any financial transaction purposes. Figure 1 shows findings of this qualitative study. As this study was planned to be the first stage of a sequential research project which was using a mixed-methods approached, the author used existing quantitative studies to support the findings.
Attitude is influenced by perceived ease of use and perceived usefulness (Gilaninia, Delafrooz, & Machiani, 2012), subjective norm (Lule, Omwansa, & Waema, 2012), and current financial behaviour (method wage payment); intention was influenced by attitude (Gilaninia et al., 2012), perceived usefulness and perceived ease of use (Jeong & Yoon, 2013), awareness (Daud, Kassim, Said, & Noor, 2011), subjective norm (Nysveen, Pedersen, & Thorbjørnsen, 2005), and current financial behaviour.

**IMPLICATIONS OF THE STUDY**

This study addresses three main concerns: (a) Mobile money is a product (or service) with a technological attachment. An educational session may be needed to educate phone users on how to use; (b) Like other products (or service), mobile money also needs a proper promotion to obtain attentions and interests from phone users; (c) To promote mobile money, it is not only commercial marketing needed, but also social marketing as this product (or service) wishes modifying phone users’ behaviour relating to cash management and consumption pattern. As mobile money is considered could decrease poverty, for those who concern on mobile money acceptance, they probably should listen to the sound of phone users involved in this study.

**References**


A Study of the Impact of Packaging on Consumer Buying Behaviour

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Extended Abstract (Understanding of Consumer Buying Behaviour by Listening to the Voice of the Customer)

INTRODUCTION

While the promotional aspect of packaging helps in creating a mental image about the product in the mind, (Cavassilas, 2007) when in stores, package is the first thing a consumer experiences while buying a product. Brand packaging creates an impression in the minds of the shopper and leaves an impact as the shopper decides to buy or not to buy the product in their current and subsequent purchases. This paper explores the various aspects of packaging, especially the visual elements like colour, font and shape of the container, and how it seeks brand attention, brand association, eventually leading to the purchase by the consumer.

In this paper we have experimented and validated the science behind packaging and its relation to buying decision. We look into the factors specific to certain colours due to which that they are chosen by the company in their product packaging. We also quantitatively analyse the impact in buying behaviour of consumers when they are shown with a difference in packaging of a product than they already consume.

RESEARCH GAP AND RESEARCH PROBLEM

While purchasing and consuming the products, the customer has to face first and second moments of truth respectively. The packaging holds importance in the first moment of truth as it should be able to attract customer against the negative stimuli of the stores and

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the clamour of products by the competitor, while it should help in preventing misuse of the product in the second moment of truth (Martin Lö fgren et al., 2008). The research paper discusses about first moment of truth only.

Colour mainly has three dimensions: light (clarity), shade (or tone), and the saturation (chromatic purity) (Divard and Urien, 2001; Roullet et al., 2003). Small variation in any of these dimension lead to different results. In terms of activation and attention, warm colours have more stimulating power as compared to cold colours (Wright and Rainwater, 1962). Corporate name on the company product play an important role and influence customer evaluation in decision making process (Kowalczyk and Pawlish, 2002). Brand names also get imprinted in consumer’s mind with colour. For example, Cadbury is linked to purple colour (Sylvie Laforet, 2011).

The positioning of visual elements (text and pictorial elements) in package design affects the brand preference of the product. The textual information in the packages is detected by the consumers most when they are placed on the left hand side of the package, while the detection of pictorial elements is slower when they are placed on the left hand side of the package as compared to the right hand side of the package. (Otterbring et al., 2011).

In the previous studies, following research gaps were found. Firstly, most of the experiments focus on the touch aspect of packaging, while limited research was available on the visual aspect, especially in the category of carbonated soft drinks in beverages. Secondly, package colours as means of visual involuntary attention at the point of purchase deserve further investigation using more proper methods. Finally, the existence of brand knowledge due to the fact that consumers are exposed to brands through advertisements and other media was not taken into account. The existing brand knowledge creates biasness in the minds of the consumer while choosing one type of packaging over another.

The design elements that affect the purchase behaviour and brand impression include haptic and visual design elements. For the brand to be perceived as more competent and sophisticated it is important that both haptic and visual design be in congruence (Sandra Little et al., 2010). Our research attempts to find a relationship between visual elements of packaging like colour of packaging, logo, shape of packaging etc. and the consumer buying behaviour.

**OBJECTIVES OF THE STUDY**

The visual elements (text and pictorial elements) in package design affect the brand preference of the product. The main objectives of our study are:

1. To find a relationship between these visual elements of packaging and consumers’ buying behaviour. The major elements on which we conducted our research include colour of packaging, logo, shape of packaging, font of logo, etc.

2. To quantitatively and qualitatively analyse these packaging elements and its impact since these effect the consumers’ preference of a particular packaging over another.
RESEARCH METHODOLOGY

To understand and measure the preference of the consumers with respect to the current package designs as well as the change in the consumer buying behaviour on changing the different elements of the package design, we conducted an experimental study. A sample size of 200 respondents was selected for the study. The profile of the respondents included equal proportion of male and female and was in the age group of 19-30 years. Respondents participated in the study voluntarily. The data was collected using survey method. The questionnaire consisted of text as well as pictorial questions on specific design element. The questionnaire consisted of 22 questions which covered customer preference, customer perceptions and ultimately customer buying a particular type of packaging. Each respondent was asked about his/her preference for different types of packaging on a scale of 1 to 5. The preference was recorded for each of textual, pictorial elements found in a package designing, along with questions on frequency of consumption of products, word association with various products; recall the colour of the package of products etc. A similar analysis was carried out for other aspects of the design elements where different images were shown and respondents rated their preference. While using images of bottles, it was made sure that the difference (shape, colour, font, etc.) should be prominent enough to be identified by the respondent. The brand names used in the questionnaire were random like abc, pqr, def, xyz, lmn, etc. in order to eliminate the biasness for established brands.

RESEARCH FINDINGS

The study revealed that brighter shades were preferred over dull shades irrespective of colour of the packaging. The colour preference in consumers’ mind plays a significant role in the buying behaviour. It was also found that there is a perceived colour-emotion association from consumers’ side which drives their subconscious mind to incline towards a particular brand. The most interesting thing we found that if there is no colour, then it is perceived as sadness in the minds of consumers. Also, there is significant difference in consumers’ preference while choosing between bottles with a smooth texture than a bottle with twisted shape. Another insight drawn from the study is that consumers do consider wrapper coverage area on products in their buying decision but they are indifferent to the location of the wrapper. It seems to be unimportant to consumers if the wrapper is removed and altogether different pasting stickers were used. Finally, consumers liked to have cold-drinks in a tetra-pack with straw.

IMPLICATIONS OF THE STUDY

The present study measures the extent of changes in consumer preferences, resulting in different levels of brand attention, brand association that eventually leads to the purchase by the consumer. This study can be used further to develop stronger insights and valid conclusions in terms of various visual elements discussed so far. Since knowing consumer behaviour is the key to make brands successful, the agencies/marketers can use the results to design the packaging of its products in an innovative way which will pull the consumers
to buy their product over competitors. It would also help the companies understand the role of product packaging in developing customer brand loyalty with respect to repeat purchases and creating a brand image.

References
The Ethical Consumer's Behaviour

A Research of the Differences between the Declared Behaviour and the Real Behaviour of Romanian and Bulgarian Students

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Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

Ethical consumption has become an important subject approached both in the written media and in academic reviews (Crane and Matten, 2004; Vitell and Muncy, 1992). Aspects such as using child labour in developing countries or the impact of production and consumption upon the environment seem to affect the buying decisions process of consumers throughout the world (Auger et al., 2003; Creyer and Ross, 1997; Elliott and Freeman, 2001). This change in the behaviour of consumers has profound implications for the managers and may influence their decisions as regards the choice of a location for their production facilities, the human resources policies within the company, and the role of ethical corporate business practices.

Despite the ever increased attention for issues related to ethical consumption during the past years, the data regarding its importance are at best contradictory. For example, a study undertaken by Market & Opinion Research International (MORI) shows that over one

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third of the British consumers were concerned about ethical issues (Mason, 2000). The same study suggests that the potential for ethical products in the UK could be of 30 per cent of the market of staple products. Another study undertaken by Corporate Edge shows even more attention and importance given to ethical behaviour in the sense that 57 per cent of consumers state that they would no longer buy a product if they knew that that product was done by children or women, under improper conditions (Rogers, 1998).

On the other hand, other researchers suggested that the consumers’ opinions do not seem to be translated into a change of their buying behaviour (Carrigan and Attala, 2001). This suggests the fact that there seems to be some incongruity between what consumers say as regards the importance of the ethical issues and what they do when they are in a shop. This incongruity determined certain researchers to believe that the research of the ethical consumption is not that reliable (Ulrich and Sarasin, 1995).

These issues even made certain researchers suggest that it might be opportune to take into consideration this incongruity between attitude and behaviour – an incongruity with a high impact upon ethical and social issues which affect the buying decisions (Boulstridge and Carrigan, 2000; Carrigan and Attala, 2001; Simon, 1995; Ulrich and Sarasin, 1995). In other words, consumers declare in market surveys that ethical and social issues are important but they do not change their buying behaviour accordingly.

RESEARCH GAP AND RESEARCH PROBLEM

In order that people should be able to make an ethical decision, they have to relate to a behavioural norm or rule that they can use as benchmark. Secondly, people have to be aware that their decision will affect others, whether employees, producers or consumers, sometimes with unexpected consequences. Thirdly, people have to accept and assume the responsibility for the moral issue and the prejudice they create (Schwartz, 1977). If these conditions are not met, the idea of buying while assuming a certain moral conscience is compromised, because the absence of these conditions means that consumers are unable to recognize the moral side of their buying decisions. Cowe and Williams (…) showed that only 17 per cent of the interviewed consumers declared that they felt guilty when they purchased a product that did not meet the principles of ethics. In other words, 83 per cent never felt guilty when they bought something without even considering the potential damage caused to others. This observation can have profound implications. Research has shown that the moral intensity of a certain issue, correlated with the ethical intentions of a certain individual, influence the (ethical) decision making process. Ballantine (2000) cites 7 studies undertaken in the 1990s — all in support of this idea.

OBJECTIVES OF THE RESEARCH

Studies undertaken so far proved that, generally speaking, there exist differences in terms of behaviour and ethical and/or unethical attitudes amongst the undergraduate students. Yet the aim of our study was to find out if, according to the things declared in surveys, there exist differences between the buying behaviours and attitudes of students matriculated in two different majors - Business and Medicine – in Romania and Bulgaria. On the other
hand, we wanted to see if certain social and economical characteristics (such as the level of income of the families from which these students originate) affect in some way the ethical behaviour declared (in surveys) as compared to the real behaviour (in shops) of the students from the two countries. We are thus trying to explain the differences between *declarative attitudes/behaviour* and the *real behaviour* of Romanian and Bulgarian students.

Thus we tried to find answers to the following questions:

1. Are there any significant differences between the ethics of shopping for students in Romania and Bulgaria?
2. Is there any significant difference in the ethical behaviour of students enrolled in different faculties?
3. Is there any difference in the buying behaviour of the students due to differences related to the family income?
4. What are the main excuses/claims that students make in order to reconcile their behaviour with their actions?

**RESEARCH METHODOLOGY**

Our research was carried out in two stages. During the first stage we tried to answer the first two questions, i.e. whether there are significant differences between the buying behaviour of Romanian and Bulgarian students from an ethical point of view, and if there exist differences between the students of the two majors. In order to gather information we designed a survey questionnaire which was submitted to a group of 271 students from the two capital cities – Bucharest and Sofia. Every student was asked to fill in the questionnaire containing 8 items set in multi-point Likert scales.

In order to see whether there are any significant differences between the ethical behaviour of students from the Faculty of Business and the behaviour of students from the Faculty of Medicine in both countries, we applied the t (Student) test for differences between two means, for independent samples, assuming there are equal dispersions (variations). The F (Fisher) test proved that the samples were taken from populations with equal dispersions. The chosen significance level was 0.05.

During the second stage we wanted to find out whether there are significant differences between the students’ declared behaviour and their real ethical behaviour, caused by their family’s income. Item no. 4 is correlated to this. With Item no. 4, we wanted to identify the main excuses/pretexts students use when they want to justify their unethical buying behaviour often noticed in shops. To this end the students were presented three scenarios, imagined by researchers, and were asked to imagine they are in a store, about to make a decision with regard to the purchase of a certain product which was the topic of one of the three scenarios.

We have also tried to find out whether there is any association between the type of “super-story” used (the central element being the “price” factor, the “development” factor and the “institutional” factor) and the type of income the student had. To this end, the data were
grouped into 3 categories: students whose parents earn between 300 and 500 Euro, students whose income per family is between 500 and 700 Euro, and students whose family income is more than 700 Euro per month. The data were structured as contingency tables. Test chi-square was then applied. It allows the evaluation of the significance of the differences among the sub-groups of the sample. Low values of the test mean concordance among the sub-groups, and high values mean discrepancy among the analysed subgroups.

**DATA ANALYSIS AND RESULTS**

According to the centralized data, one can notice that there are no significant differences between Romanian and Bulgarian students as to the ethical buying behaviour. For this, we used test t (Student) for differences between two means, considering independent samples, assuming there are equal dispersions. The analysis of the data also supports the idea that there are no significant differences between the students of the two majors either, in both countries.

From the analysis of the data gathered, one can notice that there are associations between the group of income to which the student belongs and the pretext used by that student in order to justify his/her unethical consumption behaviour in both countries. In general, one can notice that the students whose parents have lower incomes are influenced in their buying decisions by the “Price” (PRICE) factor to a greater extent, then by the “Development” (DEV) factor and only lastly by the “Institutional” (INST) factor, both in Romania and in Bulgaria.

**IMPLICATIONS OF THE STUDY**

First of all, one can notice that there are more similarities than differences as regards the ethics of buying behaviour of students from Romania and Bulgaria. According to our study results, there are no significant differences between the ethical behaviour of Romanian and Bulgarian students. Moreover, there are no significant differences between the two majors – Business and Medicine – either. From a more general perspective, this would mean that there exist universal norms as regards important social issues, norms that the students know they should respect.

Regardless of the country of origin or the major, most students declared they had knowledge in ethics (they read the labels about the origin of the product and publications related to the conditions under which products were produced, they attend lectures on environmental issues), they avoided to serve the interests of unethical companies by refusing to buy “dubious products”, and last but not least tried to turn from counterfeit products to original products, even though the former most frequently represented a bargain.

Yet the latter implication complicated matters considerably. The moral imperative of the act of purchasing seems to diminish a lot under concrete purchasing situations. As per the results of our study, the students’ ethical behaviour tends to become unethical, the moral intensity of the issue of purchasing a product which disregards the principles of ethics no longer being perceived as part of their own identity (own ego). To be more specific, the level of income of the families from which students originate takes its toll on the purchasing
decision. This indicator of the standard of living practically distorts the way they make a choice.

References


Impact of Strategic Orientation on Business Performance through Customer Value Creation

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Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

Though substantive research work has been pursued during the last two decades to understand the relationship between Market Orientation (MO), Customer Value (CV), Service Quality (SQ), and a firm’s performance, the process through which customer and competitor-oriented firms achieve superior performance is yet under-researched (Hult et al. 2005). According to Adner and Zemsky (2006), a focus on the interaction between consumer heterogeneity and a firm’s strategy offers a promising avenue for building a richer theory of firm-environment fit. In context of the banking sector, Thirumalai and Sinha (2009) suggested that successful implementation of strategic orientation requires management to develop an understanding of the variation in customer behaviour across product types and its impact on CV for customization strategies across those product types. Zhou et al. (2009) suggested that future studies can also examine the influence of a firm’s orientation and strategies on customer value.

RESEARCH GAP AND RESEARCH PROBLEMS

Despite the importance of creating value for customers, research work in this area has been conceptual in nature (Anderson et al., 2006) and value creation from the customer’s perspective has largely remained an under-researched topic (O’Cass and Ngo, 2011). O’Cass and Ngo (2011) suggest that the research should explore the relationship between value

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creation and customer-centric performance within the firm-customer interface by incorporating customer and competitor variables. Hence, there has been inadequate literature dwelling upon the heterogeneity of the consumers' perceiving the value of the firm's offering. As customers have different value drivers, managers can devise different strategies for those segments. The research questions addressed by the present study include: (i) Which value configuration is important for bank customers? (ii) Which strategic orientation helps in achieving the desired value configuration? and (iii) Which value configuration significantly predicts market performance?

OBJECTIVES OF THE STUDY

The purpose of the present study is to investigate how customer orientation and competitor orientation influence customer value through service quality as well as how CV types affect each other and the impact of these value differentials on the market performance of a firm. This research contributes to the literature in four different ways: first, the research examines how two components of MO-culture (Customer Orientation & Competitor Orientation) drive CV; second, this study analyses the mediation of CV in the service quality-market performance link; third, this study explores the relationship between customer or competitor orientation of a firm and its direct impact on three value differentials, viz., economic, relational, and technical/functional value; and fourth, the research studies the impact of each CV type on the market performance in context to retail banking in an emerging economy like India. Overall, the study extends the understanding of a firm toward adopting a strategic orientation, which influences its value creation, and then managing these value differentials for devising the firm's strategies. The contribution of the present study is an integration of three value types into a coherent explanation of value creation.

RESEARCH METHODOLOGY

The specific items to measure the exogenous constructs of interest were: Customer orientation, Competitor orientation, Economic value, Relational value, Technical/Functional value, Overall service quality and Market performance. Each of these constructs is measured by summing from two to eighteen individual items. Each item uses a five-point Likert scale from “highly dissatisfied” (1) to “highly satisfied” (5). Summed indicators for these constructs are used in analysis due to the large number of individual questions, and the approach is consistent with the methodology used in a broad range of prior research (Eroglu et al., 2005; Raju and Lonial, 2001).

The initial version of the instrument was pilot tested with 50 customers of different banks located in a northern city of India. The subjects were selected from a voter’s list obtained from the election commissioner office using a systematic sampling scheme. CFA analysis was conducted with the pilot sample and in purifying the scales, coefficient alphas were calculated, and standard alphas for the scales were recorded at 0.879. During this purifying process, some items were dropped and the final instrument had 47 items in total. During the pre-testing, we noticed that the majority of subjects were the customers of three banks, i.e., Bank1, Bank2, Bank3 (names not revealed to maintain confidentiality). Therefore, we decided to conduct the final study with subjects from these three banks. The final instrument
with 47 items was distributed among banking customers residing in a north Indian city with a population of 97,300 landline telephone subscribers (data pertaining to the year, 2010-11).

Based on the results of the pilot study, the minimum sample size (538) required for the study was determined (Mukhopadhayay, 1998, pp. 31-32). The final instrument was administered to 538 bank customers using a systematic sampling procedure, where the first subject was randomly selected from the list of landline subscribers, and thereafter, every 180th telephone subscriber was selected, thus meeting the quota of 538. Customers were identified through a telephone directory. The respondents were personally contacted out of 538 sampled bank customers and 500 usable responses were obtained, providing a response rate of 93 per cent. Thirty-five subscribers in the list were such that no member in the household had any of the three banks as their prime bank. The remaining three questionnaires were incomplete. The response rate for Bank1, Bank2, and Bank3 were respectively 38.6 per cent, 32 per cent, and 29.4 per cent.

**DATA ANALYSIS AND RESULTS**

The resulting CFA models reveal that one item each of competitor orientation, relational value and market performance; two of economic value; four of technical/functional value; and thirteen items of customer orientation got deleted during the process of confirming the relationship of manifest variables with their latent construct. Psychometric properties of the constructs were judged with Confirmatory Factor Analysis (CFA) using AMOS (16.0). We have observed the threshold value of 0.7 and 0.5 for CR and AVE (Bagozzi and Yi, 1988). We examined that AVE is higher than the corresponding squared correlation between each pair of constructs. Hence, the constructs are more internally correlated than they are with other constructs. The model fit was assessed using a series of fit indices recommended by Hu and Bentler (1999), viz., CFI, GFI, TLI, RMSEA, and SRMR. The CFA fit statistics indicate an acceptable level of convergence, discriminant validity, and unidimensionality, leading us to fit the structural equation model.

After conducting CFA models to validate the internal and external consistencies among factors, we constructed a structural model with two strategic orientation types, three value types and resulting market performance (Figure 1). The goodness-of-fit indices were quite high, providing additional validation for the factor structure of strategic orientation types, value types and for overall structural model ($\chi^2/df = 1.440; \text{GFI} = .994; \text{CFI} = .998; \text{NFI} = .996; \text{TLI} = .995; \text{RMR} = .007; \text{RMSEA} = .030$). We used summated scores for the subsequent analysis and hypotheses testing of the first order constructs.

Path analysis reveals that both strategic orientations have positive significant impact on overall service quality, however the prediction of competitor orientation is greater ($\beta = .622$) than customer orientation ($\beta = .106$) (Figure 1). The probable reason could be heterogeneity in the customers’ wants and needs toward specific services and easily available information of competitors for the purposes of imitation and adherence. In the context of financial services, service quality has differential impact on customer value types. Findings indicate that though overall service quality has significant effect on economic, relational and technical/functional value, its influence is greater for relational value ($\beta = .432$), followed by technical/
There also seems to be significant but not so substantial direct impact of customer value on economic ($\beta=.287$), relational ($\beta=.252$) and technical/functional value ($\beta=.209$), respectively. In a similar vein, competitor orientation doesn’t exercise greater direct influence over relational ($\beta=.141$) and technical/functional value ($\beta=.123$). Overall service quality determines all customer value types, i.e., economic value ($\beta=.294$), technical/functional value ($\beta=.307$) and relational value ($\beta=.432$). While establishing a causal link among customer value types in context to financial services, it appears that economic value has significant prediction for relational value ($\beta=.317$), which consequently leads to better technical/functional value ($\beta=.428$). Though three customer value types have unique indispensable roles to play, particularly for financial services, their contribution towards the success of market performance is unequivocal. SEM results envelops the considerate direct and significant impact of only technical/functional value on the market performance ($\beta=.791$) of Indian banks. Fitness indices of the proposed model reveal that CMIN/df is non-significant (.184); GFI, CFI, NFI and TLI are above 0.90; and RMSEA and RMR are below the threshold value of 0.08.

