SIXTEENTH ANNUAL
ROBERT MITTELSTAEDT DOCTORAL SYMPOSIUM
PROCEEDINGS

April 5 – 7, 2007

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ACKNOWLEDGEMENT

The Marketing Department would like to thank the Dean's Office in the College of Business Administration (and in particular Dean Cynthia Milligan) for the partial financial support for this symposium. We also thank Michelle Jacobs for all of her assistance in organizing the symposium.

ROBERT MITTELSTAEDT DOCTORAL SYMPOSIUM

Dr. Robert Mittelstaedt retired on August 31, 2002, after 29 years of contributions to the University of Nebraska-Lincoln, College of Business Administration, Marketing Department and our graduate program.

Doctoral students share a common link to Bob. He was more than a fine educator, scholar, and academic citizen. He was also their mentor, friend, counselor, and supporter. He motivated them with his insights, kindness, and countless stories. He stimulated their ideas, made them smile, and warmed their spirits. In addition, Bob and Venita opened their home and hearts to many doctoral students and gave them many forms of moral support. Bob dedicated his career to doctoral education and has served as a role model to both doctoral students and junior faculty.

Bob also introduced macromarketing theory and issues to doctoral students and inspired them, for over 40 years. He has been more than a fine educator and scholar. His insights, seminars, and dedication to the Journal of Macromarketing and Macromarketing Conferences motivated their investigations of important issues in the field, presentations at the Conferences, and publications in JMM.

Despite being retired, Bob was lured back to the department for the 2004 and 2005 fall semesters to teach doctoral seminars.

At the time of Bob’s retirement, the faculty in the Department of Marketing decided to rename the Nebraska Doctoral Symposium to the Robert Mittelstaedt Doctoral Symposium in honor of Bob’s accomplishments at the University of Nebraska-Lincoln.
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SIXTEENTH ANNUAL
ROBERT MITTELSTAEDT DOCTORAL SYMPOSIUM
DOCTORAL RESEARCH IN MARKETING
APRIL 5 – 7, 2007

THURSDAY, APRIL 5 – AFTERNOON

Guests check in at the Embassy Suites, 1040 P Street, (402) 474-1111

THURSDAY, APRIL 5– EVENING (DRESS CASUALLY)

7:30 - 10:00  Cocktail Party
            Robert & Venita Mittelstaedt home, 2000 Greenbriar Lane
            Finger-foods will be served

FRIDAY, APRIL 6 – MORNING (DRESS PROFESSIONALLY)

Breakfast available for guests staying at the Embassy Suites

7:45 – 8:00  Welcome
            Dr. Jim Gentry, Mittelstaedt Doctoral Symposium Coordinator
            Dr. John Anderson, Associate Dean, College of Business Administration
            Dr. Robert Mittelstaedt, Nathan J. Gold Distinguished Professorship in
            Marketing, Emeritus

8:00 – 8:30  Anyuan (Daniel) Shen, University of Nebraska–Lincoln
            “Sustaining Firm-Customer Dialogs: A Model of Technology-Mediated
            Personalization (TMP) and Relationship Commitment”

8:30 – 8:40  Discussant: Qiuping (Catherine) Li, University of Colorado at Boulder

8:40 – 8:50  General Discussion

8:50 – 9:00  Break

9:00 – 9:30  Tyler Bell, Oklahoma State University
            “The Performance Effects of Matching Management Control Strategy to
            Characteristics of the Salesperson”
9:30 – 9:40  Discussant: Mike Krush, University of Nebraska–Lincoln
9:40 – 9:50  General Discussion
9:50 – 10:00 Break
10:00 – 10:30 Pete Whalen, University of Oregon
   “What is the Role of Strategic Marketing Planning in New Ventures?”
10:30 – 10:40 Discussant: Eddie Nowlin, University of Nebraska–Lincoln
10:40 – 10:50 General Discussion
10:50 – 11:00 Break
11:00 – 11:30 Pelin Bicen, Texas Tech University
   “Alliance Market Orientation and New Product Development:
   Conceptualization, Antecedents, and Consequences”
11:30 – 11:40 Discussant: Namika Sagara, University of Oregon
11:40 – 11:50 General Discussion
11:50 – 1:00 Lunch at the Embassy Suites

**FRIDAY, APRIL 6 – AFTERNOON**

1:00 – 1:30 Praggyan Mohanty, University of Missouri-Columbia
   “My Jaguar is a Dog: Role of Incongruity and ‘A-ha’ Effect in Pleasure
   of the Text”
1:30 – 1:40 Discussant: Fernando Jimenez, Oklahoma State University
1:40 – 1:50 General Discussion
1:50 – 2:00 Break
2:00 – 2:30 Ze (Amy) Wang, University of Kansas
   “A Resistance to Persuasion Perspective on Couponing: The
   Unintended (Un)Desirable Effects of Unredeemed Coupons”
2:30 – 2:40 Discussant: Sabrina Sattler, Texas Tech University
2:40 – 2:50 General Discussion
2:50 – 3:00  Break

3:00 – 3:30  Doan Nguyen, University of Utah
“Hybrid Consumption: A View By Vietnamese Consumers From Wedding Windows”

3:30 – 3:40  Discussant: Julie Pennington, University of Nebraska–Lincoln

3:40 – 3:50  General Discussion

3:50 – 4:00  Break

4:00 – 4:30  Berna Devezer, Washington State University
“The Motivating Effects of Subgoal Failure”

4:30 – 4:40  Discussant: Joon Yong Seo, University of Utah

4:40 – 4:50  General Discussion

5:00 – 5:30  Faculty Panel
How to Build a Doctoral Program
Presenters from Iowa State University: Russ Laczniak, Stephen Kim, Tirthankar Roy.
Visiting Faculty: Jeff Wallman, University of Oklahoma; Joan Giese, University of Oregon; Karen Flaherty, Oklahoma State University; Murali Mantrala, University of Missouri-Columbia; Sanjay Mishra, University of Kansas; and Atanu Sinha, University of Colorado at Boulder

**FRIDAY, APRIL 6 – EVENING (DRESS CASUALLY)**

6:30 – 9:00  Evening Reception and Banquet, Embassy Suites
6:30 - Cocktails
7:00 - Banquet

9:00 – late  On your own
Saturdays, April 7 – Morning (Dress Professionally)

Breakfast available for guests staying at the Embassy Suites

9:00 – 9:30  Mark Ratchford, University of Colorado at Boulder
             “Rethinking Readiness: Development and Validation of a Reduced Form of the Technology Readiness Index (TRI)”

9:30 – 9:40  Discussant: Collin Sellman, Arizona State University

9:40 – 9:50  General Discussion

9:50 – 10:00 Break

10:00 – 10:30 Maura Scott, Arizona State University
                “Do Diet Foods Make Consumers Heavier? The Effect of Reduced Calorie Packages on the Consumption Behavior of Dieters and Non-Dieters”

10:30 – 10:40 Discussant: Yihui (Elina) Tang, University of Missouri-Columbia

10:40 – 10:50 General Discussion

10:50 – 11:00 Break

11:00 – 11:30 Tandy Chalmers, University of Arizona
                “Advertising Authenticity: Resonating Replications of Real Life”

11:30 – 11:40 Discussant: Aubrey Fowler, University of Nebraska–Lincoln

11:40 – 11:50 General Discussion

11:50 – 12:00 Closing

12:00  Box lunches will be available for those who requested them
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April 5 - 7, 2007

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SUSTAINING FIRM-CUSTOMER DIALOGS: A MODEL OF TECHNOLOGY-MEDIATED PERSONALIZATION (TMP) AND RELATIONSHIP COMMITMENT

Anyuan (Daniel) Shen, University of Nebraska–Lincoln

ABSTRACT

Recommendation agents are increasingly used to reveal individual customer preferences, personalize products and services, and build learning relationships with individual customers. How will the use of personalization technologies affect the service relationship? Will customers accept or reject technology-mediated learning relationships?

This dissertation explores relationship marketing in the context of technology-mediated personalization (TMP). Our focal interest is to understand how personalized recommendations will influence customers’ intention to stay with the incumbent service supplier. We conceptualize three dimensions of agent recommendation behavior as boundary conditions of customer relationship marketing through information technology. Relational value, trust, and switching barriers mediate personalization effects on customer relationship commitment. Customer intention to use the recommendation agent is modeled as a function of the relational value of the service firm and customer commitment to the service relationship. Empirical studies have been planned to test the model.

INTRODUCTION

1.1 Technology-Mediated Personalization (TMP)

Companies increasingly use personalization technologies (e.g., recommendation agents integrated with customer databases) to interact with individual customers, learn customer preferences, and deliver personalized products and services. For instance, TiVo, Netflix, and Amazon “remember” who you are, anticipate what you like, and are able to offer you individualized recommendations of TV programs, DVD titles, and books and music over multiple transactions. Essentially, these firms are using information technology to personalize products and services and build technology-mediated learning relationships with their customers. We refer to this marketing phenomenon as technology-mediated personalization (TMP), as opposed to service personalization through employee behavior adaptivity during interpersonal service encounters (Gwinner et al. 2005; Surprenant and Solomon 1987).