According to Zhou et al. (2009), customer value is the exogenous construct, with market orientation and competitive advantage as intermediate endogenous constructs and performance as endogenous outcomes. In consonance with their theoretical framework, we proposed an alternative model in which three customer value types seem to predict strategic orientations (viz., customer and competitor orientation), which ultimately influence market performance (Figure 2). SEM results of alternative model show that there are many insignificant relationships in the model (viz., RV $\rightarrow$ CU, EV $\rightarrow$ CU, RV $\rightarrow$ MP, EV $\rightarrow$ MP and CU $\rightarrow$ MP). Further, neither of the two strategic orientations has a direct significant impact on market performance. Here also, only technical/functional value exerts direct significant influence on market performance. The fit indices of the alternative model are...
not better than the proposed model. Especially CMIN/df is significant (.006) and above the cut off value of 5.0 (7.541) and RMSEA is above 0.08 (.114).

\[ \text{FIGURE 2: AN ALTERNATIVE MODEL} \]

**IMPLICATIONS OF THE STUDY**

The present study provides useful insights to the bank management in terms of evaluating its strategic orientation type, i.e., whether a bank is more inclined toward customers or competitors. On the basis of the strategic type a bank pursues, it can design the quality of services to be delivered. Further, strategic orientation of a bank shall create and deliver customer value as desired by the target customers. Being a financial institution, a bank can offer various customer value types, viz., economic value, functional value, technical value, relational value, etc. The target customers can desire for value addition in terms of economic benefits, long-term relationships, hassle free procedure, time saving, etc. These value additions culminate into customer satisfaction and loyalty. Hence, in order to achieve superior market performance, an organization should try for strategic orientation-customer value fit. The internal environment should be adequately aligned with the external environment. The value additions expected by bank customers ought to be facilitated through proper focus on the type of strategic orientation that can assist in the creation and delivery of that value. Though previous studies provide support to the mediation effect of customer value in the service quality-customer satisfaction link, no study could explore or rather establish congruence between strategic orientation of a firm and the customer value delivered by it. Moreover, the relationship between various customer value types could not be traced. Thus, the study aims at extending useful managerial guidelines for achieving greater market performance, which ultimately results in superior financial performance. Looking into the type and nature of the product/service being offered by a firm and also the market conditions, it can design an appropriate strategic orientation, which would help in value creation and delivery. Also, customer profile shall assist bank management in selecting the most desirable strategic orientation or the combination of two so as to generate a proper balance between the resource utilization and value additions expected by the market.
Impact of Strategic Orientation on Business Performance through Customer Value Creation

References


A Journey from Consumer–Brand Relationship to Brand Love

A Bibliometric Study

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Extended Abstract (Managing Customer Relationships in Emerging Markets)

PURPOSE OF RESEARCH

Brands are a company’s most valuable asset and the means through which the companies make offerings to customers. Brand is a perceptual entity rooted in reality but reflecting the perceptions and idiosyncrasies of consumers (Kotler et al., 2013). Brands are a complex mixture of functional benefits and emotional connections, but they are also identifiable entities that make specific promises of value (Keller, 2007). The emergence of relationship marketing has shifted the focus of marketing discipline from short-term discrete transactions to that of developing and maintaining enduring relationships with customers (Dwyer et al., 1987; Morgan and Hunt, 1994; Berry, 1995; Agustin and Singh, 2005). The buyer-seller exchanges are now viewed as on-going relationships rather than discrete transactions. It is widely accepted that customer relationships are one of the most important assets of business (Srivastava et al., 1998; Gupta and Lehmann, 2003; Ryals, 2005).

As a result of general focus on the relationship in marketing, relationships have become very popular in branding literature (Patterson and Malley, 2006). Fournier (1998) explained the concept of relationship marketing in consumer setting. Fournier (1998) explored the personal component of relationship between brand and its customers, and also proposed a framework for characterizing and better understanding the types of relationships consumers’ forms with the brand. The framework starts with the thought that brands are needed to be highlighted the ways in which brands are animated, humanized, or personalized. From

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A Journey from Consumer–Brand Relationship to Brand Love

literature, it is found that consumers consider all the information, communication that marketers and advertisers display about their brands as brands are evolved and lived only through their managers and the consumers’ starts thinking about brands as if they are humans (Plummer, 1985; Sandra, 2013). This is the reason that consumers sometimes form relationships with the brands in the same way as they form relationship in a social context (Aggarwal, 2004). The researcher reveals that consumers’ acceptance of advertisers’ attempt to humanize brands and their tendencies to animate products of their own accord evokes that brands are entertained as vital, active and contributing members of the dyadic relationship that exists between the consumers and their brands (Fournier, 1998; Veloutsou and Moutinho, 2009).

Fournier (1998) inducted six-faceted brand relationship quality (BRQ) construct circumventing: love and passion, self-connection, interdependence, commitment, intimacy and brand partner quality as its facets and also reveals that BRQ evolves through meaningful brand and consumer actions. Whang et al. (2004) commented that the facets proposed by Brand Relationship Quality (BRQ) construct correlate to the three components (Intimacy, Passion, and Commitment) of interpersonal love as proposed by Sternberg (1986) in his triangular theory of love. From literature, researchers get to know that love for a brand is an important ingredient to maintain long-lasting relationship with their consumers. Thus, Carroll and Ahuvia (2006) introduce a new marketing construct “Brand Love”, and delineate it as the degree of passionate emotional attachment a satisfied consumer has for a particular trade name. While Lastovicka and Sirianni (2011) unveiled that brand love represents a love for more freely replaceable objects and abstractions within a brand designation. Batra et al. (2012) ascertain that consumers describe their love for brand as a broad, long-term consumer-brand relationship, with multiple interrelated cognitive, affective, and behavioural elements. So the researchers conclude brand love as a relationship rather than a single transient emotion and used the term “brand love” to refer to consumer-brand relationship.

RESEARCH METHODOLOGY

Six Online databases, namely, Emerald, JSTOR, Sage Publications, Science Direct, Springer Link and Taylor & Francis were consulted to enlist the articles with the title “Consumer Brand Relationship” or with the title “Brand Love” and the total listed articles were 71 which comprised 11, 13, 13, 10, 17, and 07 articles respectively from databases of Taylor & Francis, Emerald, Springer Link, JSTOR, Science Direct, and Sage Publications databases.

RESEARCH FINDINGS

The 71 articles are from 26 journals with maximum number of 9 articles from Journal of Business Research, 7 articles from Journal of Product & Brand Management, 6 articles from Journal of Marketing Management and 7 articles from Journal of Consumer Research. Out of 71 articles, 12 articles have title of Brand Love or Love for Brands and the remaining 59 articles have the title of Consumer Brand Relationships. The articles are from the year 1995 to 2013; majority of the articles, that is 69, were published after 2000 and the remaining two articles were before the year 2000, which signifies the research interest in this area in last decade. Most of the studies, that are 63, are empirical studies and the remaining 8 are
conceptual papers. In empirical papers, 56 articles have used quantitative methods; the studies propose different models of brand love and have employed factor analysis, structural equation modelling, partial least square method, LISREL, analysis of variance and regression for its validation. There are just seven qualitative studies; though they may help in better understanding of the complex constructs of consumer brand relationship and Brand Love, further studies are required in this direction for better comprehension of the construct.

In citations, it was observed that there are 23 articles that have not been cited at yet but these articles appear to be quite pertinent so these articles are considered in the study and 33 articles have been cited more than 15 times. The highest cited article – 3209 times (around 200.56 per year) – is from Fournier in the year 1998, followed by the article from Aaker et al. (2004), which has 647 citations (around 64.70 per year). The articles have a total of 166 authors published in 26 journals, with a total number of 7495 citations.

When the articles were observed for the nature of study, it is observed that majority of the articles (30 nos.), are on consumer-brand relationships incorporating its evolution, dimensions and on its dissolution, and 20 studies are on maintaining and enhancing relationships either with consumers or with brands one at a time. There are 18 studies on brand love construct, its proposed conceptual models and on its antecedents and outcomes.

The majority of studies on Consumer-Brand Relationship and on Brand Love have been carried out in different countries of the world that is in US, UK, China, Portugal, Australia and many more but till date only two studies have been carried out in India so far that too on Consumer-Brand Relationship that is of Sahay and Sharma in 2010 and of Sahay, Sharma and Mehta in 2012. From last decade, India is on journey of economic reforms and has considered as the world’s fastest growing economy. India’s large and growing population is its best asset and it has also witnessed a remarkable increase in its disposable income. This development has lured all the big MNCs and global brands to such an extent that now almost all these brands are ubiquitous in India. The increase in standard of living of people and the presence of global brands in India have made the Indian consumers quite brand conscious. The synthesising of all these facts signals that there is a need of more empirical studies in India so as to test the applicability of the brand love construct, its model and to study across the cultures.

**IMPLICATIONS OF THE PROPOSED STUDY**

In past few years, brand love has emerged as a pertinent concept and has also shown burgeoning interest among practitioners and academics. Brand Love journey started with maintaining relationships with consumers and brands, and has shifted its focus to consumer-brand relationships. Caroll and Ahuvia (2006) unveiled that brand love is a meaningful tool of consumer satisfaction that is linked to desirable post-consumption behaviour and found that brand love is both a predictor and an outcome variable in a population of satisfied consumers. The researchers identified that with the increase in focus on relational paradigm, the companies used to ascribe human characteristics, traits to brands (Aaker, 1997; Fournier, 1998; Albert et al., 2008) and consumers started associating themselves to brands and this has led to the unprecedented levels of consumer-brand relationships. The studies done so far are mainly focused on consumer relationships, brand relationships,
brand associations and on consumer-brand relationships taken together; but less studies have done so far on brand love. Furthermore, empirical studies are required to comprehend and use this dynamic and composite construct.

This study makes an important contribution, as it outlines, structures, and identifies the key databases, journals, articles and authors in the research fields of consumer-brand relationships and in brand love. This study from academic viewpoint focuses on the novel, pertinent untapped field of marketing that is Brand Love. This study falls in short as far as comprehensive apprehension of brand love conceptual model, its applicability and testing across different cultures and its components are concerned. Further conceptual and empirical studies are needed to address these issues.

References


In-depth Analysis of Customer Experience in Retail Banking Sector of Emerging Markets

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Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

Emerging markets have shown considerable resilience after the year-2008 crisis. It is due to this reason that large influx of investment from all over the world has been seen in these markets. The stake on emerging markets to perform well is very high. Therefore, the importance of emerging markets in driving global economy could not be neglected. Banking has observed large irregularity in its performance post the crisis period. This is a customer service oriented sector and it is increasingly being felt by the banks that the overall positive experience among the customers has a high influence on their businesses. Hence, positive experience, attitudinal and behavioural loyalty of customers has become important performance evaluation factors for the banking industry.

The paper presents the findings on studies performed on data from large retail bank customers across emerging and developed markets. The difference in customer behaviour in these two markets helped in better understanding of the factors that affect customer loyalty in emerging markets. In the paper Customer Experience Index (CEI) and Net Promoter score have been depicted to understand the satisfaction and behavioural loyalty of the customers in both emerging and developed markets. Further deep dive on the same has been done for India and China, which are among the fastest growing emerging markets. The customer experience

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index is an effective indicator of loyalty and plays an important role in retaining and attracting customers. Customer experience index has been computed by averaging all the factors/touch points that have an effect on the decisions made by the customers during the transaction process. The Net Promoter Score (NPS) reflects on the ‘promoter’ base of the respondent, i.e. those who are likely to recommend a particular brand to others and thus illustrates the behavioural commitment gap among the customers of the emerging and developed markets. Various factors that the emerging market banks needs to work upon in order to increase positive experience and loyalty among the customers along with future drivers of loyalty have been discussed in the paper exhaustively.

RESEARCH GAP AND RESEARCH PROBLEM

Global high debt levels, political turmoil, regulatory changes, and evolving customer habits have had a tumultuous impact on financial sector as a whole. These unpredictable rapid changes in the banking industry have made it difficult to assess the customer behaviour. Thus, it is difficult to present a coherent picture of customer expectations with respect to banking services. However, to maintain a loyal base of customers the banking industry needs to understand the consumer experience and expectations in the emerging market in much better way. Therefore, the main concern of the research paper is to provide information on the difference in the customer experience and behaviour in emerging and developed market. This comparison provided a framework of key factors and the future loyalty drivers that the banking industry in emerging markets should take into consideration for increasing its loyal base of customers.

OBJECTIVES OF THE STUDY

- To understand the difference in the customer positive experience and propensity of customers to recommend their brands to others i.e. Net Promoter Score in emerging and developed markets.
- To understand major factors contributing towards creating customer positive experience and analysing the future drivers of loyalty in emerging markets.
- To gauge the customer behaviour and drivers of loyalty in two of the fastest growing emerging markets i.e. India and China

RESEARCH METHODOLOGY

The objective of the paper is to identify the factors impacting the customer loyalty in emerging markets, especially in context of India and China. This work is based on secondary data research. The data included in the paper has been adopted from numerous reports and studies conducted in this area, and also from a range of interviews that have been done with the industry participants.
DATA ANALYSIS AND RESULTS

Difference between the Emerging and Developed Markets: A brief snapshot of the customer perspective on banking services in emerging and developed market:

<table>
<thead>
<tr>
<th></th>
<th>Emerging Markets</th>
<th>Developed Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited impact of credit crisis on the bank’s reputation</td>
<td>Reputation of banks have largely been effected by credit crisis</td>
<td></td>
</tr>
<tr>
<td>Customer inclination to bank with more number of institutions</td>
<td>Customers propensity to bank with a single bank is high</td>
<td></td>
</tr>
<tr>
<td>Pricing, brand strength and personal attention are the key driving factors of customer positive experience</td>
<td>Brand sustainability and personalization have higher impact on driving positive experience</td>
<td></td>
</tr>
<tr>
<td>Customer likelihood to recommend a brand is relatively higher</td>
<td>Customer likelihood to recommend a brand is lower</td>
<td></td>
</tr>
</tbody>
</table>

Customer Experience Index: The Customer Experience Index (CEI) is calculated by averaging values of all the customer touch points or process areas that impact customers. The customer touch points in banking service could be as follows:

<table>
<thead>
<tr>
<th>Customer Touch Points</th>
<th>Process Scores</th>
<th>Key Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account features &amp; benefits</td>
<td>77</td>
<td>Range and appropriateness of products</td>
</tr>
<tr>
<td>Account Opening</td>
<td>84</td>
<td>Variety of features/services</td>
</tr>
<tr>
<td>Branch</td>
<td>82</td>
<td>Return / interest rate</td>
</tr>
<tr>
<td>Relationship Manager</td>
<td>80</td>
<td>Timeliness with respect to service</td>
</tr>
<tr>
<td>ATM services</td>
<td>66</td>
<td>Fairness of charges levied for transactions</td>
</tr>
<tr>
<td>Customer Call Centre</td>
<td>65</td>
<td>Innovativeness of features offered on the savings account</td>
</tr>
<tr>
<td>Internet Banking</td>
<td>70</td>
<td>Suitability of ATM amount to be maintained</td>
</tr>
<tr>
<td>Fixed Deposit</td>
<td>54</td>
<td>Adequacy of personalized &amp; Privileged services</td>
</tr>
<tr>
<td>Communication</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Complaint Handling</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>

The CEI i.e. the average of all the customer touch points for the above illustration is 73.

CEI for emerging and developed markets: The global average CEI score has been found out to be around 73.5. The CEI among emerging and developed markets have been found to be approximately the same. The reason behind this is that post the financial crisis the ‘trust for the brand’ in developed markets has relatively gone down. However, there has not been much impact of the crisis on ‘trust for the brand’ factor in the emerging markets. Within the emerging markets India has a CEI of 75.4 and significantly leads ahead of China which has a CEI of 73.1. This difference is because of low satisfaction seen among the customers in China on fees charged by the banks and they feel that there is lack of transparency in fees charged.
India is the leader among emerging economies.

Key takeout for emerging markets: The emerging markets could take some cues from the developed market and work towards building and protecting the trust of the customers so as to increase positive customer experience.

Net Promoter Score for emerging and developed countries: Net Promoter Score reflects on the base of those customers of the company who would go the ‘extra mile’ in recommending a company. The reason why this score is important is because it has been seen that globally as high as 71 per cent of customers seek advice from others in deciding their banks. Hence ‘word of mouth’ has emerged as an important factor and is reflected by this score.

At 95 per cent confidence level the overall NPS of emerging markets have been found to be significantly high. This means that the customers in emerging markets are more likely to recommend their brands to others and hence are truly loyal. Extensive wealth management operations and personal attention offered by the banks are the reasons for delight among the customers and higher NPS in emerging countries. The higher NPS of banks in India is because of the better quality of services especially customised services offered to the customers.
**Key takeout for emerging markets:** Emerging banks should continue providing the customers with segmented and differentiated offerings and hence increase the behavioural loyalty among the customers. China should offer better quality of services to the customers and could replicate the best practices followed for service delivery by India.

**Way ahead for achieving higher experience index in emerging economies**

*Characteristics defining the choice of banks:* The below graph illustrates that brand strength plays a significant role in choosing a particular bank among the customers of the emerging markets. However, the financial crisis had instilled lack of confidence among the customers in developed markets and they consider ‘sustainability’ of banks as an important influence in choosing a bank.

![Bar graph showing characteristics of choice of banks](image)

*Source:* Ernst & Young, Global Consumer Banking Survey, 2012

*Factors impacting Customer Positive Experience:* Quality of service emerges as the most important factor in influencing the decision of the customer for leaving or staying with a bank. In fact, this is considered to be a hygiene factor in generating positive customer experience. ‘Understanding customer needs’, ‘trust for the brand’ and ‘personal attention’ have emerged as other important factors that banks need to work upon in order to increase positive experience among the customers in both emerging and developed market. Same factors are high on importance in India and China as well. (Correlation between positive experience and other factors like trust and understanding of customer needs would be discussed in details in the final paper.)

**Key takeout for emerging markets:** Building and maintaining high confidence for the brand among the customers is essential. High service quality with focus on customer self-service and customer convenience is the key to creating delight among the customers.

**Future drivers of loyalty (Mobile Banking in emerging markets):** Though mobile banking is not yet the common feature among banks, yet it would soon become an important influence in driving loyalty. It could be seen from the following graph that at a 95% confidence level,
the average percentage of respondents who had mobile interactions in the past three months have been found to be significantly higher in the emerging markets than in the developed economies. Also, the younger customers in the emerging markets consider mobile banking an important deciding factor for choosing or leaving a bank. Thus, it could be said that the banks in the emerging economies would need to adopt and improve its mobile banking facilities to meet the future demands of its customers.

Taking example of India it could be said that mobile banking experience among the customer needs improvement. Similar pattern has been observed for China.

**Key takeout for emerging markets:** The mobile banking would make the process faster and easier and help to effectively divert traffic from other high cost intensive channels. Emerging market should consider upgrading the mobile banking facilities.
Listening to Consumers of Emerging Markets

(Many more interesting secondary research analyses were conducted and will be presented in the final paper submission.)

**IMPLICATIONS OF THE STUDY**

Increasingly global investors and economists are realizing that emerging economies like India and China would fuel the world growth engine in coming future. Thus, it is important to understand the important drivers of customer’s loyalty in emerging markets. In depth understanding of these factors from the report would help the investors from the developed economies understand the difference between the customer perspectives in the two markets and design strategies that generates positive customer experience in banking service of emerging markets.

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Impact of Cause-related Marketing in Lottery Business
A Study on Karunya Lottery in Kottayam District of Kerala

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Dr Johney Johnson*

Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

As a part of corporate social responsibility many companies practices Cause Related Marketing (CRM) and its use by Kerala State Government to promote lottery business has changed the image of lottery business. Even though all state Government industries are starving out of funds, the lottery business has showed a different image and it has been a huge source of non-tax income for the Government. The gambling effect of lottery had sparked a huge criticism among the public, which brought some interventions. The introduction of CRM in lottery business has brought a facelift to the lottery business. This changed the perception of people towards lottery purchase. This innovation brought a social face to the lottery purchase. This study understands the effect of CRM on revenue generation of lottery business, and also finds the effect of demographic variables on lottery purchase and level of satisfaction with this innovation.

Cause-Related Marketing (CRM): CRM is increasingly a common form of marketing used by the marketers to attract customers. CRM campaigns vary in their scope and design, the types of non-profit partners, and the nature of the relationships between companies and their marketing partners. In the most common type of relationship, a company might donate a portion of each purchase made by its customers during a specific period of time to the non-profit entity. However, there are several variations on this theme and not all CRM

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campaigns channel money to non-profit entities some engage principally in educational or awareness-building activities (Business for Social Responsibility, 2001). It is basically a marketing program that strives to achieve two objectives: improve corporate performance and help worthy causes by linking fund raising for the benefit of a cause to the purchase of the firm’s products and/or services (Vardarajan and Menon, 1988). There are many successful CRM programmes, which made this form of marketing a favourite to the marketing managers. CRM first became popular in the United States in the early 1980s as a marketing strategy, but more recently it has been adopted by a broad range of companies throughout the world. American Express Company launched a cause-related marketing program (CRMP) in support of the renovation of the Statue of Liberty (1983). For instance, in a recent study (….., 2011), 37 per cent of all people said that they purchased a product associated with a cause, and 75 per cent said they purchased a brand because they supported a cause. In fact, 61 per cent will try a new brand if it is associated with a cause – especially one they care about (IEG survey, 2011). In India, the CRM has been widely used by many companies as a marketing strategy.

**Lottery business:** A lottery is a form of gambling, which involves the drawing of lots for a prize which may be a certain amount of money and is taxable if over a certain amount depending on the country and or state the lottery was drawn. Most lottery expenditures go to various institutions, primarily public school systems. Worldwide, lotteries are now well established and are probably perceived quite positively by most people perhaps because of their link with good causes (Griffiths, 1997). There are only few studies conducted in this form of business. In Britain, the nation lottery started in 1994, which was very successful in tackling many socially relevant matters like promotion of sports, arts heritage etc. (Ruth Lea Dan Levis, 2006). There are many lottery games that take place in India, all of which are run by State Government organisations under the rules and regulations of the Central Government. The State Governments such as Kerala, Punjab, Goa, and Sikkim run their own lottery departments and conduct lucky draws, daily or weekly. Kerala State Lotteries, established in 1967, under the lottery department by the Government of Kerala was the first of its kind in India.

**Kerala State Lotteries:** The Kerala State Lotteries has grown throughout the state of Kerala by contributing to the needful, and became the role model for other states for starting their own lotteries. The department of State Lotteries has exerted a multi-faceted influence over the life of the Keralites right from its inception. Besides the six bumper lotteries, weekly lotteries were being conducted on all days until the month of August 2010. Consequent to a recent series of legal proceedings before the Hon’ble High Court of Kerala, the number of weekly lotteries has been reduced to one per week, retaining the six bumper lotteries from September 2010. However, in the light of public cry and continued demand from the registered agents due to the fall in the number of draws and consequent fall in their income, the weekly lotteries (temporarily stopped) were restored from the month of September 2011. This, together with the innovations in giving a new social face to the conduct of lotteries enables, Kerala State Lotteries are to attain a special entity at present. The department now rolls out seven weekly lotteries *viz.* Pratheeksha, Dhanasree, Win-Win, Akshaya,
Bhagyanidhi, Karunya and Pournami lotteries and six bumper lotteries. (Kerala lottery department website.)

The department, which started with a few personnel, has around 465 employees at present, under its Directorate located at Vikas Bhavan at Thiruvananthapuram, 14 District Offices, and a Regional Deputy Directorate at Ernakulam. Today, the Kerala State Lotteries comprises a wide networking of more than 18,000 registered agents, and more than 1,50,000 retail sellers, spreading over 14 districts of the Kerala State. It is a major benefactor to the development of the state, generating self-employment opportunities for the poor, and the common and a source of poverty eradication.

LITERATURE REVIEW

Cause-related marketing: The past researches have found that CRM may have a significant impact on choice behaviour the brand/cause fit (Pracejus and Olsen, 2004), primary need (Vanhamme et al., 2011), long-term commitment (Liu, 2012) is very much important in selecting the cause. As per the study conducted by Companies, which have engaged in Cause Related Marketing, report that those efforts help attract and build long-term relationships with customer (Rajeswari, 2007); and increase sales (Barone et al., 2000).

As this product was recently introduced, the study in this regard, has not yet being conducted in Kerala. However, this form of lottery business for a particular cause is popular in other parts of the world. A recent study conducted in China found geographical areas, educational backgrounds and occupational status having a positive perception about CSR issues associated with sports gambling administration, i.e. Regulatory and Prevention Responsibilities (RPR) and Product Development Responsibilities (PDR). (Li et al., 2011)

Another study conducted in Taiwan on the public welfare lottery (PWL), a vast majority of Taiwanese people agree that the issue of PWL would bring negative impacts towards the society (Lee and Chang, 2005). According to Jantarakolica et al. (2012), demographic variable, risk attitude, psychology factor, and conviction in lottery analysis information will effect to the buyer lottery. In a study conducted on national lottery of UK, it was found that if the lottery were made a charity, the prize pool and good causes would be able to have higher pay-outs. (Moore, 1997). In all the above, it is found that educational qualification and income level are inversely effect the buying behaviour of customer towards lottery.

RESEARCH PROBLEM AND RESEARCH OBJECTIVES

Lottery business is one of the most highly profit making business in Kerala. Even though lottery planning is considered to be an addiction, the Government itself is highly marketing this product in the name of its economical benefit. The recent introduction of CRM in lottery business has brought a social face to this business. This study is to assess the customers’ buying behaviour, and to understand the impact of CRM on the sales proceeds of lotteries. The major objectives of the study include: (i) to find the consumer buying behaviour of lottery products; (ii) to find the growth of lottery business after introduction of CRM; (iii) to study the awareness of Cause related activities done by the Karunya lottery; and (iv) to measure the level of satisfaction among the customers of Karunya lottery.
RESEARCH METHODOLOGY

The study was conducted by evaluating the sales revenue proceeds of the Kerala Lotteries Department. Using the data collected, an exponential regression analysis was made to find the progress and growth of industry. The study also analysed the responses of 100 lottery customers selected from three retail outlets situated in Kottayam, Ettumanur, and Athirumpuzha areas of the Kottayam district of Kerala state. The analysis was done using the help of SPSS software. Many statistical analyses were done on the data collected such as regression, correlation, and F-test.

RESEARCH FINDINGS

The exponential regression analysis conducted has shown a huge increase in the revenue generation and profit making after the introduction of Karunya lotteries in the year 2011. It was also found that there is a significant difference between estimated and real figures. This is similar to the past studies conducted in this domain in other countries like China, UK and USA (Moore, 1997; Li et al., 2011). As in the past studies (Moore, 1997), this study also shows an inverse correlation between level of education and frequency of lottery purchase. The student respondents neutralised effect of income on the frequency of lottery purchased. There was inverse correlation between income and frequency of lottery purchased when all respondents except students are taken. The study also gives a positive correlation between age and frequency of purchase. This implies that when age increases the frequency of purchase also increases. In all, the customers have a positive opinion about the introduction of CRM in the lottery marketing.

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Impact of Cause-related Marketing in Lottery Business


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An Analysis of Trust-based Customer Relationships

Kavita Sharma*
Swati Gupta**

Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

Primarily, companies use pricing incentives to secure customer's loyalty. Providing structural solutions to important customer problems is the most difficult yet a strong foundation for creating, maintaining and enhancing relationships. Trust is generally considered as a key element towards building those long term relationships with the firm and so to have loyal base of customers. Bove and Johnson (2006) suggested that in the absence of trust, customer loyalty would not be sustained in the medium to long-term. Also, Palmateir (2006) asserts that in comparison to overall satisfaction and relationship commitment, trust appears as a stronger antecedent of cooperation and objective performance, including sales, profit and share of wallet (Hibbard, Brunel, Dant and Lacobucci, 2001). Ganesan (1994), and Smith and Barclay (1997) identified operational competence, operational benevolence and problem solving as the indicators of trust determining trustworthiness of the organizations.

RESEARCH GAP AND RESEARCH PROBLEM

There are, however, fundamental gaps in the understanding of the factors that build or deplete customer trust and the mechanisms that might explain the process of trust enhancement or depletion in customer-firm relationships. In view of large number of pending cases of customer grievances with the various firms and their products, present study is an attempt to find out the instances of building trust based customer loyalty in the context of select products of Indian firms.

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** Department of Commerce, Zakir Husain College, University of Delhi, Delhi.
OBJECTIVES OF THE STUDY

More specifically, the objectives of the study are to find out: (1) the customers’ perceptions about the relevance of operational competence, operational benevolence and problem solving orientation as the basis to trust building in Indian context; and (2) the effect of trust on loyalty and value.

RESEARCH METHODOLOGY

Questionnaire based survey technique was used to obtain customer responses to various aspects of trust, value and loyalty in the context of some specific firm with which they are having experience of dealing with regard to the given product. Eight products including automobile, banking services, branded clothing, cellular services, insurance services, mobile handsets, restaurants and toiletries were therefore selected on the basis of their generality to the respondents and also as representing different types of products. The sample of 835 respondents selected on the basis of convenience comprised majority of young highly qualified males having service as their occupation and earning sufficiently well. Study mainly used factor analysis, and Structural Equation Modelling (SEM) techniques to test the following hypotheses:

\[ H_1: \] Trust is based on: (a) Problem solving orientation of the organization / (b) Operational competence of the organization / (c) Operational benevolence of the organization.

\[ H_2: \] Trust affects value judgments on the part of the customer.

\[ H_3: \] Loyalty is based on: (a) Affective commitment / (b) Continuance commitment / (c) Normative commitment.

\[ H_4: \] Value judgments affect customer loyalty.

DATA ANALYSIS AND RESULTS

Twenty-two item scale measuring trust was factor analysed using varimax rotation and three factors, viz. Employee problem solving orientation, Organizational competence, and Organizational structure were extracted with explained variation of 63.219. All employees related variables formed the part of the factor ‘Employee problem solving orientation’. Factor analysis of twelve item loyalty scale produced three dimensions, viz. Affective commitment; Continuance commitment; and Normative commitment explaining 65.127 per cent variation in the scale. Various scales including four item scale measuring ‘value’ satisfied the psychometric tests of reliability and validity.

Following Anderson and Gerbing’s (2004) work, the model based on proposed relationships was tested using a two-stage Structural Equation Model (SEM) technique. First, Confirmatory Factor Analysis (CFA) was performed to confirm the dimensions of both ‘trust’ and loyalty scales, and items with standardized regression weights (factor loading) of less than .50 were deleted (Hair et al., 2009). This led to the extraction of three important indicators for Employee based construct, two for Organizational competence, two for Organizational structure, four for Affective commitment, two for Continuance commitment and two for
Normative commitment. The construct ‘value’ consisted of four variables and the same were retained having the standardized regression weights (factor loadings) of all the four items were above 0.8. Further, all the constructs have been found to be uni-dimensional, as non-normed fit indices (NNFI) or Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) values of all measurement models exceeded the recommended value of 0.90 and chi-square statistics less than recommended 5.0 level (Inman, Sale, and Green, 2008). Results of the goodness of fit statistics for the different measurement model affirm the data fit.

The measurement model yields the following model fit results: CMIN/DF for the model is 2.306 which is less than 3, indicating the goodness of fit. CFI equals .969, GFI equals .937, AGFI equals .919, and TLI equals .963, which is greater than 0.9, representing that sample data fit the model well. The RMSEA value for the model is .040, which is less than .08 with PCLOSE of 1.000 represents the excellent model fit. Results of the goodness of fit statistics for the model indicate that overall fit of the model is acceptable.

All the loadings are above .70 and AVE is above .50 suggesting the convergent validity of the scales. We confirmed discriminant validity among all the constructs, as the average variance extracted (AVE) exceeded the square of correlations between constructs (Fornell and Larker, 1981).

Between latent constructs and their indicators, the results of goodness of fit, CMIN/DF, CFI, GFI, AGFI, and TLI all are greater than the norm, i.e., .90 in the case of both trust and loyalty, thus representing that sample data fit the model well. RMSEA value for both the models is less than .08 with PCLOSE of .815 for trust and 0.543 for loyalty. In all, the results of the goodness of fit statistics for the model affirm the data fit and both trust and loyalty are found to be higher order constructs represented by their respective dimensions supporting H1 and H3.

The hypothesized model was tested by Maximum likelihood estimation method of structural equation modelling (SEM) using AMOS 18.0. Standard errors are ranging from .034 to .067, which shows that they are in good order. Based on a probability level of .05, all the test statistic C.R > ±1.96 (ranging between 5.720 and 25.925) thus indicating that all the paths are significant. It is found that path from trust to value is positive and significant. (std_β = .834 and p ≤ 0.000) supporting H2. Similarly, path from value to loyalty (H3) is positive and significant (std_β = .220 and p ≤ 0.000).

Standardized Regression weights of the paths further revealed that most important dimension in Trust is Organisational competence (std_β=.880 and p ≤ 0.000), followed by Employee based (std_β=.827 and p ≤ 0.000) followed by Organisation structure (std_β=.755 and p ≤ 0.000). It was further revealed that most important dimension of Loyalty is ‘Affective commitment’ (std_β=.967 and p ≤ 0.000) followed by Continuance commitment (std_β=.829 and p ≤ 0.000), followed by Normative commitment (std_β=.747 and p ≤ 0.000).

The structural model yields the following model fit results: CMIN/DF for the model is 3.326, which is close to 3, indicates the good fit. CFI equals .939, GFI equals .904, and
TLI equals .932, which is greater than 0.9, representing that the sample data fit the model well. AGFI equals .887, which is close to 0.9. RMSEA value for the model is .053, which is less than .08 with PCLOSE of .064 represent the excellent model fit. The results of the goodness-of-fit statistics are in support of the model. Thus, the magnitude and significance of the loading estimates indicate that all the trust and value dimensions are relevant in positively influencing loyalty.

### TABLE 1: PRODUCT-WISE CORRELATION BASED ANALYSIS

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Aggregative</th>
<th>Automobile</th>
<th>Toiletries</th>
<th>Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emp_based &amp; Value</td>
<td>.568**</td>
<td>.524**</td>
<td>.610**</td>
<td>.541**</td>
</tr>
<tr>
<td>Org_comp &amp; Value</td>
<td>.652**</td>
<td>.566**</td>
<td>.673**</td>
<td>.785**</td>
</tr>
<tr>
<td>Org_stc &amp; Value</td>
<td>.483**</td>
<td>.435**</td>
<td>.400**</td>
<td>.574**</td>
</tr>
<tr>
<td>Value &amp; Aff.comm</td>
<td>.676**</td>
<td>.666**</td>
<td>.760**</td>
<td>.732**</td>
</tr>
<tr>
<td>Value &amp; Cont.comm</td>
<td>.608**</td>
<td>.395**</td>
<td>.591**</td>
<td>.769**</td>
</tr>
<tr>
<td>Value &amp; Nor.comm</td>
<td>.415**</td>
<td>.345**</td>
<td>.430**</td>
<td>.504**</td>
</tr>
</tbody>
</table>

The investigation of customer relationships with the firm at an individual product level of automobile, toiletries and insurance products provides significant correlations as shown in Table 1. The strength of correlations, however, differs for different contexts, giving an idea of having dominant considerations in building customer relationships. For example, in the case of insurance products, the organizational competence carries the highest strength in relating with value, and value in turn affects continuance commitment most.

### IMPLICATIONS OF THE STUDY

The present study was successful as it supported previous researches and exhibited Trust as a multidimensional concept. In regard to employee related trust factors, the study found that customers did not perceive employee benevolence and problem solving as two separate aspects to relate with the firm. Instead, employee benevolence merged with employee problem solving, thus implying that employee’s attitude towards customers’ problems is a paramount consideration in building relationship with the customer.

The pattern of relationship between different factors and customer loyalty towards the products is found differing across the products. Organizational benevolence and competence enhances trust more for service sector rather than for product, whereas employee problem solving showed altogether opposite results. It appears that for service product like insurance, transparency in organizational structures can be one of the important considerations for the firms selling such service products.

Trust as a basis to loyalty is, however, only a partial view of the relationship between customer and the firm. Based on perceptions about operational competence, operational benevolence and problem solving, while trust brings confidence in transaction (i.e., the pre-purchase scenario), the extant review of researchers also revealed that satisfaction with the way customer complaints are handled in terms of procedural and outcome justice (i.e., the post-purchase scenario) are the other important factors having their due share in affecting
customer loyalty. The effective resolution of customer problems and relationship marketing are linked closely in terms of their mutual interest in customer satisfaction, trust and commitment (Achrol, 1997). Trust in an organisation is also acquired by learning of previous interactions i.e. conflicts, the company had with others in similar situations. Customer satisfaction with outcome of such interactions over time increases the reliability in the firm and thus contributes to trust.

Researches in future need to explore the various other factors affecting customer loyalty. Also, on an aggregative basis, trust is found related to customer loyalty, this relationship needs further exploration in the context of focused products. As shown in the context of three different types of products, the pattern of relationship between different factors and customer loyalty towards the products differ across the products and use of advanced analysis will help in establishing the factors contributing most towards building trust and value in the relationship with the firm.

References


The Mediating Effect of Loyalty Program on the Relationship between Advertising and Loyalty

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Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION
Loyalty Programs (LPs) are structured marketing programs that reward customers on the basis of their purchase history, thus stimulating loyal behaviour (Yi and Jeon, 2003). In recent times, there has been an increase in the use of LPs by marketers that has led to an increased interest in this area of research.

RESEARCH GAP AND RESEARCH PROBLEM
Despite an interest in LPs, there is little empirical research on whether LPs are perceived as valuable by members and contribute to brand loyalty (Berman, 2006). Not only is empirical research scant, but it is also contradictory and inconclusive. Some researchers contend that LPs are expensive and there is little evidence to justify such expenditures (Sharp and Sharp, 1997). The results of some research measuring the ability of LP to alter repeat purchase rates and increase customer retention are inconclusive (Dowling and Uncles, 1997; Nunes and Dreze, 2006). Several empirical studies suggest that LPs generate small effects (Verhoef, 2003) or no effects (De Wulf et al., 2001; Magi, 2003) on purchase behaviour. On the contrary, several other researchers find that LPs increase purchasing (Lewis, 2004; Taylor and Neslin, 2005). Nako (1997) and Bolton et al. (2000) find that LPs positively influence customer choice of company, transaction values, resistance to counter arguments, and retention. Kivetz et al. (2006) find that progress towards a reward can accelerate customers’

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Listening to Consumers of Emerging Markets

Some researchers have suggested that LPs retain customers by providing higher value and satisfaction (Bolton et al., 2000). Also, the effect of advertising on loyalty has not been investigated in extant literature.

OBJECTIVES OF THE STUDY

The objectives of this study are two-fold: (i) to test whether advertising affects loyalty; and (ii) to test the mediating effect of loyalty program on the relationship between advertising and loyalty. The hypotheses for the study are presented in Figures 1 and 2.

RESEARCH METHODOLOGY

A study was conducted by a major retailer of educational and entertainment items in India to investigate the role of customer loyalty program and advertising in the context of customer purchases.
loyalty. A leading market research agency collected the data from 14 store outlets across nine cities throughout the country. For collecting the required data, research associates approached customers leaving the stores after having purchased at least one item from the store. Purposive sampling methodology was followed in approaching the customers, and one in every sixteen customers agreed to participate in the survey. The research associates read out the survey to the participants and noted their responses. The surveys were administered in the English language, and lasted for approximately 25 to 30 minutes.

A total of 479 surveys were collected. Sixty four (64) of these surveys could not be included due to incomplete questionnaires, resulting in 415 usable responses. Participants in this study were not offered any incentive for their inputs. Participants were between 22 and 64 years of age (mean age: 31 years). Most of them were males (59.04 per cent). Post-hoc analysis suggested that there were no difference in demographic characteristics between those that had completed the survey, and those that did not.

**DATA ANALYSIS AND RESULTS**

The overall sample was divided into two sub-samples: S1 (n1 = 172) consists of customers who are not members of the loyalty program offered by the store, and S2 (n2 = 243) are customers who are members of the loyalty program. In order to test the models and the hypotheses, we undertake structural equations modelling (SEM) using the partial least squares (PLS) procedure using the Smart PLS 2.0 software (Ringle, Wende, and Will 2005).

After confirming the validity and the reliability of the measurement model, we test the conceptual models (Figures 1 and 2). Our results provide several interesting findings (Table 1). For customers who are not members of the loyalty program (S1, Model 1), our findings find support for all hypotheses except H6 and H7. R2 for Brand Reputation, Perceived Value, Behavioural Loyalty and Attitudinal Loyalty are 22.4, 11.5, 58.3 and 10.5 respectively.

For customers who are members of the loyalty program (S2, Model 1), our findings find support for all hypotheses except H6. R2 for Brand Reputation, Perceived Value, Behavioural Loyalty and Attitudinal Loyalty for the loyalty members are 31.7, 16.8, 58.2 and 11.8 respectively. Note that the direct effect of Advertising on Attitudinal Loyalty is significant (H9), when the mediator (i.e., Loyalty Program) is not included in the analysis (S2). Model 2 tests the mediation of Loyalty Program on the effect of Advertising on Behavioural Loyalty and Attitudinal Loyalty for members of the loyalty program (S2).

For customers who are members of the loyalty program testing the mediation model (S2, Model 2), our findings indicate that the direct effect of Advertising on Loyalty Program is significant (H5), the direct effect of Loyalty Program on Attitudinal Loyalty is significant (H10), and the indirect effect of Advertising on Attitudinal Loyalty is not significant (H7). The indirect effect of Advertising on Attitudinal Loyalty is also significant as per the Sobel Test. R2 for Brand Reputation, Perceived Value, Behavioural Loyalty and Attitudinal Loyalty for the mediation model are 31.7, 16.8, 58.1 and 14.0 respectively. Our findings provide support for our hypothesis that Loyalty Program mediates the relationship between Advertising and Attitudinal Loyalty. However, we find that Loyalty Program does not mediate the relationship between Advertising and Behavioural Loyalty.
TABLE 1: FINDINGS

<table>
<thead>
<tr>
<th>Effects</th>
<th>Causes</th>
<th>Model 1, S1 (Y/N)</th>
<th>Model 1, S2 (Y/N)</th>
<th>Model 2, S2 (Y/N)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Reputation</td>
<td></td>
<td>(22.4%)</td>
<td>(31.7%)</td>
<td>(31.7%)</td>
<td></td>
</tr>
<tr>
<td>Service Personnel</td>
<td></td>
<td>0.24** (Y)</td>
<td>0.47***(Y)</td>
<td>0.47***(Y)</td>
<td>H1(+)</td>
</tr>
<tr>
<td>Quality of Product Range</td>
<td></td>
<td>0.30***(Y)</td>
<td>0.19**(Y)</td>
<td>0.19**(Y)</td>
<td>H2(+)</td>
</tr>
<tr>
<td>Perceived Value</td>
<td></td>
<td>(11.5%)</td>
<td>(16.8%)</td>
<td>(16.8%)</td>
<td></td>
</tr>
<tr>
<td>Brand Reputation</td>
<td></td>
<td>0.34***(Y)</td>
<td>0.41***(Y)</td>
<td>0.41***(Y)</td>
<td>H3(+)</td>
</tr>
<tr>
<td>Behavioural Loyalty</td>
<td></td>
<td>(58.3%)</td>
<td>(58.2%)</td>
<td>(58.1%)</td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td></td>
<td>0.14***(Y)</td>
<td>0.27***(Y)</td>
<td>0.13**(Y)</td>
<td>H4(+)</td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td>-0.01 n.s. (N)</td>
<td>0.03 n.s. (N)</td>
<td>0.03 n.s. (Y)</td>
<td>H6(+)</td>
</tr>
<tr>
<td>Attitudinal Loyalty</td>
<td></td>
<td>0.71***(Y)</td>
<td>0.71***(Y)</td>
<td>0.71***(Y)</td>
<td>H8(+)</td>
</tr>
<tr>
<td>Loyalty Program</td>
<td></td>
<td>----</td>
<td>----</td>
<td>0.00 n.s. (N)</td>
<td>H10(+)</td>
</tr>
<tr>
<td>Attitudinal Loyalty</td>
<td></td>
<td>(10.5%)</td>
<td>(11.8%)</td>
<td>(14.0%)</td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td></td>
<td>0.30***(Y)</td>
<td>0.28***(Y)</td>
<td>0.24***(Y)</td>
<td>H5(+)</td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td>0.10 n.s. (N)</td>
<td>0.17**(Y)</td>
<td>0.14 n.s. (Y)</td>
<td>H7 (+)</td>
</tr>
<tr>
<td>Loyalty Program</td>
<td></td>
<td>----</td>
<td>----</td>
<td>0.15**(Y)</td>
<td>H11(+)</td>
</tr>
<tr>
<td>Loyalty Program</td>
<td></td>
<td>----</td>
<td>----</td>
<td>0.19**(Y)</td>
<td>H9(+)</td>
</tr>
</tbody>
</table>

* p<0.05; ** p<0.01; *** p<0.001; n.s. = Not Significant
Empty cells indicate that those variables are not included in the model tested.
R2 values are presented in the parentheses.
Y - Support obtained for hypothesis
N - Support not obtained for hypothesis
Model 2 tests a mediation model
S1 - Customers who are not members of the store’s loyalty program
S2 - Customers who are members of the store’s loyalty program
The Mediating Effect of Loyalty Program on the Relationship between Advertising and Loyalty

The mediation model provides an improved R^2 for Attitudinal Loyalty. The R^2 statistics obtained in our models for the various endogenous variables demonstrate an acceptable degree of variance explained. For Model 1, a comparison of the findings for non-members of the loyalty program (S1) and that for the members of the loyalty program (S2), indicate that advertising and promotional events have a significant impact on customers' attitudinal loyalty (H7) only for the members. A possible reason for this finding may be that members are indeed more loyal to the brand than non-members. For Model 1, we do not find support for H6 across members (S2) or non-members (S1). A possible reason for this finding could be that advertising does not directly impact a behavioural loyalty, but is impact on behaviour is mediated through attitudinal loyalty.

(Note that the relationship between Advertising and Behavioural Loyalty is not significant in Model 1, for loyalty program members, i.e., S2, and so we do not test for a mediation effect of Loyalty Program on the relationship between Advertising and Behavioural Loyalty.)

Managerial implications: This study has several implications for managers. First, note that the Service Personnel – Brand Reputation path has a greater (lesser) beta coefficient for members (non-members) of the loyalty program (H1, Model 1), and Quality of Product – Brand Reputation path has greater (lesser) beta coefficient for non-members (members) of the loyalty program (H2, Model 1). These findings indicate that customers who are not members of the loyalty program are attracted to the store largely due to the product variety that the store has to offer. The members of the loyalty program, however, hold the encounters with the service personnel as more important. Managers need to ensure that all opportunities to interact with members of the loyalty program should personalize the experience for the member, be it in-store or outside the store (e.g., store website, online communication), as such measures are likely to increase the perceived brand reputation.