1.2 Customer Acceptance of TMP: The Problem Area of Research

TMP redefines how service firms should be related to customers. However, will customers accept this firm-initiated learning relationships mediated by technology?

One stream of marketing literature posits that information technology will enable marketers to engage individual customers in ongoing collaborative dialogs (Deighton 1996; Pine, Peppers, and Rogers 1995), maintain “organizational memory” of individual customer preferences, behavior patterns, and other characteristics (Berry 1995; Sheth and Parvatiyar 1995), and develop one-to-one “learning relationships” and high customer loyalty (Peppers and Rogers 2004; Rust, Zeithaml, and Lemon 2000).
Other researchers have noted that efforts to offer “personalization” through information technology often fall short of expectations. They may heighten privacy concerns and undermine customer trust (Evans 2003; O'Malley and Prothero 2004) rather than foster meaningful relationships (Fournier, Dobscha, and Mick 1998; Iacobucci and Hibbard 1999). Customer acceptance may critically determine whether CRM campaigns will succeed or fail (Dowling 2002; Newell 2003). Customer acceptance, however, may be constrained by certain unspecified boundary conditions (Bagossi 1995). Simonson (2005) argues that learning relationships based on individual customization may be subject to a series of constraints and therefore are highly unlikely, if not impossible.

The dissertation is intended to contribute to this expedition of customer relationship marketing through information technology. Our focal interest is to understand customer acceptance of learning relationships in the context of technology-mediated personalization (TMP). We will propose a model of TMP which addresses two specific questions:

1) Under what conditions may TMP possibly induce customer acceptance of technology-mediated learning relationships?
2) What key factors may mediate the possible effects of TMP on relationship commitment?

1.3 TMP: Theoretical and Practical Relevance

As information technology is increasingly used to serve carefully chosen, smaller market segments, or even segments of one (Kotler and Armstrong 2004; Peppers and Rogers 1993, 2001), the TMP phenomenon has become of substantial theoretical and practical interest. First, using information technologies to personalize products and services, build closer customer relationships, and secure customer loyalty is a high priority for relationship marketing research (e.g., Iacobucci and Hibbard 1999; Sheth and Parvatiyar 1995). TMP attempts and customer responses actually touch on the basic tenet of individual marketing and, therefore, are “fundamental to the marketing concept and deserve to be rigorously studied” (Simonson 2005, p. 42). Second, TMP involves technology-based service interaction and delivery and may offer a unique perspective to the research on service personalization, service technology, and loyalty. TMP attempts and practices by service firms may have a direct bearing on trust, perceived value, switching barriers, and commitment, which are customer relationship consequences of major interest to service researchers.

LITERATURE REVIEW, QUALITATIVE RESEARCH, AND THE THEORETICAL MODEL OF TMP

2.1 Literature Review

2.1.1 Research on Recommendation Agents

Current research has progressed in two directions. One stream focuses on the technical aspect of recommendation agents. Customers are assumed to have true preferences that can be approximated with adequate algorithms and statistical models. The major research concern is to find out appropriate statistical models and algorithms that will improve the predictive functionality or accuracy of recommendation agents (e.g., Ansari, Essegaier, and Kohli 2000; Ariely, Lynch, and Aparicio 2004). In another stream,
adoption of recommendation agents is an assumed antecedent. The focal interest of decision making researchers is to explore customers’ immediate, transactional responses to and consequences of using personalization decision aids such as recommendation agents. Studies have shown that the use of personalized decision aids may influence customer decision making outcomes and processes such as the amount of search for product information, the size of the consideration set, consideration set quality, purchase decision quality and price sensitivity (e.g., Diehl 2005; Diehl, Kornish, and Lynch 2003; Haubl and Thrifts 2000).

In spite of these valuable insights, seeing recommendation agents as algorithms / statistical models or as personalized decision environments offer limited illumination on how customers actually respond to TMP in the real marketing world. First, their assumptions may not hold. Customers may have no true preferences for marketers to reveal and customize to (Simonson 2005). Customer adoption of recommendation agents can hardly be taken for granted. Second, the focus on decision-making consequences (e.g., size of consideration set) may yield insights for an isolated transaction while neglecting the influence of high-order relational constructs (e.g., trust) on customer responses (West et al. 1999).