Second, managers need to note that loyalty program members have an increased possibility of engaging in positive word-of-mouth (WOM), and in undertaking purchase at the store. Such a finding has implication for online communities that loyalty program members may frequent. The importance of online WOM is continuously increasing for marketers since these user comments or user generated content can be analysed for obtaining valuable consumer information, including members’ likes, dislikes, needs, behaviours or concerns about those websites. For example, many organizations provide virtual incentives (e.g., reward points) to their users in order to attract and increase virtual participation regarding their brands across various online communities, and blogs. Given the ongoing shift from traditional brick and mortar stores to Internet-based marketing alternatives, where businesses pursue the objective of enhancing user participation across a variety of virtual communities, this investigation provides insights on the importance of meaningfully engaging on a continuous basis with a brand’s loyalty program members.

Third, the role of the Loyalty Program in mediating the relationship between Advertising and Attitudinal Loyalty, underscores the need for managers to use the loyalty program as a brand building instrument. A positive attitude towards a brand has been shown to generate
positive WOM. Managers should use the loyalty program as a strategic instrument to induce attitudinal loyalty which has a positive relationship with behavioural loyalty.

Fourth, this finding essentially means that upon exposure to related advertising loyalty program members are reminded of the benefits that the loyalty program offers, but, that advertising in itself is not sufficient for inducing purchase behaviour, though it induces attitudinal loyalty.

**Theoretical Implications:** This present study investigates the impact of advertising on the perceived benefits offered by the loyalty program to propose and test a model to address an existing gap in extant literature. The proposed model along with the empirical findings provides an enhanced understanding of the relationships between advertising, and attitudinal and behavioural loyalty.

**References**


Managing Customer Relationships through Loyalty Programmes in an Emerging Market

Perceived Effectiveness of Loyalty Programmes in Creating Value and Building Relationships with Customers

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Palvi Bhardwaj*

Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

Emerging markets are characterized by rapid economic growth, industrialization, and modernization. Most emerging markets have a large young population and a growing middle class. These represent attractive markets, which have begun to produce new global challengers that in world markets. Emerging markets represent the most important settings for growth minded companies today. India is among the largest emerging markets in the world. It is among the biggest and fastest growing emerging markets with significant long-term growth potential. The growing middle class in India implies substantial demand for a variety of consumer products such as electronics, automobiles, services, etc. The massive rise in the size of the middle class in India will create demand for a wide range of economic goods. It is reasonable to assume that a huge increase in demand will not be restricted to basic goods but result in greater demand for all consumer segments. In India, retail particularly has become one of the preferred emerging sectors. India is the fifth largest retail market globally with a size of US$350 billion. Numbers of FDI projects in India in 2010 were 68 and 89 in 2011. The increase in FDI projects is 30.9 per cent. Growing urban Indian population has been driving organized retail in India. In addition, shift in the preference for branded products; convenient spending through debit/credit cards; and greater propensity to spend act as drivers for the sector.

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The emerging retailing trends in India, especially in urban areas, pose the need to understand how consumers derive value from their relationships with the company. The traditional and unorganized retailing in India, the small "mom and pop stores", with a highly personalized service and credit extending tradition is still bound in the shackles of time and generation. However, the retailing scenario in India is changing, at least, in terms of consumer learning, comfort, and experiential value. This is evident from the growth trends in organized retailing in India, which is constantly rising. Although the share of unorganized retailing is quite high, yet there is a positive sign for organized retailing due to emerging conditions.

In present scenario of increasing competition, customer loyalty is beginning to matter. Explosive growth has begun the war of wooing the customers and making them loyal to a particular company. Loyalty is shaped by long term relationships with customers who also mean profits for longer period of time. Loyalty programmes are often part and parcel of a comprehensive customer relationship strategy. Kumar and Reinartz (2006) designate loyalty programmes as a "CRM tool to identify, reward, and retain profitable customers". Loyalty programmes provide a variety of benefits to customers for increasing consumption and repatronage. It provides differential rather than generalized treatment to customers of varying worth. Recently, it is being advocated that customer data should be used strategically such that all front facing customer functions become integrated with the back end systems of the firm and its’ network of suppliers and partners. The end goal is to maximize customer value. Customer value is a key idea in the marketing concept.

The two facets of consumer value – utilitarian and hedonic are important for scholars and managers because they alter the consumer decision-making process significantly. Creating and delivering customer value is seen as a cornerstone of marketing and competitive strategy and relationship management. Creating customer value is regarded as an essential prerequisite for long-term company survival and success (Porter, 1996; Woodruff, 1997). Understanding the way customer's judge and value a service or product is crucial to achieving a competitive advantage and in shaping customer loyalty. Zeithaml (1988) has suggested that perceived value can be regarded as a "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given." In this regard perceived effectiveness of loyalty programs directly impacts and shapes the customer value in retail setting.

**RESEARCH GAP AND RESEARCH PROBLEM**

There are not enough studies to objectively measure perceived effectiveness of loyalty programmes as an effective CRM tool and measuring its impact on customer value with respect to loyalty programme customers. The influence of perceived effectiveness of loyalty programmes in creating customer value and inducing customer loyalty has not been studied in Indian context. The role of relationship benefits in defining the relationship between perceived effectiveness of loyalty programmes and customer value has also not been examined in Indian context.
OBJECTIVES OF THE STUDY

The specific objectives of the present study include: (i) to establish relationship between perceived effectiveness of loyalty programmes and customer value; and (ii) to investigate the role of relationship benefits in defining the relationship between perceived effectiveness of loyalty programmes and customer value.

The research hypotheses are:

- **H₁a**: Perceived effectiveness of loyalty programmes has positive impact on utilitarian value.
- **H₁b**: Perceived effectiveness of loyalty programmes has positive impact on Hedonic value.
- **H₂**: Relationship benefits moderate the relationship between perceived effectiveness of loyalty programmes and customer value.

RESEARCH METHODOLOGY

Due to extensive use of loyalty programmes in retailing, this paper uses survey method in this industry. Members of loyalty programmes in Chandigarh form the sample for research. The Questionnaire includes one screening question to ensure that respondents own a loyalty card. The study employs the Mimouni-Chaabane and Volle (2012) scale for relationship benefits, Hanze and Norouzi scale (2012) for customer value and the 5-item scale of perceived effectiveness of loyalty programmes [from Leenheer et.al. (2007) and Gable et.al. (2008)] for collecting data in order to understand the relationship between perceived effectiveness of loyalty programmes and customer value, and the impact of relationship-benefits on this relationship. In all, there are 5 items for perceived effectiveness of loyalty programmes, 14 items for customer value, and 16 items for relationship benefits in the selected scales.

The study uses 7-point Likert scale in the survey questionnaire ranging from 1 “strongly disagree” through 7 “strongly agree”, with a midpoint labeled 4 “neither agree nor disagree”. The data was collected from respondents, who were having loyalty cards of retail stores viz. Big Bazar and Metro store in Chandigarh. In all, 300 questionnaires were distributed of which 276 were returned. After screening, 263 turned out to be valid. Out of the 263 valid questionnaires, 74 respondents did not have loyalty cards, 83 had loyalty cards of other stores, and 106 had the loyalty cards of the same store in which there were shopping. The study was conducted on 63 per cent of the total questionnaires, i.e. 189; while the response rate was 87 per cent – including the responses who did not have loyalty cards.

DATA ANALYSIS AND RESULTS

The statistical analysis employed the SPSS 16.0 for data analysis. The item-total-correlation was higher than 0.4. The Kaiser-Meyer-Olkin (KMO) value was also higher than 0.7, which presented that factoring was appropriate. Perceived effectiveness of loyalty programmes had significant impact on the two dimensions of customer value. Its impact on utilitarian value is higher than its impact on hedonic value. Thus, **H₁a** and **H₁b** are supported. **H₂** is yet to be tested.
IMPLICATIONS OF THE STUDY

The present study will explore the role of relationship benefits in the relationship between perceived effectiveness of loyalty programmes and customer loyalty, taking Relationship benefits’ moderating effect on the relationship between the two. The findings till now suggest that the role of utilitarian value is significantly more than the hedonic value in establishing the effectiveness of loyalty programmes. An interesting finding of the present study is that the customers perceive the perceived effectiveness of loyalty programmes as ‘high’ if the retailers provide more relationship benefits; thus they feel more customer value and become more loyal to the particular retailer. The study adds to the current debate of effectiveness of loyalty programmes in creating customer value. It will also help the retailers to design effective loyalty programmes.

References


An Empirical Analysis of the Effect of a Retailer's Loyalty Programme on their Customers' Loyalty

Sakhhi Chhabra*

Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION
Traditionally marketing has focused on acquiring customers and gaining market share rather than on retaining existing customers and on building enduring relationships with them. In the era of intense competitive climate on India’s retailing sector, there is a constant search for smart weapons in order to gain an edge. There has been a new emphasis on defensive marketing, focusing on reducing or managing the dissatisfaction of your customer and increasing switching barriers (Fornel and Wernerflet, 1987). This calls for a paradigm shift to the pursuit of loyalty as a strategic business goal which has become increasingly popular over the recent years (Sharp and Sharp, 1997).

RESEARCH GAP
Although there are thousands of programmes in existence, very few really create loyalty and devotion. However, studies investigating the effectiveness of LPs are scarce and show mixed results, some studies found that loyalty cards enhance customer’s loyalty (Bolton et al., 2000; Smith et al., 2003), whereas others found no correlation between the two (Bellizzi and Bristol, 2004; Sharp and Sharp, 1997; Mägi, 2003). Notwithstanding their general adoption and popularity, it is still an open question whether or not these loyalty programmes are effective instruments for making customers more loyal and thus, more profitable for companies. Can a loyalty programme modify how customer’s behave and get them back to the same retail outlet? Do these Loyalty Programmes (LPs) really work in the Indian context or are the companies just wasting their money?

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RESEARCH OBJECTIVES

In this research the main aim is to find whether these loyalty programmes affect customer's loyalty towards the retailer by closely analysing the loyalty card members of Shoppers Stop through the method of quantitative analysis. The focus of this research is to study loyalty programme in the retail category in India. Indian organised retail industry is growing fast and Shoppers Stop First Citizen loyalty programme has emerged as the largest and most successful programme in the Retail sector with over 2.5 million loyalty members' base, contributing to about 72 per cent of sales annually. For this study, a conceptual framework is proposed in order to examine the extent to which a Retail store loyalty Programmes affect its customer's loyalty. In order to assess the validity of the framework, an empirical analysis was conducted through the administration of a survey questionnaire on a set of chosen Shoppers Stop customers.

The specific objectives of the present study include: (i) to understand how perceived value of the loyalty programme effects programme loyalty, which is then tested on brand and store loyalty that together makes the consumer a loyal customer; and (ii) to understand the effects of elements like habit, convenience, offers and incentives and reputation on customer's loyalty apart from possession of loyalty card.

RESEARCH METHODOLOGY

Quantitative research was conducted in the form of a questionnaire to test a model whereby, the effect of value perception of the loyalty programme is tested on programme loyalty and the effect of programme loyalty is then tested on brand and store loyalty that together makes the consumer a loyal customer. The questionnaire design and structure is based on similar studies such as, Bellizzi and Bristol, (2004); Yi and Jeon (2003); O’Brien and Jones (1995); and Dick and Basu (1994). Simple random sampling technique is applied as there is a need to eliminate the selection bias and the sample results may be projected to the target population. Respondents were chosen from Delhi. Only Shoppers Stop first citizen loyalty cardholders were invited to take part on the study. 120 completed and usable responses were available which confirmed to the criteria of being 'Shoppers Stop Loyalty cardholders'.

For this study, Cronbach’s alpha coefficient is used to measure scale’s internal consistency, and the construct validity is tested by running factor analysis in SPSS software. Subsequently, correlation was performed to test the research hypothesis. Preliminary analyses were performed to ensure that there is no violation of the assumptions of normality, linearity and homoscedasticity, by generating normal probability plots. After correlation, simple regression analysis was run to test the hypotheses and to assess the conceptual framework.

DATA ANALYSIS AND STUDY RESULTS

In this study, the data analysis revealed that perceived value of the programme has a positive effect on programme loyalty \[ r = +.750, R^2 = .563, p < 0.0005 \] and 56.3 per cent of the variance in PL is explained by the PVP, which confirms with the research of O’Brien and
An Empirical Analysis of the Effect of a Retailer’s Loyalty Programme

Jones (1995) who proposed that customer’s value perception is a necessary condition for developing consumer loyalty through loyalty programme. In other words, loyalty programme should be perceived as valuable by customers. Moreover, the result suggests that two factors under the construct perceived value of the programme (PVP); easiness of obtaining the rewards offered by the programme (achievable) (PVP2 = 79.5%) and convenience of redeeming the vouchers into cash (cash value) (PVP3 = 77.4%) have the highest coefficient of determination (R²) with PVP. Therefore these items are considered important to determine the value of a loyalty programme.

Factors which contribute maximum to programme loyalty are: ‘I have a strong preference for this loyalty programme’ (PL6 R² = 77.6%), ‘recommend others to be First Citizen loyalty card members’ (PL7 R² = 74.9%) and ‘owning this card makes me use the store more often’ (PL3 R² = 69.7%). PL3 relates to behavioural loyalty and PL6 and PL7 relate to attitudinally loyalty thereby confirming the findings of Dick and Basu (1994) and Yi and Jeon (2003) that the customers who are both behaviourally and attitudinally loyal are loyal customers. This is also in line with the two main aims of customer loyalty programmes as proposed by Uncles et al. (2003, p.2) where the first aim is to ‘increase sales revenues by raising purchase levels’ and ‘building a closer bond between the brand and current customers in the hope to maintain the current customer base’. This clearly shows that First citizen loyalty card is such a loyalty programme which satisfies the aims of a CLP making the customer both behaviourally and attitudinally loyal. It is beneficial from a retailer’s perspective as well as it is valued and liked by the customers.

The second hypothesis regarding positive effect of PL and BL is also supported with significant moderate relationship [r = +.732, R² = .536, p < .0005] where 53.6% variance in BL is explained by PL. This has also been validated by Rothschild and Gaidis (1981) in their research where they stated that deals cause brand choice, and the deal is more likely to be reinforcing than the product for the moderately/low priced category. Yi and Jeon (2003) also stated that the value perception works in an indirect route, with programme loyalty as a mediator between value perception and brand loyalty.

In the third hypothesis, PL was found to be a significant predictor of store loyalty [r = +.741, R² = .549, p < .0005] where 54.9% of variance in SL is explained by PL, rest can be explained by other factors like convenience, quality, etc. This has also been supported by Miranda et al. (2005) and Wright and Sparks (1999, p.431), who consider these loyalty programmes as ‘one of the main elements that drive customers to patronise a particular store.”

All the items under the construct BL have strong correlation especially BL2 (r = .871, R² = 75.8%) i.e. ‘I have a strong preference for Shoppers Stop’, which makes maximum contribution to BL thereby making the customers attitudinally loyal. This has been supported by the study of O’Malley (1998) where she has suggested that the higher the relative attitude between alternatives, the more likely that attitude will influence behaviour. Also all the items under the construct SL are highly correlated especially SL3 ‘I visit shoppers stop very frequently (once a month)’ (r = .881, R² = 77.6%) which makes the customers behaviourally loyal. This is in confirmation with the findings of De Wulf and Odekerken...
Schröder, (2003) and Uncles *et al.*, (2003), suggesting that frequency of visit is an important element for measuring store loyalty.

Using Dick and Basu’s (1994) conceptualisation of loyalty, it is clear that both aspects behavioural and attitudinal measures are important for measuring customer loyalty and from the above discussion it is evident that loyalty programmes influences customers both attitudinally and behaviourally. Therefore, loyalty programme of Shoppers Stop does affect its customer's loyalty.

It is clear that there are other elements apart from just loyalty programmes that explain consumer's preference to shop at a particular apparel retailer. In order to test hypothesis 5a, b, c, d and e, standard multiple regression analysis was conducted. Relationship between variables like habit, reputation convenience, offers and incentives available and lack of choice) (IV) and BL/SL (DV) were examined after satisfying all the assumptions. Significant moderate positive relationship exists between BL/SL and other variables; even for the last variable (lack of choice) which is negatively worded item, correlation does exist but negative relationship is revealed. 57.2% of variance in BL and 38% variance in SL can be explained by other variables (Miranda *et al.*, 2005; Wright and Sparks, 1999; Bellizzi and Bristol, 2004).

**IMPLICATIONS OF THE STUDY**

Given that the loyalty programme is employed to instil or maintain customer loyalty, marketing manager should pay attention to the process by which the loyalty programme works. They should consider designing a loyalty scheme that can improve the value perception of products or services. In this regard, it will be beneficial for managers to understand which aspects of loyalty schemes influence customers’ value perception. For example, achievable (the extent to which rewards are easy to obtain) and cash value (cash value of redemption rewards) are the two aspects which should be considered. O’Malley (1998) argues that the real opportunity for loyalty schemes is in the conversion of spurious loyalty into sustainable loyalty, or to put another way to convert relationships based on convenience to those based on commitment.

Also a brand manager should consider that customers may want a long-term relationship with an apparel brand, as long as the loyalty programme is valuable to them. Thus, managers must take in to account that a loyalty programme must have a unique benefit like a cumulative reward system. Another possibility would be joining forces with other retailers like multi-merchant loyalty coalitions where customers enjoy the assortment of benefits these different retailers provide.

Efficient loyalty programmes do not exist in a vacuum; they are a significant element of a company’s overall strategy and competency. They are not a substitute for any of the loyalty drivers but a supplement to them. The research reveals that loyalty cards are quite an important component in a whole programme of efforts designed to increase customer commitment. They represent an opportunity to build long-term customer loyalty, but they are not the sole factor in a customer’s loyalty development. The essence of good apparel retailing lies within the quality of in-store offers, competitiveness of pricing, tactical use of
sales promotions and the strength of the brand. This research was an attempt made to realize that loyalty programmes may have their place in an overall marketing strategy, but they should never be seen as embracing a whole new retail marketing approach.

References


An Empirical Test of Customer Engagement Value Model

Dr Vibha Arora*

Extended Abstract (Managing Customer Relationships in Emerging Markets)

INTRODUCTION

In the era of intense competition, practitioners look for innovative strategies to attract new customers and retain the existing customers and academicians in order to maintain the bottom line. Customer engagement is a new construct and at its infancy stage. Practitioners (Economist Intelligence unit, Advertising research foundation, Gall up and Forrester consulting) as well as academicians (Bowden et al., Doorn et al., Gambetti and Graffigna, Kumar et al., Brodie et al., Hollebeek and Vivek et al., 2012) have all been at the forefront of attempts to understand, define and build customer engagement.

LITERATURE REVIEW ON CUSTOMER ENGAGEMENT

A Corporate Perspective: Measures of customer engagement used by companies involve sales volume, customer satisfaction, and frequency of visit to a website, purchase, recommendations, store visits and online reviews. The percentage of customers engaged in to these activities, average number of times they perform it and their preferences, satisfaction and willingness to serve as customer references are used to measure customer engagement. (Forrester consulting, 2008). Engagement is turning on a prospect to a brand idea enhanced by surrounding context (Advertising research foundation, 2008).

Customer engagement is "creating deep connections with customers that drive purchase decisions, interactions and participation over time" (Forrester Consulting, 2008). Companies strive to create "An intimate long-term relationship with the customers" (EIU, 2007, a,b,c,d). A broad definition would involve sharing of perspective and knowledge. As a result, customer

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An Empirical Test of Customer Engagement Value Model

Engagement can include a wide variety of situations ranging from awareness, interest, desire to purchase, retention and loyalty (EIU, 2007, a, b, c, d). Customer engagement is “an intimate long-term relationship with the customer”, but sometimes it does refer to satisfaction, retention and loyalty (EIU, 2007b). Engagement refers to “creation of experiences that allow companies to build deeper, more meaningful and suitable interaction between the company and its customers or external stakeholders. It is not a fixed point that can be reached, but a process that expands and evolves over time. (EIU, 2007b) Engaged customers are not just “satisfied” or “loyal” they are emotionally attached to the organizations brands or services. (Gallup Consulting, 2010) According to Gallup, A fully engaged customer represents an average 23 per cent premium, while actively disengaged customers present a 13 per cent discount relative to average customer on an index based on share of wallet, profitability, revenue and relationship growth.

**An Academic Perspective:** Shiri D. Vivek, Sharon E. Beatty and Robert M. Morgan (2012) undertook an exploratory study on customer engagement, and defined customer engagement as intensity of an individual’s participation in and connection with an organizations offering and/or organizational activities, initiated either by the customer or the organization. Linda D. Hollebeek (2011), proposed a conceptual model of customer brand management by examining its conceptual relationship with other interrelated conventional marketing constructs. Roderick J. Brodie, Linda D. Hollebeek, Biljana Juric and Ana Illic (2011) explores the concept of customer engagement with relationship marketing theory and service dominant (S-D) logic. Brodie et al. developed five fundamental propositions and general definitions of customer engagement. V. Kumar, Lerzan Aksoy, Bas Donkers, Rajkumar Venkatesan, Thorsten Wiesel and Sebastian Tillmanns (2010) conceptualized customer engagement value and its four dimensions (customer lifetime value, customer referral behaviour, customer influencer behaviour and customer knowledge behaviour), and their interrelationship. Kumar et al. conceptualization emphasizes customer engagement as not just behavioural manifestation resulting from motivational drivers (2010), but it does incorporate purchase from the firm. The proposed model aims to establish the relationship between marketing activities, intermediate outcomes such as customer attitude and behavioural outcomes. The impact of behavioural, attitudinal and network metrics on customer engagement value has been observed.

**RESEARCH GAP AND RESEARCH PROBLEM**

Various researches have been undertaken to explore and understand a concept, at its nascent and developmental stage “customer engagement”. The work undertaken by researchers only conceptualizes the construct of customer engagement. Not many empirical studies have been undertaken in western context, and in the Indian context, the present study would be the first empirical research on customer engagement.

**RESEARCH OBJECTIVE**

This research seeks to empirically validate the customer engagement value model (comprising the constructs viz. customer lifetime value, customer referral value, customer influencer value, and customer knowledge value) proposed by Kumar et al, 2010.
RESEARCH METHODOLOGY

In order to test the model, scales have been developed by adapting metrics from the literature suggested by Kumar et al. (2010). Scales employed were originally developed by Rajkumar Venkatesan and V. Kumar (2004); Lawrence F. and Linda. L. Price (1987); King and Summers (1970); and Judith A. Chevalier and Dina Mayzlin (2006). In order to validate the scales, expert opinions were taken. A pilot study of 109 customers was undertaken for the same. Exploratory factor analysis was conducted to check the construct validity and reliability.

DATA ANALYSIS AND STUDY RESULTS

In order to observe the individual and total contribution of customer engagement components, linear regression was tried out. The $R^2$ value of .78 was achieved, explaining 78 per cent of the variance in customer engagement value by four components.

IMPLICATIONS OF THE STUDY

This is an empirical study conducted for validating the construct of customer engagement in the Indian context. It is also earnestly expected that, by using the inputs provided by this research, the practitioners could attempt to design the best fitting marketing strategies for managing their customer lifetime value, referral value, influencer value, and knowledge value.

References


TRACK III
Modelling the Nested Markets' Prices during Festival Season

A Study on Pricing Effect at the Time of Onam Festival in Kerala

Baba Gnanakumar P*

Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

Indian customers have a strong belief over the heritage of each and every festival in their region. The southern state of Kerala celebrates “Onam”. It is a festival for all the people living in the state of Kerala, irrespective of caste and community. ‘Onam Sathya’ is a grand feast on Onam festival. During this season, the people of Kerala use to have classical fasts for seven days. This in-turn creates customary demand for vegetables and fruits. Even though, discounts are offered for customer durable products in these periods, perishable products are sold at a premium. Farmers created sales clusters and sold the products directly to the customers. Even then, the farmers are unable to tap the market with efficient pricing strategies as they have to do the intermediaries function. In this context, the present research has been initiated to explore the pricing modalities needed at the time of festival seasons.

RESEARCH GAP

Jyothi Data (2003) contented that during festival time, vendors are following innovative promotional strategies. Crompton research established a model for identifying the perceived value of festival attendees (Crompton, 2012). The behavioural intentions of the festival attendees were studied with service quality measures by Yuan (2012). The associations

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between quality, value, satisfaction, and loyalty of customers during the festival season have been modelled by Yoon et al. (Yoon, 2010). The effect of service quality dimensions on satisfaction and future intentions of festival attendees was matched by Cheryl et al. (2007). The unique consumption patterns, tastes, and needs of the fete attendees should be analysed at the planning stage so that they match the needs of the people during the festival time (Kumar, 2002). The present research enables to identify the pricing mechanism to be followed by the vendors without exploiting the customers during the festival season.

**RESEARCH OBJECTIVES**

The objective of the research is to identify reinforcing pricing strategies done by vegetable vendors during regional festivals (Onam) to tap mass marketing. The secondary objectives are listed as follows.

(i) How vegetable vendors scrambled retailing strategy is able to capture the abnormal demand during the festival season?

(ii) Does this programme identifies the conflicting needs of the festival requirements and create impulse buying among the fete attendees?

(iii) What are the fete attendees’ expectations and how vegetable vendors are prepared to comply with the expectation?

**RESEARCH METHODOLOGY**

The research explores the decontextualization of price in simulated experiences of fete attendees’ by the vegetable vendors. The Onam feast is common to all people living in Kerala. However, for the purpose of the study, the target customers are employees of Kerala State Road Transport Corporation (KSRTC). There are around 28,000 employees working in KSRTC spread through the entire state. Out of that there are 5,500 workers having more than 20 years of experience. We target such employees as they are able to judge about the traditional feast of Onam. Snowball sampling is used to identify 650 employees. After conducting the validity test, 538 responses were considered for the study. To study the retailing pattern, primary data were collected from 150 vegetable vendors (supplying to KSRTC employees) by using snowball sampling stages in four feeder towns of Kerala during the Onam festival season. After the validity test, only 137 responses were considered. The research was conducted in two parts. First part we measure the customer perception and retailer attitudes. In the second part, the first part results are validated with 726 respondents.

**Stage I: Creating clusters**

Five sets of variables that describe the similarity between objects in terms of festal dispositions (with respect to Onam) are selected to formulate the problem. The attitudinal variables for festal dispositions are delightful celebration, auras to feast, sense of celebration, festival grandeur and convergence of buffet. Table 1 shows the cluster group based on festal dispositions.
TABLE 1: CLUSTER CENTROIDS – FESTAL DISPOSITIONS

<table>
<thead>
<tr>
<th>Sl.no</th>
<th>Derived Cluster Name</th>
<th>Centroid values</th>
<th>No.of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sheer Rich Festival Attendees</td>
<td>4.25</td>
<td>328</td>
<td>61</td>
</tr>
<tr>
<td>2</td>
<td>Aspirers of Festival attendees</td>
<td>2.8</td>
<td>127</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Deprived Festival attendees</td>
<td>1.34</td>
<td>83</td>
<td>15</td>
</tr>
</tbody>
</table>

Three clusters were created based on centroid values. For the further analysis, 328 responses classified as ‘Sheer rich festival attendees’ alone be considered.

Stage II: Fete Attendees’ Predisposition

Factor component analysis was employed to find out the fete attendees (KSRTC employees) expectation towards the Onam feast. 328 fete attendees response towards twenty one questions about their perception towards Onam feast on five point scale.

TABLE 2: FACTOR COMPONENT MATRIX OF CUSTOMERS’ VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>Factor loading Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor 1</td>
</tr>
<tr>
<td>Classical Values</td>
<td>0.909</td>
</tr>
<tr>
<td>Divine Belief</td>
<td>0.901</td>
</tr>
<tr>
<td>Commitment towards family</td>
<td>0.860</td>
</tr>
<tr>
<td>Dignified festival Quorum</td>
<td>0.581</td>
</tr>
<tr>
<td>Self-respect</td>
<td>0.540</td>
</tr>
<tr>
<td>Benevolence</td>
<td>0.211</td>
</tr>
<tr>
<td>Gratification</td>
<td>0.396</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>0.290</td>
</tr>
<tr>
<td>Bouquet Diaspora</td>
<td>0.222</td>
</tr>
<tr>
<td>Desire for Cuisine</td>
<td>0.110</td>
</tr>
<tr>
<td>Festival Aroma</td>
<td>0.293</td>
</tr>
<tr>
<td>Need of the day</td>
<td>0.279</td>
</tr>
<tr>
<td>Change values</td>
<td>-0.169</td>
</tr>
<tr>
<td>Handiness of feast</td>
<td>-0.250</td>
</tr>
<tr>
<td>Challenging deals</td>
<td>0.164</td>
</tr>
</tbody>
</table>

The variables having factor loading less than 0.5 are filtered out. The variables such as classical values, divine belief, commitment towards family, dignified festival quorum and self-respect are highly correlated and contribute to a single factor which can be named as ‘heritage value’. The variables such as benevolence, gratification and enjoyment are highly
correlated and contribute to a single factor which can be named as ‘lavish needs’. The variables such as bouquet, desire for cuisine and festival aroma are highly correlated and contribute to a single factor which can be named as banquet deals. The variables such as the need of the day, change values, handiness of feast and challenging deals are highly correlated and contribute to a single factor which can be named as ‘fascinating solidarities’.

**Stage III: Sellers’ Predisposition**

In the next stage same twenty, one questions were asked to 137 retailers selling *Onam* feast products to KSRTC employees. They were asked to evaluate twenty-one questions about their perception towards *Onam* feast on five point scale. Factor component analysis was employed.

**TABLE 3: FACTOR COMPONENT MATRIX OF RETAILERS**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Factor loading Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor 1</td>
</tr>
<tr>
<td>Best bargain</td>
<td>0.896</td>
</tr>
<tr>
<td>Money value</td>
<td>-0.803</td>
</tr>
<tr>
<td>Income offering</td>
<td>0.802</td>
</tr>
<tr>
<td>Challenging deals</td>
<td>-0.704</td>
</tr>
<tr>
<td>Need of the day</td>
<td>0.181</td>
</tr>
<tr>
<td>Change Values</td>
<td>0.222</td>
</tr>
<tr>
<td>Festival Aroma</td>
<td>0.172</td>
</tr>
<tr>
<td>Dignified festival Quorum</td>
<td>0.123</td>
</tr>
<tr>
<td>Handiness of feast</td>
<td></td>
</tr>
<tr>
<td>Self-respect</td>
<td>0.176</td>
</tr>
<tr>
<td>Commitment towards family</td>
<td>0.178</td>
</tr>
<tr>
<td>Divine Belief</td>
<td>0.132</td>
</tr>
<tr>
<td>Desire for Cuisine</td>
<td></td>
</tr>
<tr>
<td>Gratification</td>
<td></td>
</tr>
<tr>
<td>Bouquet Diaspora</td>
<td>0.187</td>
</tr>
</tbody>
</table>

The variables having factor loading less than 0.5 are filtered out. The variables such as the best bargain, money value, income offering and challenging deals are highly correlated and contribute to a single factor which can be named as ‘price conscious’. The variables such as the need of the day, change values, festival aroma, dignified festival quorum, handiness of feast and self-respect are highly correlated and contribute to a single factor which can be named as ‘prestige values’. The variables such as a commitment towards family, divine belief, desire for cuisine, gratification and bouquet are highly correlated and contribute to a single factor which can be named as commitment values.
Stage IV: The Conflict

We employed Mann-Whitney statistics to find out the statistical difference between the opinion of both customers (n=328) and retailers (n=137). The two variables (rivalry and persuasive value), which have been discarded in the factor analysis are filtered out of the analysis. We established the null hypothesis that there is no significant variation between the responses given by the customers and retailers with respect the expectation of Onam feast. The results are displayed as follows.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Variables</th>
<th>Z value</th>
<th>Asymp.Sig</th>
<th>Acceptance of Null hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Benevolence</td>
<td>-8.355</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>Best bargain</td>
<td>-9.780</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>Bouquet</td>
<td>-0.409</td>
<td>0.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Challenging deals</td>
<td>-7.480</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>5</td>
<td>Change values</td>
<td>-10.24</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>6</td>
<td>Classical Values</td>
<td>-0.164</td>
<td>0.8</td>
<td>Accepted</td>
</tr>
<tr>
<td>7</td>
<td>Commitment towards family</td>
<td>-0.896</td>
<td>0.3</td>
<td>Accepted</td>
</tr>
<tr>
<td>8</td>
<td>Desire for Cuisine</td>
<td>-0.217</td>
<td>0.8</td>
<td>Accepted</td>
</tr>
<tr>
<td>9</td>
<td>Dignified festival Quorum</td>
<td>-0.588</td>
<td>0.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>10</td>
<td>Discount offers</td>
<td>-9.340</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>11</td>
<td>Divine Belief</td>
<td>-0.281</td>
<td>0.7</td>
<td>Accepted</td>
</tr>
<tr>
<td>12</td>
<td>Enjoyment</td>
<td>-7.560</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>13</td>
<td>Festival Aroma</td>
<td>-0.502</td>
<td>0.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>14</td>
<td>Gratification</td>
<td>-0.917</td>
<td>0.3</td>
<td>Accepted</td>
</tr>
<tr>
<td>15</td>
<td>Handiness of feast</td>
<td>-0.709</td>
<td>0.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>16</td>
<td>Income offerings</td>
<td>-8.260</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>17</td>
<td>Money value</td>
<td>-9.450</td>
<td>0.0</td>
<td>Rejected</td>
</tr>
<tr>
<td>18</td>
<td>Need of the day</td>
<td>-1.235</td>
<td>0.2</td>
<td>Accepted</td>
</tr>
<tr>
<td>19</td>
<td>Self-respect</td>
<td>-0.389</td>
<td>0.6</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

The null hypothesis has been rejected in eight cases. There is a significant difference between the expectation of the customers and retailers with regard to price consciousness variables such as the best bargain, discount offers, income offering and money value. It is also an interesting fact that retailers and customers’ views are not coinciding in reputational variables such as benevolence, challenging deals, change values and enjoyment.

MODELLING THE CUSTOMER EXPECTATION AND MARKETER DESIRE

The empirical findings clearly lay down that the pricing effect will influence the lavish needs and fascinating solidarities values of festival. The product value should create banquet deals and lavish needs. The price values and product based values should create heritage value. We also found that the demographic variables are not having any significant variation with festival attributes. Since the festival season is common to all demographic segments, we can’t segment these markets based on demographic factors.
To find out a solution for modelling such a situation, we have gone through literature review. When same type of constraints existed in few places of European food markets, nested markets are created. We identified twenty-one retailing unit that has been established exclusively for Onam feast, comes under the nested market concept. Hence to portray the model for these markets, we have included nested market concept, and for segmentation, the nested market approach of segmentation as suggested by Shapiro have been considered. The Figure 1 shows the classification of segments based on the nesting of product attributes.

![Figure 1: Classification of Nests](image)

There is also a significant difference among the marginal income level of the customers and product nesting variables. Hence we conclude that, even though the marginal income of the customers is not the key factor as per the opinion of customers, it is the deciding factor from the retailers’ perspective. It has been proved empirically.

**RESEARCH FINDINGS**

The scrambled retailing strategy of the vendors steers the demand of the products that are used for the particular fete by promoting the epics from Vedas (Classical stories from Mahabharatha and Ramayana). This creates spill over in product bundles for the festival feasts.

The conflicting needs of the festival requirements differ based on the particular income cluster. This in-turn creates fragmented markets. The heterogeneous marketing clusters were identified by the vendors by providing homogenous products within the clusters. This paved way for nested markets.

The fete attendees’ expectations are unique and vary according the trends. The communication media create decisive marketing borders. The new recipes in feasts are created based on the classical trends. Vegetable vendors consider the price discrimination during the time of festival season.

**CONCLUSION**

The research strongly contends that the vegetable vendors created artificial pricing methods during the festival seasons. Due to contagion effect, the vegetable prices of all commodities
have been increased by 33%. It ranges from 20 to 200%. The impulsive buying by the fete attendees is able to incorporate the cascading levels of the pricing system to the vegetable vendors since there is a need for time-base decision system, the vegetable vendors can collaborate with the agricultural suppliers and be a partner in the network. This will reduce the lead time variations in supply constraints. Thus, the pull strategy of the vendors attempts to reinforce the pricing mix to stimulate the expectations of the fete attendees.

References


Cross-cultural Influences on Market
An Exploratory Study Based on Global Food Chains

Bhavya Mathur*
Divyanhsu Ojha*

Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION
As described by Velkley, the term “culture,” which originally meant the cultivation of the soul or mind, acquires most of its later modern meanings in the writings of the 18th century German thinkers. Two primary meanings of culture emerge from this period: culture as the folk-spirit having a unique identity, and culture as cultivation of waywardness or free individuality. The first meaning is predominant in our current use of the term “culture,” although the second still plays a large role in what we think culture should achieve, namely the full “expression” of the unique or “authentic” self. In the 20th century, “culture” emerged as a central concept in anthropology, encompassing the range of human phenomena that cannot be attributed to genetic inheritance. Specifically, the term “culture” in American anthropology had two meanings:

1. The evolved human capacity to classify and represent experiences with symbols, and to act imaginatively and creatively; and
2. The distinct ways that people living differently classified and represented their experiences, and acted creatively.

Hoebel describes culture as an integrated system of learned behaviour patterns which are characteristic of the members of a society and which are not a result of biological inheritance.

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Marketing is the process of communicating the value of a product or service to customers, with an aim of selling that product or service. It forms the link between a society's material requirements and its economic patterns of response. Marketing satisfies these requirements and needs through exchange processes and building long-term relationships. Marketing is the science of selecting target markets through market analysis and market segmentation, as well as understanding the buying behaviour of the consumer and providing superior customer value. The marketing mix is a business tool used in marketing for determining a product or brand’s offer, and is often synonymous with the four Ps: price, product, promotion, and place. Marketing strategy as defined by David Aaker is a process that allows an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable advantage. It includes all basic and long-term activities in marketing that deal with analysing the strategic initial situation of an organization and the formulation, evaluation and selection of market-oriented strategies and therefore contributes to the goals of the company and its marketing objectives.

To match the marketing mix with the customer specifications and preferences, purchasing behaviour and product use patterns in a probable market, the marketers should have a complete understanding of the cultural dimensions of that market.

Cross-cultural marketing is the practice of marketing to one or more audiences of a specific ethnicity – typically an ethnicity outside of a country’s majority culture, which is sometimes called the “general market.” It means considering cultural differences when planning marketing campaigns and media; realizing the need for a balance between localization and globalization. Typically, cross cultural marketing takes advantage of the ethnic group’s different cultural referents – such as language, traditions, celebrations, religion and any other concepts – to communicate to and persuade that audience.

**PROBLEM IDENTIFICATION**

The problem to work on in this study will be as to how do leading global organizations formulate their marketing strategies according to the cultural disparities. And what impact culture has on various international marketing strategies developed by the organizations?

The study aims in identifying the most often overlooked elements in the formulation of the company’s international marketing strategy that are strong determinants of the success or failure of a product or service in overseas markets.

**OBJECTIVES OF THE STUDY**

Globalization is an inevitable process, and with its spread, the world is becoming more and more homogeneous. However the differences among nations, religions, language, regulatory environment, etc. do exist across borders. Many Western companies, believe in phrases such as “time is money,” or “let’s get down to business”. On the contrary, companies in many other cultures across the globe spend much more time, and place considerably more value, on developing meaningful relationships with the people they do business with. Therefore the awareness of cultural differences is a major premise. Robert Guang Tian, Ph. D, makes an important point: that our first step in cross-cultural marketing is to recognize
that no one culture is superior to any other. He says very elegantly, "It is important for the marketers to know that there is no room for ethnocentrism in the 21st Century marketing."

There are different approaches to conducting cross-cultural research including anthropological, sociological, and psychological perspectives (McCort, 1992). The anthropological approach attempts to make a direct assessment of the cultural processes and behaviours (Arnould, 1989). There are two schools of thought. The cultural theorists equate culture with behaviour. The people are viewed as catalysts to a cultural reality which is governed by its own laws. This thought leads to the idea that culture predetermines behaviour. The views of cultural realists have been challenged by intracultural and individual differences observed in motivations, cognition, and behaviours (Goodenough, 1981). The second school, the cultural nominalists, perceive culture as a system of meaning and that culture can be inferred or measured only indirectly from behaviour and psychological functioning (Poortinga and Van de Vijver, 1987).

The sociological approach focuses on the effects of social forces on behaviour (Lee, 1990). There is an emphasis on cultural universals which serve as prerequisites for social life such as role differentiation, normative regulation of behaviour, and socialization. A psychological perspective is concerned with processes through which people personalize social influences in their own cognitive organization (Triandis, 1984). Here again, there are at least two schools of thought: the postmodernists and the cognitive researchers (McCort, 1992). The postmodern approach relies on theory-driven interpretation of actual behaviour or elements of physical culture. Symbolic dimensions of consumption are explored by studying behaviour rather than cognition (Belk, 1987; Holbrook, 1989). On the other hand, cognitive researchers attempt to study cultural influences on cognitive processes and contents. External stimuli and internal psychological constructs are conceptualized in terms of cognitive structures and the process of interpretation is evaluated via explicit theories of cognitive relationships (Kleine and Kernan, 1991).

**RESEARCH METHODOLOGY**

A theoretical framework is formulated with the cross-cultural analysis of the marketing mix along with the study of variations in the Need Hierarchy across cultures. The study of Hofstede's cultural dimensions is integrated with the framework for the analysis of cultural impact on the market research as well as understanding of diverse communication patterns and styles that may apply to specific markets.

The qualitative research strategy is employed in this study. Utilizing the multiple cases, we selected sample global food chains. The empirical data is collected through semi-structured web based and telephonic interviews. Data is also supplemented with secondary data such as company web pages and scientific articles.

**RESEARCH RESULTS**

In seeking new globally diverse markets, it is highly imperative to make a correct analysis and devise a correct strategy that fit market needs while dealing with the cross cultural concerns. Research conducted by one of the authors (Tian, 1987) in a minority region in
China (a tradition-based culture) demonstrates that culture influences consumer behaviour in the area of product distribution. Tian (1987) noted that the cultural orientation of the ethnic group consumers helped establish and maintain, through vendor loyalty, plenty of small retailers supported by inefficient, multi-tiered distribution networks.

Theorists including Albers-Miller (1996), Hofstede (1991), Pollay and Gallagher (1990) claim that culture affects the kind of roles and the choice of themes depicted in advertising. These are related to underlying cultural values and norms; thus, every element of culture influences each facet of advertising.

The product, price, promotion and place are critical decisive factors while formulating a promotion or venture campaign on foreign lands. The whole exercise focuses majorly on aspects like acceptability, customer friendliness and association with brands which adds value and significance to their sales if kept with-in the ambit of a cross-cultural market.

**IMPLICATIONS OF THE STUDY**

Whenever a company ventures cross-border and needs to operate in a land with peculiar cultural differences from their native one, the requirement of a cross cultural analysis of the marketing mix becomes highly indispensable. Griffith and Ryans (1995) report that cultural overtones in marketing operations derive, to some extent, from consumer preferences. They suggest that “the cultural characteristics of a target market will be responsive to certain culturally bound channel structures, such as local stores, or bazaars”. Schiffman defines cross cultural consumer analysis as “the effort to determine to what extent the consumers of two or more nations are similar or different.”

The study focuses on understanding the cultural dimensions for developing a strategy that helps in localizing the offerings of a marketer in a potential market.

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Marketing Women's Innovative Hygiene Products in Developing and Developed Cultures

A Multi-Method Study of Women's Resistance and Persistence in Adopting Menstrual Cups

Edna Ndichu*
Kelly Tian*

Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

Product markets in developed countries abound with affordable health and hygiene products. Many such products are such a part of everyday life that the comfort, security, and freedom they provide is taken for granted. This affordability, abundance and commonplace use has likely made it easy to neglect study of hygiene products as well as associated consumption practices and emotions tied to these. The luxury of neglect cannot be afforded within the marketing academic community if we stop to consider the impact on our lives to be without these products. To illustrate, in developing countries such as Kenya, many women and girls are unable to afford commercially produced sanitary pads and tampons and must struggle to find other solutions to manage their menstrual cycles. Here where approximately 47% of the population lives below the poverty line, making less than US$1.25 a day, a packet of 8 sanitary pads retails for the equivalent of between US$.50 and $1.00. A number of Western corporations, courting emerging markets, are seeking affordable, sustainable solutions for this and other health and hygiene concerns facing people in developing countries. In many instances, marketers produce new product forms believing they have hit upon the perfect solution, only to find that once launched cultural nuances surface that impede

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product adoption that could improve lives. Many times, marketers’ desire to launch a new product in a developing nation as a solution to affordable health and hygiene is matched by consumers’ desires to also find a solution. Thus, it is worthwhile studying cases where despite such convergence of goals, the product resolution is not adopted.

**RESEARCH GAP AND RESEARCH PROBLEM**

Present research recognizes that consumers in developed countries oftentimes engage in persistent goal striving that involves adoption of new technological products and services (Fischer, Otnes and Tuncay, 2007). Persistent goal striving is held to be driven in part by Western cultural narratives of self-management (Fischer et al., 2007). Less is known about persistent goal striving involving adoption of new technologies in developing countries. Particularly, little is known as to whether self-management discourses are likewise culturally relevant; and what other influences might impact or inhibit adoption of new technologies deemed to advance personal well-being. Notably, consumer research of persistent goal striving in prior Western health contexts has also featured event-based goal striving (e.g., becoming a parent) and expensive technological medical procedures (Fischer et al., 2007). Extending these contexts, the present investigation is a multi-method cross-cultural examination of women’s pursuit of new product adoption in the mundane area of feminine hygiene—namely, menstrual cups.

**OBJECTIVES OF THE STUDY**

The overall objective of the research is to extend theorizing of persistent goal striving through a cross cultural study of new product adoption of an unconventional feminine hygiene product. Toward this objective, we pursued multiple goals. Specifically, we sought to: 1) compare contextual influences on adoption of the same new feminine hygiene product across individuals from developing and developed national cultures; 2) identify areas where the marketing strategies and tactics of producers of the new feminine hygiene product are called into question by the women they target in developing and developed nations; 3) examine women’s goal striving to adopt the new feminine hygiene product despite experiences of poor fit and ambiguous information from product producers; 4) determine different strategies for persistence in new product adoption across women from developing and developed nations; and 5) provide strategic insights for marketers seeking to simultaneously introduce products to consumers in developing and developed nations.

**RESEARCH METHODOLOGY**

The multi-method multi-sited research inquiry involved the collection, analysis and interpretation of qualitative data toward developing theory and practical insights (Belk, Fischer and Kozinets, 2013). The data draw from different methods in developed and developing sites, reflecting cultural issues related to access. The lead author worked in Kenya during 2012 as a Regional Sales Officer for Makit East Africa Ltd that produces Ruby Cup, its brand name for the menstrual cup. Makit Ltd was founded in March 2011 in Copenhagen, Denmark. The company’s original strategy was to provide an affordable,
sustainable menstrual hygiene management solution to women and girls in developing countries for whom the cost of conventional products is prohibitive. When launched in July 2012, Ruby Cup was distributed via direct sales through a network of local saleswomen who worked on a commission basis. The lead author’s participation at Makit included designing the marketing and sales strategy, training salespeople and helping them improve the sales process, monitoring sales, training potential consumers on how to use the product, reviewing and improving sales and marketing material, among other activities. Retrospective notes from this ethnographic-like field experience were recorded during 2013 and form the textual data. This along with the author’s insider’s view of the Kenyan cultural context of menstrual cup adoption offer the insights that are compared and contrasted against narrative data from women in largely developing nations.

The latter data on adoption of the menstrual cup among women in developed nations were collected online on menstrual cup blogging sites. Preceding the selection of the blogging sites we identified and reviewed the websites for 30 different brands for menstrual cups. Although many of these host blogs, we identified several that were independent of solo brand sponsorship: MenstrualCupinfo.blogspot.com; menstrual-cups.livejournal.com; mc-sales.livejournal.com; and menstrualcups.word press.com. These inherently promise less censored and less biased reports from women. The data from this presentation reflects analysis of six months of women’s blogging activity, and follows processes prescribed for netnography (Belk, Fischer and Kozinets 2013).

DATA ANALYSIS AND RESULTS

Reversing the order of data collection, our analysis began by developing themes and categories from discourses found within the blogging texts of an independent (non-brand specific) menstrual cup blog site. Here we emphasize novel themes that offered theoretical insights. Five themes relevant to persistent striving in technology adoption included: 1) exuberance with “fit;” 2) product–person mis-match; 3) stigma of adoption and usage; 4) persistence in adopting the new consumption practice despite pain or physical discomfort; and 5) women as experts on personalizing the menstrual cup. We find all of these exceedingly unusual and surprising in light of the product category being tied to a mundane, habitual consumer hygiene practice. The latter theme (women as experts) is quite rich and comprises multiple categories that advance support for women’s persistence in adopting the new product. These include, sharing of anatomical information, both norms and nuances of size, positions, and angles of anatomical parts that are relevant to comfortable product use and ways of using; challenges to ambiguous brand information where menstrual cup size is based on age, sexual activity, and whether one has given birth; and, creative use (folding, bending, inverting, affixing grips, cutting to size, etc., in ways not intended by producers; Tian, Bearden and Hunter, 2001). A final theme pervaded all the preceding ones and refers to the highly intimate feminized discourses used in sharing support and information, including made-up words to capture product attributes and product–person fit in realms not commonly talked about.

Notably, access to Internet blogging sites marks a source of intimate social and informational support that fosters women’s persistence in the adoption of the menstrual cup. In the
absence of access to this intimate support, women of developed nations exhibit less interest/persistence in adopting the menstrual cup. Findings highlight attempts to uncover comparable sources of intimate social and informational support for women of developing countries without Internet access. The conference presentation will feature the lack of private venues for intimate disclosures and sharing of information about the new feminine hygiene product, though will also address other inhibitors that emerge from the developing country context, inclusive of product challenges, pricing, and issues of cultural infrastructures (e.g., access to clean water).

**IMPLICATIONS OF THE STUDY**

Overall, the study findings suggest that the cultural concept of “self-management” does not resonate with Kenyan women in this context, whereas it is relevant to those from developed nations, suggesting that this concept grounded in theories developed in high income cultures may not be relevant (see Burgess and Steenkamp, 2006). Even in developed countries, “self-management” takes on overlap as women seek to do so through intimate support from other women. The differences in persistent goal striving across cultural contexts suggests that further investigation of this area may refine theorizing of persistent goal striving in areas where new technologies are used to account for cultural differences and to incorporate technologies used habitually in the pursuit of hygiene and well-being. One observation is that while adoption of technologies is the means to achieving the goal in prior studies of event based aspirations (e.g. parenting; Fischer *et al.*, 2007), discourses in the menstrual cup blogging site conflate the goal with the technology. In other words, the talked-about goal is often to shift away from traditional feminine hygiene products to menstrual cups. Yet, underlying motivational factors are not apparent in the present data set, requiring further reflection and perhaps review of other data sources. The driving forces perhaps reflect a contradiction in the market whereby brands of traditional hygiene products abound, yet represent meaningless differentiation to some women. Their exuberance in discovering and using a novel product form, the menstrual cup, perhaps reflects a sense of liberation from the former meaningless choice. Further, women’s stories of persistent goal striving abound in the blog discourses at the same time that their blogs reflect a call for help (information, insight, support). These reflect a combination of self-management aspirations yet nonetheless needing insight that are not provided in family and medical discourses.

The revelation is that women in developing countries cannot easily overcome new-product adoption challenges in categories where consumers’ anatomical-fit with the products is paramount to adoption, when they do not have access to safe, private discourses that aid persistent trial. A final theoretical contribution is to extend theorizing of “fits-like-a-glove” that captures a more psychological fit, can be extended to recognize biological fit that reverberates in a product’s psychological resonance with consumers (Allen, 2002). This has broad implications for a host of hygiene, health and medical products.

Related to these theoretical insights, the paper also offers a number of marketing managerial insights related to processes of entering developing and emerging markets with new, novel or rare product forms (Bloch, 1995). Particularly, key here is listening to consumers’ voices in advance to anticipate obstacles posed by cultural nuances of living and infrastructure for consumption practices.
References


If "Consumer is King," Then What Is a Service Provider?
The Unintended Consequences of the Modern Marketing Philosophy in Emerging Markets

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION
The fastest growing component of global trade is services (Lovelock and Wirtz 2007). As an increasing number of service providers go international, it becomes imperative to understand the role of culture and cultural differences in effective service delivery. Consumers’ expectations regarding service and their evaluations of service experiences are culturally bound (Zeithaml et al. 2002). Prior research has shown consumers in eastern cultures differ from their western counterparts in how they evaluate superior or inferior service (Laroche et al. 2004), their response intentions in face of different elements of the service encounter (Keillor et al. 2004), their tolerance for service failure (Furrer et al. 2000), and their overall service quality expectations (Donthu and Yoo 1998). Given these differences, it is imperative that managers pay attention to cultural issues as they design and implement service marketing strategies.

RESEARCH GAP AND OBJECTIVES OF THE STUDY
In this study, we explore the unintended consequences that might emerge at the confluence of traditional cultural values and modern marketing practices. Specifically, we examine how consumers and service providers in high and low power distance cultures might respond to

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If "Consumer is King," Then What is a Service Provider?

If "Consumer is King," then what is a service provider? The modern marketing mantra of Consumer is King. We argue that in high power distance cultures, where societies already have a tendency for hierarchical social relationships, practicing the Consumer is King philosophy can produce a purely marketing-generated power differential between the consumer and the service provider. Consumers in such cultures could feel an undue sense of entitlement, have undue and unfair expectations of service providers and, in extreme cases, may even become abusive in their dealings with service providers. They could carry their sense of power differential from a service context to a non-service context as well. The cultural dimension that this study focuses on is power distance (Hofstede 1980, 1991), defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.”

RESEARCH METHODOLOGY

For empirical testing of our hypotheses, we used Canada and South Korea as countries representing low and high power distance (39 and 60, respectively on Hofstede’s scale). Over a course of multiple exploratory studies, we tested and confirmed several differences in service expectations and consequences of such differences.

Study 1 involved administering a survey to patrons of food courts and cafeterias (high service expectations contexts) for a cash compensation of approximately $1(CAD) per respondent. The sample consisted of 96 Canadian and 106 Korean respondents. The objective of Study 1 was to test and confirm the basic premise that customers in high power distance cultures indeed believed that they were in a superior position in the context of the customer-provider dyad.

Study 2 involved 105 Canadian and 113 Korean subjects, who responded to a service scenario where they had to wait in a slow-moving line as one of the two servers was taking his 15-minute rest break. A second part of the study asked subjects to respond to a scenario where they encountered a service clerk from a previous encounter in a different shopping location. The objective of this study was to examine how respondents’ sense of entitlement to immediate service interfaced with service providers’ legal right to a rest break. Part 2 of the study tested for transference of hierarchical relationships to non-service contexts.

Study 3 involved 105 Canadian and 97 Korean respondents, who were given the scenario used in Study 2, but were instead asked to imagine that they were the service clerk who was taking his break. They were asked as to how they would respond if their supervisor directed them to cut their break short in order to serve their customers. The objective of the study was to see if subjects acquiesced to their supervisor’s (somewhat) unreasonable demand.

Finally, Study 4 involved 78 Canadian and 81 Korean respondents who worked as service providers in restaurants and cafeterias. These service providers were asked questions about the stress level in their jobs and their job turnover intention.

RESEARCH RESULTS

Study 1: While customers in low power distance cultures also expect to be “taken care of” by their service providers (service expectation, $M_c=5.28$ vs. $M_k=5.93$, $p<0.01$), their sense
of being in a hierarchically superior position is not as acute as that of their eastern counterparts (relative superior position in hierarchy, $M_C=4.65$ vs. $M_K=5.56$, $p<0.01$).

**Study 2:** In this study, respondents had to imagine that their waiting time was being prolonged because one of the service providers was taking a 15-minute break (which was his legal right). Customers in low power distance culture were more tolerant of service providers’ actions compared to high power distance customers who expressed greater negative feelings towards the service providers ($M_C=4.48$ vs. $M_K=5.18$, $p<0.01$). An intriguing finding of our second study was that customers in high power distance cultures extended their relational superiority expectations to non-service contexts as well (extended relationship, $M_C=4.73$ vs. $M_K=5.47$, $p<0.01$). Thus, respondents in South Korea expected that their service providers would continue to show reverence even when they meet them in a non-service context. For example, if the service provider were to bump into the customer at the local subway station (and assuming both of them recognized each other from their previous service encounter), the service provider will be automatically assigned an inferior status compared to the customer. This is in marked contrast to how providers and customers would interact in a western context, where the two individuals will be largely on equal footing outside of the service context. Customers in South Korea also indicated that they would feel more uncomfortable if they were not accorded the respect and deference that was due to them because of their higher status (derived purely from their service encounter context).

**Study 3:** It is not just the customer whose expectations regarding hierarchy are influenced by the service encounter. The service provider is equally affected by and accepting of the artificial hierarchy created by the service marketing context. In Study 3, we found that eastern service providers are more willing to accede to the excessive demands of their supervisors (acceptance of excessive demands, $M_C=4.59$ vs. $M_K=5.26$, $p<0.01$). Compared to their western counterparts, they are more likely to carry out the wishes of their employers who encourage service employees to assume a more submissive, inferior status in their interactions with customers.

Thus, we find that the ideal of “service excellence,” when interpreted in the context of high power distance culture, could result in the creation of an artificial power distance between the customer and the service provider. This can create undue psychological demands on the service provider as the provider now has to operate from an inferior position. Service providers in western contexts also believe in treating their customers well; however, the key difference is in the presence or absence of a steep hierarchy in their relationship with their customers.

**Study 4:** This perception of hierarchy does have real consequences for service providers. Study 4 revealed that eastern service providers experienced greater level of work-related stress compared to their western counterparts ($M_C=4.24$ vs. $M_K=4.86$, $p<0.01$). This also translated to a higher level of job turnover intention ($M_C=4.01$ vs. $M_K=5.56$, $p<0.01$).

**IMPLICATIONS OF THE STUDY**

While adoption of best practices across national and cultural boundaries can be worthwhile, blind copying of some western practices in emerging markets can be problematic. The
If "Consumer is King," Then What is a Service Provider?

cultural context in many Asian emerging markets calls for caution, as a relatively harmless western business practice can become undesirable when implemented in the complex cultural milieu of the emerging markets. A broadly accepted dictum of customer-centric western marketing that the Customer is King, when implemented in emerging markets that are marked by high power distance, can result in unintended consequences where the marketing practice further exacerbates social distances. The corporate expectation of serving the customer translates into a power hierarchy differential that transfers to non-service contexts. The findings of our studies, though preliminary, provide a framework that can explain why customers in eastern contexts have excessive service expectations or behave “irrationally” when those expectations are not met (such as in a recent in-flight incident where a Korean customer became upset when the flight attendant could not provide rice porridge as requested, and whacked her with a magazine when he found that the noodles that she instead provided were not cooked to his liking). Marketers in emerging markets are advised to consider the social and cultural consequences of implementing western marketing practices in emerging markets.

References


Materialism Value and Self-Sufficient Economy Philosophy

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

Materialism has been defined as “a set of centrally held belief about the importance of possession in one life” (Richins and Dawson, 1992). From political and sociology stream of thought, materialism has been seen as a chronic focus on lower order needs such as material comfort and physical safety over higher order needs such as self-expression, belonging, aesthetic satisfaction, and quality of life (Inglehart, 1990). Substantial body of research suggested that highly materialistic people are less happy (Belk, 1985) and less satisfied with their life (Richins and Dawson, 1992). They also possess greater risk of psychological disorders including attention deficit disorder, conduct disorder and narcissism (Cohen and Cohen, 1996). Thais consumers were found to be more materialistic than U.S. consumers. More specifically, Thai consumers place significantly higher importance on the success component of materialism than U.S. consumers. Thais appears to have a greater tendency to use number and quality of possessions to represent their social status and success. They also place higher importance on public-self than private-self (Webster and Beatty, 1997). Our aim in this research is to introduce the way to shift the consumers’ view towards materialistic value. We would like to propose that Self-Sufficient Economy philosophy (UNDP, 2007), which focusing on “middle path” that embedded in Buddhism teaching with its 3 core elements, namely, moderation, reasonableness and self-immunity, can help guarded against materialism and enhance consumers’ happiness.

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RESEARCH GAP AND RESEARCH PROBLEM

Research in materialism has defined what materialism is and also has identified its antecedents (Ahuvia & Wong, 2002) and consequences (Belk, 1984; Richins & Dawson, 1992; Sirgy, 1998). Nevertheless, none of the research has introduced the way to mitigate the materialistic value. Thus, in this particular research we would like to fill in this literature gap by focusing on how self-sufficient economy philosophy can help reduce materialistic value.

OBJECTIVE OF THE STUDY

The objective of this research is to develop the measurement scale for self-sufficient economy philosophy and to provide empirical evidence that adoption of self-sufficient economy philosophy is highly beneficial in mitigating materialism value and enhancing happiness of the consumers.

RESEARCH METHODOLOGY

Study 1: Scale Development for Self-Sufficient Economy Philosophy

The first stage of the study will concentrate on self-sufficient economy philosophy scale development. The scale development framework will be based on the main core elements of self-sufficient economy philosophy which are

- **Moderation** has been defined as “adequate conduct that does not adversely affect one’s self and others”
- **Reasonableness or rationality** has been defined as “examining the reasons for any action, an understanding its full repercussion in short and long terms”
- **Self-immunity** has been defined as prepared for possible changes (both internal and external shocks) both near and distance futures.

In order to evaluate the impact of the scale, other measure will also be included in the study as well

- Subjective Well-Being (Diener et al., 2009)
- Belief in Karma (Kopalle et al., 2010)
- Self-Efficacy Scale

**Methodology:** The data will be collected using telephone survey with 400 nationally representative samples in Thailand. The survey would last approximately 10-15 minutes in length. The validity testing for the scale will be conducted.

After the scale has been developed, in the second stage of the study, we will conduct an experimental study to test our hypothesis on consumer adoption of the self-sufficient economy philosophy and their level of proneness to materialistic value.

People who grow up with subjective sense of economic insecurity (felt-formative deprivation) develop a lasting view of placing higher value on material possession and become more
materialistic. Conversely, people who grow up with a subjective sense of economic security (felt-formative affluent) develop the lasting assumption that money is not something one needs to worry much about. As adults, they adopt more of a "post materialistic" orientation point of view which encourages them to pursue self-actualization even at the expense of material achievement. The study by Ahuvia and Wong (2002) has shown that felt-formative deprivation lead to personal value materialism while felt-formative affluent would lead to post-materialism.

Study 2: Self-Sufficient Economy Philosophy, Materialism and Happiness

Methodology: The research design will be employed using 2 (Self-Sufficient Economy Philosophy: Adopted/Not Adopted) x 2 Materialism (Felt Formative Deprivation – Materialism, Felt Formative Affluent – Post Materialism) mixed research design.

Manipulation: Felt-formative deprivation will be manipulated by letting the consumers reading the following statement

“When I was younger, we were poorer than most families. We always concerned that we do not have enough money. We always could not afford thing. We also worry about not having enough money in the future. Now at present, we are still poorer and concern that we do not have enough money and always could not afford thing. Thus, I am still worry about not having enough money in the future.

Felt-formative affluence will be manipulated by letting the consumers reading the following statement:

“When I was younger, we were better than most families. We always have enough money. We always could afford thing. We also feel assure that we will have enough money in the future. Now at present, we are still better off than others and assured that we do have enough money and always could afford thing. Thus, I am certain about having enough money in the future.

Self-sufficient economy philosophy adoption will be measured using self-sufficient economy philosophy scale.

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<tr>
<th>Manipulation/Measure</th>
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<tr>
<td>Formative Deprivation (Materialism)</td>
<td>Subjective Well-Being</td>
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<td>Formative Affluent (Post Materialism)</td>
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Dependent Variable: Subjective Well-Being Score.

DATA ANALYSIS AND EXPECTED RESULT

The mean comparison of subjective well-being score will be computed across 4 groups. The mediation analysis of self-sufficient economy on subjective well-being will be conducted to understand the mechanism of how self-sufficient economy actually reduces the negative
result from materialism on subjective well-being. We have predicted that those who have been assigned to felt formative deprivation condition but adopted self-sufficient economy philosophy would rate their subjective well-being higher than those who have been assigned to felt formative deprivation condition but do not adopt self-sufficient economy philosophy. Among four groups, those who felt formative affluence and also adopted self-sufficient economy would rate the subjective well-being the highest. Hence, the self-sufficient economy philosophy mediates the impact of materialism on subjective well-being.

**PRE-TEST RESULT**

In the year 2012, our research team has conducted a pre-test study on the scale development with the mid-west university students in the United States with the sample size of 148. We found that the Cronbach’s alpha of our scale is .83. Furthermore, our factor analysis result shows that there are 3 components which can be derived from our self-sufficient economy philosophy scale. The first component reflects the moderation element which focusing on attributes such as practice of self-sufficient production and consumption as well as the belief in middle path. The second component reflects the reasonableness component which focusing on attributes such as belief in consequence of the past action and logical reasoning. The last components reflect the self-immunity which focusing on attributes that place higher importance on morality action choice over immorality action choice when facing hardship.

**IMPLICATIONS OF THE STUDY**

Previous research has shown that globalization has accelerated the adoption of materialistic value (Alden et al., 2006) which results in stronger materialism value in country such as Thailand. This study has contributed to the literature gap of materialism by looking at the way to mitigate the negative effect of materialism on the subjective well-being.

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Roadmap to Markets in Emerging Economies

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Extended Abstract (Understanding Cross-cultural Issues in the design and Implementation of Marketing Strategy)

INTRODUCTION

The emerging economies are very different from developed economies in terms of economic, social, cultural, demographic and political environment. The economy of emerging markets are characterized primarily by high growth of GDP, lower interest rates, high imports, increasing consumption and reducing savings, exchange rates regimes etc. The demographic features of emerging economies are characterized by demographic dividend, low dependency rates, increasing high and middle income groups, etc. The political environment is predominantly about liberalization policies which open up the economy to foreign investments but lack of commitment from government to develop basic infrastructure like transportation, water supply, electricity etc. The above aspects of emerging economies provides an opportunity for international companies to gain huge market share by focussing on untapped market especially in urban and rural areas. However, studying consumer behaviour in such an environment is required to come up with strategies for capturing wide variety of consumers. The marketing concepts developed in developed countries are not applicable in emerging economies due to above mentioned differences. This paper captures different aspects of emerging economies and the marketing strategies required by international companies in such a context.

RESEARCH GAP AND RESEARCH PROBLEM

From above it can be concluded that the changing economic, social, cultural and political environment in emerging economies is the prime driving force for particular consumer

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behaviour. Thus, the marketing concepts like four P’s must be applied in a different manner in emerging economies. So, there is a scope of research to come up with marketing concepts which is flexible with respect to changing economy.

**OBJECTIVES OF THE STUDY**

The objectives of the study are:

- To identify the parameters effecting an emerging economy
- To identify the characteristics of consumer behaviour in an emerging economy
- To apply the above identified factors in Indian context
- To propose a flexible marketing strategy for Indian consumers

**RESEARCH METHODOLOGY**

The present research is a qualitative research which is explored at Indian context. The indicators of an emerging economy and changing consumer behaviour in certain economic setting have been explored through wide literature study. After identification of the indicators, the same were explored in Indian context. Data was collected mainly through secondary sources which includes 12th five year plan, report on emerging economies by Deloitte etc. Based on major findings from literature study and secondary data, marketing strategies for emerging economies were proposed.

**DATA ANALYSIS AND RESULTS**

Characteristics of emerging economies:

(a) **Economic and political environment of emerging economies:**

- **Economic instability:** The typology of emerging markets depends upon the economic volatility that these countries face due to prevalent policy framework of these countries. Economic volatility can be a resultant of the adopted economic policies (Mody, Ashoka Mody). However, in terms of volatility, it has been found among all emerging market economies, the volatility of the rupee-dollar rates has remained low (RBI report, 2010). So, India provides a good market opportunity.

- **Risk associated with investment in emerging economies:** Ranciere, Tornell, and Westerman (2003) found that due to constant pressure to become an investment destination, emerging economies adopt monetary policy reforms that lead to fast progress and attract foreign investments. However, the operational risk in India is very high and accounts for 50% as compared to 15-18% for mature economies like Hong Kong, Netherlands etc. (as per World Bank report, 2011). Operational risk arises due to bureaucratic deficiencies. Thus, although India provides a great opportunity for investment but the investment environment is risky.
Purchasing Power Parity conditions: In terms of Purchasing Power Parity the emerging economies have a higher PPP. Due to lower PPP in emerging economies, they are also a source of cheap labour which is a main source of attraction for international manufacturing firms (Rogoff, Brooks, Husain, Mody, and Oomes 2004).

Increasing consumption rate: There is a shift in consumption pattern because of availability of consumption options. But the rate of change from savings to consumption is slow. CAGR of consumption in India is about 7 per cent.

Low interest rates, easy availability of credit: As per a study by Merrill Lynch, it was found that in emerging economies, due to liberalization of banking sector, the interest rates have declined dramatically. In case of India, the decadal growth of salary is 9.6% whereas the decadal growth of EMI is just 2.6%. Thus, the debt burden has reduces from 54% to 28%. Thus, disposable income has increased.

Demographic and socio-cultural environment of emerging economies:

Demographic dividend: The share of working population is on an increasing trend in emerging economies. In India, the increase in working age group of population would drive the household income and consumption.

Change in income groups: Emerging economies are characterized by rising income levels. So, there is an opportunity to tap the consumers with higher incomes. In case of India, the percentage of population in middle and higher income group has risen from 65% in 2002 to 84% in 2010.

Change in consumption pattern: The pattern of consumption has also changed over a period of time. In India, expenditure share on food constituted 50% of the total household income till 2003. However, it has come down to 45% in 2010, which shows that the shares of disposable income for other commodities have increased.

Political and infrastructure environment:

Policies: The policies in emerging economies focus of opening up the economy to attract foreign investments. Recently, Indian government has allowed 100% FDI in multi brand retail outlets and thus there is a huge opportunity for international brands.

Infrastructure availability: As per a report by McKinsey Global institute (April 2010), the condition of basic infrastructure is generally very poor in emerging economies. In India, there will be a huge gap between demand and supply of basic infrastructure. This situation creates a negative impact on investment environment.

CHANGING CONSUMER BEHAVIOUR IN EMERGING ECONOMIES

Conceptualization and implementation of marketing programmes in emerging economies depend upon above discussed characteristics of emerging economies. The concentration of high and middle income groups in emerging economies is showing an increasing trend but
their incomes are less compared than their Western counterparts. Low incomes have an impact on consumer behaviour; they become risk averse and are dependent on opinions of others. Impulse purchase is low and the focus is on cost rather than quality. The customers prefer long lasting products and rely on functionality. The social and cultural aspects of these countries are very different and each region within a country is different from the other. So, the multinational companies should cater to wide range of demand. Thus, segmentation of consumers based on their varied needs is very important. Here we have adopted Prof Dr Ulrich Daldrup’s framework for the classification, they are as follows:

1. **Upper Class**

2. **Conservatives (about 70% of the consumers):** They again can be sub-classified into the following categories:
   a. Upper-middle Class – Consumers.
   b. Middle Class – Aspirants.
   c. Destitute – Very little purchasing power and lie hand-to-mouth.

3. **Working Women**

4. **Youth**

In India, with rapid increase of urbanization, which stands at 31.16 per cent (2011 census), the consumers can be broadly classified as urban and rural. The Consumers within these two broad categories can be classified based on what they consume and their economic condition with respect to the other consumers. The five sub categories are:-

1. **Upper class**: They generally consume premium goods. As per a report of NCAER (2007) Upper class constitutes almost 36 per cent of urban population whereas for rural population it is 8 per cent.

2. **Upper Middle class**: Their 70% of the total consumption consists of utility durables and bulk of regular FMCGs. This segment mainly consists of the upper-middle income group.
3. **Middle class**: Consumers having at least one major durable in their homes fall in this category. They mainly belong to the middle income group.

4. **Lower middle class**: Consumers who are in a nascent stage of consumption form this group. They belong to the lower income group. This group constitutes 42.5 per cent of rural population.

5. **Lower class**: These consumers are those consumption is practically nil barring that of the bare essentials. Economically they are very poor and are in a hand to mouth situation.

**Major Findings**: At present we can observe the typical characteristics of the Indian consumers. Major findings are as follows:

1. The Urban Indians have shifted from being price sensitive to value sensitive. This can be largely attributed to economic growth of the country, increased purchasing power and high disposable income.

2. “Borrow and buy” has replaced the conservative concept of “Save and buy” for urban Indian consumers belonging to youth segments due to increase in marginal propensity to consume.

3. The Rural Indian consumers and middle class urban consumers adhere to their values very rigidly so a few brands have to redesign their products.

4. The Rural Indian consumers and Urban Indian consumers belonging to lower middle class are not very brand sensitive and prefer features and functionality over brand name. Thus, majority of Indians are also not brand loyal.

5. There has been substantial increase in middle class in rural India. Thus, purchasing power in rural India has risen drastically. So, international companies can seek rural areas for extending their markets.

**Approach of Multinational Companies in Emerging Economies**

Based on above findings, four P’s framework for urban and rural consumer in emerging economies can be proposed as following:

Strategies for multi-national companies:

- **Distribution system**: Multinational companies should focus on building a multi-layered distribution system while entering into emerging economies.

- **Channel power**: The recommendations of salespersons carry weight as customers rely on advises given by them as well as word of mouth. So, the multinational companies should try to develop a skilled workforce.

- **Communication**: Consumers in emerging economies are risk averse; they do not prefer to change the brand. So, company should expend heavily on advertisement and marketing to make the consumer aware of the benefits.
- **Creating Brand Equity**: Companies should adopt a strategy to increase the depth of their network. Companies can enter into a virtuous circle, i.e. once the brand equity is created, reputation will increase by word of mouth.

![Proposed Four P Framework for Rural and Urban Areas](image)

**FIGURE 1: PROPOSED FOUR P FRAMEWORK FOR RURAL AND URBAN AREAS**

**References**


A Suitable Measure for Internationalisation

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

The validation of a theory in international business depends to a large extent on the robustness of testing procedure adopted by its researchers. Instruments measuring degree and maturity of internationalisation have remained ambiguous and speculative over a long period of time due to the inability to even out the distorting influences of measurement error and the near impossibility of establishing construct and content validity (Nunnally 1978). The absence of a comprehensive approach to establish the validity of measurements results in empirical investigations of international business being inconclusive with plethora of untested or partially tested propositions and philosophies. The acuteness of this problem is particularly important to developing countries and emerging markets, where cross cultural issues in management behaviour, orientation, structure towards international business, render using commonly available research instruments in developed world impossible to use in local context (Turnbull, Peter W 1987).

RESEARCH GAP AND RESEARCH PROBLEM

Degree of internationalisation, DOI is understood as the maturity of the process of overseas expansion indicating level of involvement of the internationalising firm judged on a number of parameters. Some authors (Johanson and Vählne, 1977; Welch and Luostarinen, 1988) rely on loosely structured inductive frameworks trying to infer the DOI by examining the...

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evolution, structure processes of relationships amongst demographic, strategic, market, organisational, product and attitudinal characteristics of international expansion. Some scholars apply positivistic principles and try to differentiate DOI by blocking on a single criterion. They study the relationship between dependent and independent variables relying on deductive frameworks to structure their analysis. These finally appear like proxy measures such as foreign subsidiaries sales as a percentage of total sales, FS/TS; foreign assets as % of total assets, FA/TA (Stopford and Dunning 1983) OR the number of foreign subsidiaries/affiliates or total overseas presence (Stopford and Wells 1972).

These single item criteria facilitated the research process in developed countries but proved ineffective in developing or emerging markets. For instance, in countries like India, Brazil, Russia, China a firm engaged in direct/indirect method of exportation may have upto 60% ratio of foreign sales as % of total sales, as they are primarily exporters or facilitated under the 100% EOU scheme. Such firms are present in 30 different countries present in by virtue of agent distributors working from them, giving them a transnationality index of 50 or more, but that does not categorise them as having high or mature degree of internationalisation. Hence sales, assets, revenues, are probably measuring a single dimension of the degree of internationalisation, which is quantitative in nature (Sullivan 1994, 1993). The qualitative aspect of this measure which is the underlying purpose, driving the process for internationalisation will actually decide the degree or maturity of internationalisation and eventually even propel the firm towards a higher level justifying the basis for such a study. This is of utmost relevance to emerging market internationalising firms as these companies are already exhibiting good quantum value of exports over a period of twenty or thirty years but their overseas presence is extremely limited exhibited in poor OFDI figures.

This guided the researcher towards development of a scale which was radically different in method and instrument but conceptually befitting the core content of internationalisation for emerging market firms. The primary consideration was obtaining data from emerging market firms on the three attributes of DOI, namely – performance, structure, and attitude on a ratio scale as has been used and devised by researchers working on developed markets of US or Europe. It was seen that emerging market firms were rarely maintaining data this way and even so unwilling to share data archived on parameters of FSTS, FATA, RMIE, RDI, AI to determine the DOI. Hence collecting firm level data on such a construct was nearly impossible for countries like India. Therefore the parameters had to be changed to more qualitative terms which did not threaten the privacy or competitive positioning of the firm in any manner.

**OBJECTIVES OF THE STUDY**

1. To develop a suitable measure for internationalisation at the enterprise level, that can be used specifically, by emerging market firms.

2. The measure so developed must be able to collect data on a scaled criteria rather than factual quantitative forms as is required by emerging market firms.

3. The composite measure for internationalisation must encompass cross cultural issues in international marketing relating to management orientation, aims and motivations specific to emerging market enterprises.
RESEARCH METHODOLOGY

The research design was basically exploratory in nature as research variables had to be identified, before testing them through a pilot survey and establishing validity for the research instrument so designed. A survey was proposed through purposive sampling method of top exporters in India as per the Directory of exporters and a sample size of 200 firms was seen as feasible for such a study. It was deemed that three sectors of export prominence in India – Information technology, pharmaceutical and apparel & clothing should be considered for the study as they are the biggest revenue earners for the country and naturally exhibit formidable OFDI over the last two decades. The OFDI pattern and trends for these sectors were studied over a five year period from 2007-2012. An elaborate literature review was undertaken on studies relating marketing, organisational, technological and different other kinds of variables to export performance in various countries of the world. This was necessary to develop all possible dimensions of internationalisation into a suitable, measurable construct that would justify the meaning and concept of degree of internationalisation.

DATA ANALYSIS AND INTERPRETATION

The questionnaire so developed to measure the DOI for Indian internationalising firms included five dimensions of study with three ordinate responses each. An ordinal scale was used with three levels – High, Medium and low levels of internationalisation. Each level was given a score and the sum of individual scores divided the respondents into three groups of internationalisation. Reliability was established through cronbach's alpha and construct validity was also proven through simple linear relationship. The composite measure M, for internationalisation was the independent variable and the individual dimensions, D were the dependent variables influencing M. The groupings of M obtained through the D values could also be used in future research for testing the impact of DOI on several variables like capacity building or industrial upgradation through ANOVA, Analysis of Variance or other statistical tools and techniques. The results revealed that majority of the firms were categorised into low or medium levels of internationalisation and very few firms were present in high levels of internationalisation. The results differed slightly between the sectors and have been documented in the study.

IMPLICATIONS FOR THE STUDY

The study is successful to the extent that it has met with the research objectives in a comprehensive manner. This measure for internationalisation could now be used by any firm from an emerging market, possibly an EMMNE, Emerging Market Multinational Enterprise to calculate its level or degree of internationalisation. Likewise future research on specific sectors within a country can be conducted to determine the level of internationalisation amongst firms within the sector. Currently all data in India is compiled and presented at macro level in the form of OFDI trends and investments. This research instrument has tremendous potential to collect data at firm level in emerging markets through the ordinal scale. Through this new measure of internationalisation, a closer look at the qualitative performance of these Indian companies is possible through the dimensions examining management objectives, orientation in the construct.
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The Influence of Liability of Origin on Marketing Strategy

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION
While emerging economy multinational corporations (EMNCs) have been getting increasing attention from both the business press and academic scholars (Luo & Tung, 2007), our understanding on how the unique disadvantages EMNCs face on account of their origin affect their marketing strategy is as yet limited. We argue that the extant focus in marketing literature with its emphasis on country of origin captures only part of the story and that EMNCs face a far broader liability of origin in their international marketing efforts. We introduce the emergent concept of liability of origin (Ramachandran & Pant, 2010) to the marketing literature. Drawing on institutional theory, organizational learning theory and marketing literature, we develop a conceptual model explaining the influence of liability of origin on marketing strategy. We explore the implications of the propositions developed from this conceptual model through a discussion of secondary data available on marketing strategies of EMNCs.

THE LIABILITY OF ORIGIN
This increasing globalization of EMNCs has given rise to many questions and ensuing research on whether extant theories are applicable to EMNCs and, pertinent to the current study, how EMNCs overcome their home-country disadvantages in order to succeed in the global market place (Luo & Tung, 2007). Bartlett & Ghoshal (2000), in their seminal article, introduced the term “liabilities of origin” to explain the psychological liabilities of

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both under-confidence and over-confidence faced by managers of EMNCs. The concept of liability of origin (LOR) was further developed using institutional theory by Ramachandran & Pant (2010). The liability of origin has been shown to be distinctly different from the concept of the liability of foreignness that is well-known in the international business literature. The liability of foreignness relates to disadvantages that all foreign firms face on account of “where they are not from (i.e. not local)” while LOR relates to the unique disadvantages that EMNCs face because of “where they are from (i.e. their specific country of origin)” (Ramachandran & Pant, 2010 p.19.). Ramachandran and Pant (2010) attribute the liability of origin of EMNCs to three sources namely, (i) home country cultural-cognitive, regulatory, and normative institutions (ii) host country perceptions, and, (c) organizational weaknesses. All these three sources contribute to the liability of origin as explained in the next section.

The cultural-cognitive dimensions of the home country of the EMNC may be perceived as conflicting with the cultural-cognitive dimensions of the host country. Cultural and normative differences are often tacit and difficult to overcome and can lead to a lack of acceptance of the EMNC in the host country (Kostova & Zaheer, 1999). Regulatory institutions may be underdeveloped in the home country and the lack of access to easy capital, unstable markets, and complex contract enforcement systems can create problems for the EMNC. The host country stakeholders may hold negative stereotypes about emerging economy firms and their products. Finally, at the organizational level, the lack of global experience and the lack of an identity of a global multinational may constrain the EMNC in succeeding in its globalization efforts. To summarize, EMNCs may face issues of poor governance, accountability, limited knowledge of global markets, weak technological and innovation capabilities, and limited managerial competence that constrain their ability to succeed overseas (Luo & Tung, 2007).

In marketing literature the discussion of disadvantages that companies from developing countries face has been largely focused on the country of origin. In fact, the “country of origin” has been termed as “one of the most widely studied phenomenon in international business, marketing, and consumer behaviour” (Peterson & Jolibert, 1995, p.883). Numerous studies have shown that products from a less developed country are likely to be viewed less positively than products from an advanced economy (Dinnie, 2004). The extant country of origin literature has focused on the consumer perceptions of products but has not yet examined the broader impact of the other factors relating to the country of origin of a firm such as institutional factors and organizational capabilities on marketing strategy. Understanding this impact becomes increasingly important given the rising salience and rapid internationalization of multinationals from emerging economies.

How does the liability of origin (LOR) differ from the country of origin (CO)? While the country of origin has been reconceptualized in recent years and more comprehensive constructs such as the country of origin image have become popular in the literature, the focus of most studies is still on the customer cognitive, affective, and conative responses to products of a particular country and not on the broader impact of the CO on firm strategy (Dinnie, 2004). The liability of origin on the other hand is a more comprehensive construct. CO does not include the influence of origin on the firm’s capabilities and identity, while
LOR explicitly includes firm disadvantages. CO looks at customer responses, while LOR looks at the influence of origin on a wide range of country stakeholders, including alliance partners, employees, the host country government, suppliers, and consumers. The unit of analysis for CO is the customer, while the unit of analysis for LOR is the MNC. The element of specification for LOR is the triad of a particular MNC originating in a particular country in a particular host country (Ramachandran and Pant, 2010), but for CO it is the dyad of the customer and the product/service. Both the constructs of country-of-origin image and LOR include the influence of political, cultural, and economic institutions. However, while country-of-origin image looks at the influence of these institutions on consumer perceptions, LOR is also concerned with the influence of these institutions on firm strategy in addition to host country stakeholder perceptions. Thus, LOR and CO are two distinct constructs.

A perusal of some of the existing literature on the strategic challenges that EMNCs face in their international marketing efforts suggest that EMNCs face a salient LOR that goes beyond negative country image. For example, in a study on export strategies of Latin American firms, Aulakh, Kotabe, and Teegen (2000) found that EMNCs implemented a low-cost strategy in advanced economies because a differentiation strategy would have required a superior brand image, technology and customer service, that EMNCs were not perceived to possess. Similarly, the high institutional distance faced by Chinese firms led to challenges in gaining legitimacy in international marketing channels, and these challenges were overcome by using governance strategies such as contract customization (Yang, Su, & Fam, 2012). Sweet (2010) found that successful Indian pharmaceutical firms in Brazil adopted promotion strategies such as sponsoring medical conferences in order to build a brand equity among doctors. A study of the EMNC firms from China, Mexico, and Turkey in the white goods sector revealed that these firms used strategic alliances to gain legitimacy and hired international branding consultants to build a global brand image (Bonaglia, Goldstein, & Mathews, 2007).

The above literature suggests that EMNCs are actively adapting their strategies in response to the multiple challenges they face on account of their origin. What is missing in the extant literature is a conceptual framework that comprehensively explores and outlines the influence of liability of origin on marketing strategy, and this is the gap that this paper aims to address.

**OBJECTIVE OF THE STUDY**

We state the research objective as:

“To investigate the influence of liability of origin on the marketing strategy adopted by emerging economy multinationals in international markets.”

In this study we define liability of origin as the unique disadvantages faced by firms from emerging economies that can be attributed to institutional weaknesses in their home country, a negative country image in the host country, and organizational weaknesses. We look at marketing strategy as “an organization’s integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities, and marketing resources in the
creation, communication and/or delivery of products that offer value to customers.” (Varadarajan, 2010 p.119).

The principal contributions of this paper are conceptual in nature, a response to recent calls for conceptual contributions to marketing – a delineation of an important construct and its implications for the marketing strategy of EMNCs – developed much in the spirit of the “beginner’s mind” that Deborah MacInnis calls for in her contribution to the 75th anniversary issue of the Journal of Marketing (MacInnis, 2011).

RESEARCH METHODOLOGY

The liability of origin is a new construct, and has not yet been operationalized in the literature and there have been no empirical studies using this construct. The current study presents a conceptual model that helps us to understand the influence of the liability of origin on marketing strategy of an emerging economy multinational company. Testable propositions are presented based on this model and their implications explored.

IMPLICATIONS OF THE STUDY

This study contributes to the literature on the increasing presence of emerging multinationals in the global business landscape. The study makes specific theoretical and managerial contributions.

The theoretical contributions are as follows. First, this study is the first to introduce the liability of origin to the marketing literature. Second, we build a conceptual framework to explain the influence of the liability of origin on the marketing strategy of an emerging economy multinational. The study will contribute to understanding the dynamic interaction between marketing strategy and home-country effects.

The managerial implications are as follows. Understanding the additional challenges attributed to the liability of origin can help EMNC managers make better decisions in their quest for international markets. For example, one of the contributing factors to the liability of origin is the lack of confidence and self-belief. Understanding the influence of these cognitive maladjustments on marketing performance could be the first step toward overcoming this dimension of LOR. If EMNC managers can understand how to overcome their liability of origin through strategic interventions, rather than trial and error, they are more likely to succeed in their international marketing efforts.

References


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Religiosity, Innovativeness and Ecologically Conscious Consumption
An Exploration

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

Concern for the environment has evolved from complying with pollution and energy conservation guidelines to the recent use of environmental issues as competitive advantage. This has led to the investigation of characteristics of ecologically conscious consumers in the search for actionable market segmentation variables. Demographics like age, gender, income, education, place of residence, marital status etc. and personality factors and their influence on ecological consciousness have been studied to identify green consumer segments. However religion or religiosity as one of the important sub-cultural factors that can influence ecologically conscious consumption behaviour remains less investigated. Religion exercises normative influence by prescribing codes of conduct and contributing to the formation of terminal and instrumental values and attitudes. Yet, despite its enormous and obvious significance, religion has been an under-researched topic in consumer behaviour studies. The limited literature available on the subject however, exhorts the importance of religion in various aspects of consumer behaviour and its role as a substantive influencer in the consumer decision making process (Hirschman 1983; Wilkes, Burnett & Howell 1986; Bailey and Sood 1993; Delener 1994; Sood and Nasu 1995; Siguaw & Simpson 1997; Esoo and Dibb 2004; Mokhlis 2008; Youngtae Choi 2010). Studies on religion and consumer behaviour have been based on two major constructs - religious affiliation and

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religiosity. Religious affiliation simply means belonging to one of the major religions of the world while religiosity is the degree of intrinsic and extrinsic commitment to religious practice. Although both the dimensions have been found to influence behaviour, recent studies have argued that religiosity is a more measurable and actionable construct than religious affiliation. In this paper, we explore the relationship between religiosity and green consumption behaviour.

RESEARCH GAP AND RESEARCH PROBLEM

Earlier studies have investigated the impact of religion and religiosity on general consumer behaviour variables like shopping behaviour, shopping orientation, product preference and evaluation, store preference and evaluation, store loyalty, switching behaviour etc. The impact of religiosity on ecologically conscious consumption behaviour has not been investigated extensively although there are studies that look at environmental values and attitudes. Most of the studies have been on Christian and Jewish consumers in the western context that proclaim the human being as supreme and the other players in the environment as subservient. There are no studies on Muslim consumer behaviour with respect to environmentally conscious consumption. Ecologically conscious consumption demands higher risk-taking or innovativeness to try new (green) products that may be in the early stages of adoption and diffusion in the market. The tendency of highly religious consumers to conform to the status quo and their disinclination towards taking risk could make them reluctant to choose green products that pose a higher performance as well as financial risk. Highly religious people among Christians and Jews have been found to perceive higher risks in their purchase decisions (Delenar 1990), being frugal and looking for low prices (Sood and Nasu 1995; Mokhlis 2006), reluctant to try new products (Esoo and Dibb, 2004), and reluctant to switch over to new products. Hence, a negative relationship is expected between religiosity and environmentally conscious consumption which involves higher innovativeness or risk taking in trying and switching over to new products with often higher prices than their non-green equivalents. On the other hand most religions implicitly or explicitly emphasize the importance of the environment and exhort followers to exhibit socially and environmentally conscious behaviour. Given this triangular and incongruous relationship between religiosity, innovativeness and ecologically conscious consumption behaviour, we arrive at the following hypotheses:

\[ H_1:\] There is a significant and negative association between religiosity and innovativeness of consumers.

\[ H_2:\] There is a significant and positive association between religiosity and ecologically conscious consumption behaviour.

\[ H_3:\] Religiosity moderates innovativeness and ecologically conscious consumption.

OBJECTIVE OF THE STUDY

To investigate the moderating role of religiosity on innovativeness and ecologically conscious consumption behaviour among Indian Muslim consumers.
RESEARCH METHODOLOGY

The data collection is through a survey conducted among male and female Muslim student respondents of the age group 21–28 from an Indian university with a pan-India representation. Religiosity scores are obtained using a modified version of the Religious Orientation Scale developed by Allport and Ross (1967) customised to measure Muslim religiosity. Statements on Religiosity include the major domains of intrinsic and extrinsic religiosity and are scored on a scale of 1 to 5. Ecologically Conscious Consumption Behaviour (ECCB) is measured using a modified version of the 30 item 5 point ECCB scale (Roberts 1996b) customised for the Indian context. Innovativeness is measured using items adapted from the Consumer Innovativeness scales of Le Louarn (1997) (cited in Gilles Roehrich 2004) and Goldsmith, R. E., & Hofacker, C. F. (1991).

DATA ANALYSIS AND RESULTS

Factor analysis is performed to identify the sub-factors and Cronbach’s alpha scores to measure the reliability of the sub-scales. Respondents are classified into high and low score groups based on their religiosity and innovativeness scores. ANOVA and SEM are employed to unravel the influence of religiosity and innovativeness on ecologically conscious consumption behaviour. The normative positive influence of high religiosity on ecological conscious consumption is pitted against low innovativeness in predicting green consumption behaviour to bring out the incongruence among the three and attempt to identify the dominant influence on ecologically conscious consumption behaviour.

IMPLICATIONS OF THE STUDY

Green consumer segments have been profiled using many variables including socio-demographic, personality, geographic, and cultural measures. This study explores religiosity as an important dimension and additional measure to profile green consumers. The religiosity variable can be subsequently used as a segmenting and targeting variable for Muslim consumers of green products as Islamic or Halal marketing has already been acknowledged as a viable strategic option. Furthermore, the study is expected to make a contribution to our overall understanding of environmentally conscious consumption behaviour.

References


Psychological Pricing used for Setting Implicit Cues Signalling Cultural Heritage in Emerging Economies

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Extended Abstract (Understanding Cross-cultural Issues in the design and Implementation of Marketing Strategy)

INTRODUCTION
Emerging markets are usually defined on the basis of the process of their rapid growth and industrialization. From a consumer perspective, however, a rapidly developing economy might imply that common habits and tradition have to be adjusted. From a business perspective, though, managers have to identify innovative ways to target new customers. With respect to the marketing instruments product and communications these issues are covered by balancing reasons for adaptation or standardization. For pricing strategies such a consideration is less established. The paper at hand proposes psychological pricing, in particular numerology, as a means to refer to the cultural heritage associated with the offered product or service.

The main underlying idea relies to the fact that many cultures assign additional meanings to digits, beyond their prevalent (arithmetic) denotation. As a consequence, the natural numerical sequence is disrupted sometimes to avoid negative, culture-specific connotations of unlucky numbers (e.g., in China fourth floors are frequently missing in multi-storey buildings; sometimes there is no row number 13 in planes operated by Western airlines). Do such connotations extend to price perceptions?

RESEARCH QUESTIONS
For practicality, we consider four cultures all connected to countries of emerging economies which we selected to provide sufficient dissimilarity and according to a macro-level view of

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the cultural concept (Huntington, 1996; Kroeber & Kluckhohn, 1967). In distinguishing
Chinese, Indian, Islamic, and Jewish traditions, we acknowledge some fuzziness in our
definition, which aligns with the exploratory purpose of the first part of our research: to
investigate whether the occurrence of the digits 1 through 9 in prices depends on culture
(Wagner & Jamsawang, 2014). Based on extensive literature research we found that the
digit 8 is considered a lucky number in Chinese culture whereas the digit 4 represents an
unlucky number (Simmons & Schindler, 2003; Schimmel, 1993). Furthermore, the digits
5 and 9 are considered lucky numbers in Indian culture (Bunce, 2002; Schimmel, 1993).
Finally, the digit 7 is considered a lucky number in Islamic and Jewish cultures (Hartmann-
Schmitz, 1989; Schimmel, 1993).

The second part of the paper addresses whether consumers are aware that lucky and unlucky
numbers exist in their respective cultures and whether ethnic products offered at prices
which contain lucky numbers are considered more authentic (e.g., an Indian dish priced at
7.55 instead of 7.60). The third part of this article analyses the influence of such prices on
the visual attention of prospective customers, i.e., are products implicitly signalling cultural
heritage by means of psychological pricing gazed longer than similar products which do
not use such cues.

RESEARCH DESIGN, METHOD AND SAMPLES

The exploratory nature of the first research question and the need to consider practicality
when undertaking our cross-cultural analyses strongly influenced the study design.
Specifically, rather than implementing a complex, costly field study in various countries,
we collected prices listed on the websites of companies owned by people of various ethnicities.
Eating and drinking are basic, universal human needs; therefore, every culture has developed
specific traditions and commercial activities related to eating. Accordingly, we select the
restaurant industry for this analysis and survey (online) menu prices. The concept of culture
requires a broad perspective, which we achieve by using some kind of area cluster sampling.
Moreover, we compare Asian with Western cities, in order to investigate whether ethnic
differences of the cultures considered are more pronounced within Asian or outside Asia.
That is, we selected six cities in Western countries, which are known for their well-established
ethnic restaurant industry and multicultural population, and additionally six cities in Asian
countries. Therefore, London, Los Angeles, Melbourne, Paris, Vancouver, and Vienna ("non-
Asian cities"); and Hong Kong, Manila, Kuala Lumpur, New Delhi, Bangkok, and Singapore
("Asian cities") served as the centres of geographic clusters. Almost a comprehensive canvassing
of all online menu prices of restaurants representing each ethnic cuisine (Chinese, Indian,
and Islamic) was conducted in each selected city. Without any extant list of relevant
restaurants, research assistants instead exerted substantial efforts to identify about 20–30
restaurants for each culture–city combination. Overall, the approximately 1,400 restaurants
thus identified provided around 130,000 prices (about 56,000 prices in Asian and 74,000
in Western cities). We did not consider different currencies, because our focus was specifically
on the digits. These prices included 284,203 digits between 1 and 9 (114,326 digits in
Asian cities and 169,877 in non-Asian cities).
Two separate studies tackle the second research question. Research assistants interviewed 183 managers of ethnic restaurants in Germany and Austria asking for the rationale behind their pricing policies. In addition, the managers set prices for predefined menus typical for their respective culture. The other study uses a quota sample of 359 consumers with appropriate cultural background. After being interviewed about lucky numbers (at a personal and at a cultural level) they are randomly assigned to two different experimental groups.

Respondents were exposed to two different versions of essentially the same menu per ethnicity. The menus differed, however, in the frequency of using price digits with symbolic meanings. Finally, they evaluate the authenticity of the menus shown.

For reasons of practicability, the analysis of the third research question focuses on two cultures only. First, personal field interviews were conducted in Vienna. Using a similar design as before, Chinese and Jewish respondents (in total 71 subjects: 33 Chinese and 38 Israeli) looked at menus and their eye movements were recorded by means of a mobile eye-tracking device. Finally a large scale (based on a quota sample with 200 Chinese and 200 Israeli subjects) online panel study was carried out for Chinese and Jewish people in China and Israel. Again, respondents were exposed to menus typical for their ethnicity. This time their eye movements were recorded using the spotlight viewer, a measurement instrument which utilizes the fact that cursor movements parallel eye gaze patterns (Berger, Wagner & Schwand, 2012).

RESULTS, LIMITATIONS AND FURTHER RESEARCH

In concordance with extant literature we find more frequent uses of the number 8 for Chinese products and the number 5 for Indian products in our cross-cultural comparison (research question 1). However, contrary to expectations, no evidence indicates the rarity of the number 4 for Chinese products and the frequency of 9 for Indian, 7 for Islamic goods. These effects refer to both, Asian and non-Asian contexts.

Interviewing managers and consumers do confirm our suppositions with respect to Chinese (8 is considered a lucky but 4 an unlucky number) and Indian culture (5 and 9 are considered lucky numbers). Menus including price digits with symbolic meanings are more frequently evaluated more authentically for the Chinese and Islamic cuisine (research question 2).

Finally, for both, Chinese and Jewish ethnicities, this type of psychological pricing impacts eye movements and consequently visual attention (research question 3).

We acknowledge that our derivation of the research questions was theory driven and based on literature from humanities disciplines. The symbolism of numbers has a long history, so their relevance to modern economic practices might be questionable. Our data collection also was challenging with regard to Islamic gastronomy, because this culture must be approximated and assigned to the different nationalities (e.g., Turkey, Tunisia, and Morocco) that identify the various restaurants. These national cultures presumably differ from one another, and such differences might bias the results. Finally, cultural integration into the new home country might advance adaptations in immigrants’ behaviours, such that restaurants’ owners/managers deliberately fine-tune the prices of their products in order to match local habits.
Amongst others, further research should extend the scope of the analysis to other product categories, more precisely defined cultural entities or multiple-digit numbers (e.g., 13 is viewed as an unlucky number in many Western cultures).

References


The Focus Group Discussion of Cellular Telecommunication Behaviour for Generation Z in West Java Province Indonesia

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Extended Abstract (Understanding Cross-cultural Issues in the Design and Implementation of Marketing Strategy)

INTRODUCTION

Generation Z are the people who were born after 1994 to the present. Their characteristics are different from the former generation. They were born when the information, communication, and telecommunication (ICT) has grown rapidly. The characteristics for this generation is that they are accustomed with technology, such as internet and cell phones, they also have faster life rhythm, freedom, customization, integrity, speed, and innovation (Mutte, 2004; Tari, 2010; Tabscott, 2009; Ferinz, et al., 2010). The loyalty behaviour of this generation is categorized into low (Mutte, 2004; Ferinz, et al., 2010).

This research would analyse their behaviour in using the cell telecommunication. It would analyse their perceived quality of the cell providers, their preferences, as well as their tendency of satisfaction and loyalty in using the cell providers. Generation Z is the potential market, if the providers has paid a good attention to them and maintain their loyalty, their business would have been sustained for some years ahead. The research method used in this research would be a qualitative research using a focus group discussion to students in Bandung, the capital city of West Java Province, Indonesia. Bandung has many universities and schools which imply that there are a lot of people from the Z Generation in this area.

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RESEARCH GAP AND RESEARCH PROBLEM

The cell providers face a very tight competition in winning market share. Nowadays, the penetration rate of using cell phone in Indonesia has increased rapidly. The users are ranged from the youngsters to the mature people. Generation Z are teenagers and youngsters that already used the ICT technology in their daily life. They are the emerging market for the cell phone providers company. The providers also aim the marketing effort to fulfil the needs of this generation. They even have their specific brand ambassadors that represent youngsters’ idols and also deliver the good quality for all their customers. Unfortunately, the loyalty of the Z generation is low that leads to the high level of churn. Thus, it is important to understand the Gen Z behaviour in using the cell providers, their satisfaction of the quality delivered, and their loyalty tendency.

OBJECTIVES OF THE STUDY

The research objectives are:

1. To understand the opinion and perspective of perceived quality on Generation Z perspective towards the cell phone providers.
2. To understand the Generation Z satisfaction towards the quality of cell phone providers.
3. To understand the Generation Z loyalty tendency of the cell phone providers.

RESEARCH METHODOLOGY

It is a qualitative research. It implemented the focus group discussion (FGD) method to generate and gather ideas from the informants. The informants were students that were born after 1994 in several universities in Bandung, the capital city of West Java Indonesia. Kamberelis and Dimitriadis (2005) in Onwuegbuzie (2009) stated that the using of FGD has a function to (a) capturing people’s responses in real space and time in the context of face-to-face interactions and (b) strategically ‘focusing’ interview prompts based on themes that are generated in these face-to-face interactions and that are considered particularly important to the researchers. (p. 899). Furthermore, Greenbaum (1998) mentioned that FGD data were collected and analysed mainly for market researchers to assess consumers’ attitudes and opinions. The research questions lead to the FGD constructed the questions to be discussed by the group. The discussion usually last for 1 to 2 hours (Morgan, 1997; Vaughn et al., 1996) and consists of 6 to 12 participants (Baumgartner, Strong, & Hensley, 2002; Bernard, 1995; Johnson & Christensen, 2004; Krueger, 1988, 1994, 2000; Langford, Schoenfeld, & Izzo, 2002; Morgan, 1997; Onwuegbuzie, Jiao, & Bostick, 2004).

DATA ANALYSIS AND RESULTS

Focus group data can be analysed via constant comparison analysis (Onwuegbuzie, (2009). Constant comparison analysis was developed by Glaser and Strauss (Glaser, 1978, 1992; Glaser & Strauss, 1967, Strauss, 1987). There are three major stages characterize the constant comparison analysis (Strauss & Corbin, 1998): The first step is called open coding, the data
are chunked into small units, the researcher attaches a descriptor, or code, to each of the units. Then, during the second stage (i.e., axial coding), these codes are grouped into categories. Finally, in the third and final stage (i.e., selective coding), the researcher develops one or more themes that express the content of each of the groups (Strauss & Corbin, 1998).

**IMPLICATIONS OF THE STUDY**

The managerial implications for this research were meant for the cell provider’s marketer who targeted their products to the youngsters, especially to maintain their loyalty for sustaining their business in the future.

**References**


Understanding Media Multitasking Behaviour
Implications for Marketers and Media Planners

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Extended Abstract (Developing Winning Channel Strategy by Listening to Customers)

INTRODUCTION

The media scene is evolving rapidly from one relying primarily on one medium of communication with a mass audience, to a complex system of interaction between several complementary media channels on the one end and an increasingly fragmented market on the other (Media History, 1999). This is challenging media organizations to rethink their current media mix strategies. Consumers of the new media are no longer passive, they are evolving fast into active prosumers, who not only expect to consume personalized media anywhere and anytime but also contribute to its content. Technological advances are playing a major role in accelerating these trends (Chahine et al., 2010). Such profound shifts in media consumption behaviour demand a radical change in the way information is created and presented to consumers in a form that is directly integrated it into their lives – accessible from anywhere, at any time, on multiple devices, for continuous consumption (Chahine et al., 2010, Berelowitz, 2010).

Bilton talks about the “1, 2, 10” concept, which is the idea that people consume information regardless of its form, across three different screens (Berelowitz, 2010). The numbers 1, 2 and 10 describe the distance between the consumer and the medium screen. In a typical scenario, the cell phone is about a foot away, the laptop is around two feet away, and the television is around 10 feet away. Information can also travel from one device to the next...

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with minor or no complexity at all, allowing for a converged experience. Consumers are not necessarily aware of the different screens at their disposal as they are more focused on the content and less so on the equipment itself (Osmanian Molenero, 2011).

Such developments gave rise to a new phenomenon referred to as media multitasking, particularly among the youth. Media multitasking has been described as the act of consuming two or more commercial media forms (including traditional, online, and social media) at a single point in time. It can also take place around one medium, such as a personal computer, where one is shopping online while reading the online news and instant messaging with friends (Bardhi et al., 2010).

RESEARCH GAP AND RESEARCH PROBLEM

The Middle East and North Africa (MENA) region is considered a fertile ground for the accelerating penetration of the new media. New media is not bounded by national borders and do not adhere to specific country’s regulations, offering it the power to reach and unlock the entire Arab region of around 300 million people (Chahine et al., 2010). MENA has been witnessing an unprecedented growth in the fields of communications, media and technology. Mobile penetration in several MENA countries is among the highest in the world with triple-digit penetration levels. The role that social media platforms of Twitter and Facebook played in the so-called Arab Spring has manifested the power of these communication platforms that helped in toppling some of the world’s most entrenched regimes (Ghonim, 2012). However, as opposed to developed markets, the exploitation by businesses of the new media environment in the MENA region is still at an infantile stage (Chahine et al., 2010).

RESEARCH METHODOLOGY

In the aim of understanding the evolving media consumption behaviour of young adults in MENA region, we conducted a survey based empirical study in Lebanon to assess the extent of multitasking behaviour. Results revealed that 85 per cent of respondents believed they are media multi-taskers, and 77 per cent asserted they conducted multitasking activities very frequently. Respondents seemed to customize their media consumption habits to cater to their increasingly fast paced lifestyle and convenience. They are constantly interacting with different information sources using different devices. For instance, consumers attended to news programs, mainly using Television (85 per cent); however, PC/laptops and PDA/smartphones also captured a significant portion (with 55 per cent and 35 per cent respectively), which was interestingly more than radio (19 per cent). On a typical day, television’s share of voice was mainly in the late evening and night hours; even then, respondents were not utterly focused on this medium but rather engaged in multitasking behaviour with other mediums such as laptops, smartphones, and tablets. Throughout their day, they are constantly using their laptop and mobile PDAs simultaneously. Such behaviour enables them to achieve so much more in their 24h day than time allows them to.

Convenient and mobile technologies are swiftly integrating into young consumers’ life because of their ability to provide a strong sense of control, efficiency, and engagement.
Control is perceived in terms of choosing which information to attend and the medium of exchange. Efficiency is manifested in the ease of multitasking using such technologies, enabling consumers to juggle several tasks at the same time. Engagement is described in the experience consumers live and contribute through while interacting with the medium of exchange (Bardhi et al., 2010).

**IMPLICATIONS OF THE STUDY**

We conclude by recommending a multimedia planning approach composed of traditional and new media to target and connect with consumers at the various activities of their fast paced lifestyle. Each medium carries out a certain role crucial for the success of a strong communication campaign. Some (such as TV) provide reach and scale, while others (such as online and social media platforms) provide convenience and close interaction with consumers, and allow them to manage and manipulate content the way it best suits them.

**References**


Shopper Typologies and Segmentation
A Study of Organised Retailers in Kerala

Dr Johney Johnson*

Extended Abstract (Developing Winning Channel Strategy by Listening to Customers)

INTRODUCTION
During the past one decade the retailing environment in India underwent significant transformation. The quantum of growth in various retail formats such as super markets, discount stores, hyper markets, and non-store formats such as e-tailing, direct selling and television shopping etc. has been phenomenal. Foreign retailers have also forayed into Indian market through various routes such as wholesale cash-and-carry operations, franchising, etc. With the emergence of these new formats the entire activity of retailing has become more organised, much different from the traditional formats of retailing. The term organised retailing is defined as “any retail outlet chain which is professionally managed (even if it is family run), has accounting transparency (with proper usage of MIS and accounting standards) and organised supply chain management with centralized quality control and sourcing” (Arpita Mukharjee & Nitisha Patel, 2004). This perceptible change in the environment seems to be effecting the shopping orientation of the consumer. Shopping orientation indicates the way shoppers perform their task of shopping. There is an increasing trend of Indians shopping for leisure and spending their free time in shopping malls.

A plethora of literatures exist on the studies on shopper typologies and this has contributed immensely in our knowledge about retail patronage behaviour. But none of these are perfectly comparable or generalisable across various markets and regions. One of the pioneer studies in this area was carried out by Stone (1954) who identified four types of shoppers – Economic, Personalising, Ethical and Apathetic shoppers. Stone explained that an economic
shopper typically pays more attention to merchandise assortment, price and quality. A personalizing shopper seeks personal relationships with sales people. An ethical shopper believes in supporting local stores rather than chain stores, even if it means higher prices and less variety of goods. Lastly, an apathetic shopper is one who is not interested in shopping but does shopping because of necessity.

A similar study conducted by Brown and Reid (1955) classified shoppers as Dependent, Compulsive and Individualistic. Westbrook and Black (1985) in a study on adult shoppers based on their involvement with shopping identified six shopping motivations. They are economic role enactment, choice optimizing, negotiation, affiliation and sensory stimulation-influencing shopping behaviour. Using AIO statements, Darden and Reynolds (1971) interviewed female heads of households and classified them into four groups – Economic, Personalising, Moralistic and Apathetic.

Moschis (1976) studied shopping orientations of cosmetic buyers using life-style variables (Activities, Interests and Opinions) and classified shoppers as store loyal, brand loyal, psychosocializing, name conscious, and problem solving shoppers. His findings suggested that shoppers with different shopping orientations display different communication behaviour; therefore, they have different needs and preferences for communication sources. Bellenger and Korgaonkar (1980) defined recreational shopper in terms of preferences for the use of leisure time in shopping. They identified shoppers as Recreational and economic/convenience shoppers. They also found that recreational shoppers are more likely to prefer a shopping mall or local retail stores as opposed to buying from the internet.

In a study on adult shoppers, Lesser and Hughes (1986) identified 11 type of shoppers. They were classified as Inactive, Active, Service, Traditional, Dedicated fringe, Price, Transitional, Convenience, Coupon saver, Innovator, and unclassified shoppers. Cullen (1990) studied adult shoppers and described them as Shopping affect, Economic, Apathetic and Shopping snob. Based on a study of the Internet shoppers, Donthu and Garcia (1999) classified them as convenience seekers, innovative, impulsive, variety seekers, and less risk averse. They also found that Internet shoppers are older and earn a higher income than internet non-shoppers. Donthu and Garcia (1999) also indicated that these shoppers display an orientation similar to the infomercial shoppers.

Similarly, a variety of studies have been reported examining shoppers across various formats like shopping centres, shopping malls etc. Changes in the retail environment have been accompanied by significant changes in consumers’ shopping behaviours (Balazs and Zinkhan 2003). Cross-shopping means a shopper who change his or her loyalty towards a particular retail format and switches over to different formats. Out-shopping occurs when a shopper engages in shopping outside the area in which he or she live. This phenomenon is more prevalent among youngsters (YUPPIES) who prefer to combine recreation and entertainment with shopping. Popkowski et al., 2004; in their study found that with the evolution of multi-purpose shopping trips, shoppers optimize their limited time to shop various types of product categories from various formats of retailers thus making it into one coordinated shopping excursion. This has more to do with the emergence of new retail formats like big malls and shopping centres.
RESEARCH GAP AND RESEARCH PROBLEM

There is a lack of studies that have focused on the nature of shopping behaviour exhibited in the Indian environment. Most research in this area is still proprietary in nature and hence is outside public domain. A few articles are beginning to appear in Indian journals. These articles have looked at the marketing decisions taken by the retailers/companies using point of sale (POS) data (Banerjee and Banerjee, 2000; Banerjee and Divakar, 2000). A study by Venugopal (2001) has investigated the retail business from the perspective of a retailer’s expectations from suppliers.

Rajnish Tuli and Amit Mookerjee (2004) in the study on patronage behaviour conducted on Indian rural consumers found that “Shopping activity cost” and “Product purchase cost” drives rural customers to the village shop for their immediate requirements. They also found that “Bargain” (in terms of product variety and price) and “Promotion incentives” drives the rural customer to periodic markets. Thus, the review of extant literature and the preceding discussion suggest that irrespective of the retail format or the method employed, common shopper subgroups could be found amongst the customer base of different organised retail formats.

OBJECTIVES OF THE STUDY

The present study covered two objectives regarding the typologies of consumer of organised retailers, viz. (i) to identify the relevant decision variables (factors) influencing the consumers towards an existing organised retail store; and (ii) to segment the consumers on the basis of the factors identified in the study.

RESEARCH HYPOTHESIS

Hypothesis 1: There is a significant relationship between different groups of shoppers and their purchase act at the retail store. This hypothesis has four sub hypothesis relating to the purchase act (a) quantum of purchase (b) Merchandise of the retail store, (c) Propensity to change the choice of goods after entering the retail outlet (d) Time spent at the retail outlet.

Hypothesis 2: There is a significant relationship between owning a loyalty card and a shopper group.

RESEARCH METHODOLOGY

The study is designed as a descriptive one based on primary and secondary data. The primary data required for the study have been collected from the select consumers and owners of retail outlets, through questionnaires. Keeping in mind, the various limitations in conducting such a study, it was decided to focus the study around the major players in the organised retailing sector which include food & grocery, fashion etc. This involved a field survey to all the selected organised retail stores in Kerala. Respondents were administered a structured questionnaire containing a set of statements to be measured on a Likert type scale. These statements explored and identified the various factors like store