2.12 TMP: A Relational Perspective

We argue that TMP can be better understood as relationship marketing behavior. First, recommendation agents are “relational” technologies, which typically require ongoing customer collaboration to disclose customer preferences and achieve recommendation accuracy (Adomavicius and Tuzhilin 2005; Ariely et al. 2004). Second, the marketing functions of learning and customization are important relationship management instruments (Pine et al. 1995; Winer 2001) under the agendas of one-to-one marketing (Peppers and Rogers 2001), customer equity (Rust, Lemon, and Zeithaml 2004), and customer life time value (Rust, Lemon, and Zeithaml 2001). Third, customer acceptance of TMP is, fundamentally, a relationship marketing decision. A larger portion of the variability in customer responses may be accounted for by high-order, relational mental representations such as value, trust, and commitment (Garbarino and Lee 2003; West et al. 1999) than in term of transactional utility increment.

2.13 Research on Trust, Relational Value, and Switching Barriers

The trust literature provides insights into the its conceptualization (e.g., Morgan and Hunt 1994; Singh and Sirdeshmukh 2000), its relevance in the TMP service context (e.g., Garbarino and Lee 2003), its development processes (Doney and Cannon 1997), and key linkages to antecedents and consequences (e.g., Ganesan 1994; Garbarino and Johnson 1999).

The research on relational value has explored its conceptualization (e.g., Zeithaml 1988), its relevance in the TMP service context (Gwinner, Gremler, and Bitner 1998), and key linkages to antecedents and consequences (e.g., Agustin and Singh 2005; Sirdeshmukh, Singh, and Sabol 2002).
The study of switching barriers has explored its conceptualization (Bansal and Taylor 1999; Jones, Mothersbaugh, and Beatty 2002; Keaveney 1995), its relevance in online service context (Keaveney and Parhasarathy 2001), and key linkages to antecedents and consequences (Bell, Auh, and Smalley 2005; Burnham, Frels, and Mahajan 2003).

2.2 Qualitative Research

The qualitative component of the research – depth interviews (McCracken 1988; Spradley 1979) of customers who have used agent recommendation services – is designed to be a part of the iterative process of 1) confirming (or disconfirming) the dimensionalization of agent recommendation behavior (Spiggle 1994) and 2) gaining insights into how the dimensions may affect customer relationship outcomes. Specifically:

1. We theorize that agent recommendation behavior has three dimensions that may affect customer relationship outcomes. Is the dimensionalization actually supported from the viewpoints of customers?
2. We expect that, if the three-dimension theorization is supported, we will also gain insights into the antecedents, processes or outcomes of the three dimensions. How might agent recommendation dimensions influence subsequent evaluations?

The approach is appropriate because 1) methodologically, a good literature review helps the researcher define the problems and sharpens his/her capacity for expectations the data may defy (McCracken 1988, p. 31) and 2) in terms of the overall goal of the research, our focal interest in this dissertation is to understand TMP from the perspectives of customers (for procedures of the qualitative study, see 4.12).

A MODEL OF TMP AND RELATIONSHIP COMMITMENT

3.1 TMP Recommendation Behavior: Three Dimensions

What, from a customer’s point of view, are the key relational dimensions of agent recommendation behavior that may affect his/her responses to and adoption of collaborative relationship marketing through TMP? Based on our synthesis of extant literatures and the initial results of a qualitative study, we argue that recommendation accuracy, recommendation benevolence, and recommendation process value are the three key characteristics of agent recommendation behavior that may influence customer responses to TMP.

3.11 Recommendation Accuracy (RA)

Recommendation accuracy is defined as the extent to which a customer perceives that the recommendation agent closely approximates his/her own product preferences. It is a consensual belief in the marketing literature that agents should be designed to make recommendations that approximate customer preferences (Gershoff and West 1998; Iacobucci, Arabie, and Bodapati 2000): the closer the approximation, the more the customer will benefit from the adoption of recommendation agents. Benefits include reduced amount of search, increased quality of decisions, and reduced price paid (Aksoy
et al. 2006; Diehl et al. 2003). When recommendations are not related to customers’ true preferences, they become a random list of products and services available in the firm’s database and customers will benefit little from using the recommendation agents.

The initial results from our qualitative study show support for this conceptualization. Consistent with our argument, informants suggested that the accuracy dimension in agent behavior was personally relevant (depth interview quotations are left out hereinafter due to page limit).

3.12 Recommendation Benevolence (RB)

Research suggests that customers may respond differently to recommendations depending on the perceived benevolence of the recommendation behavior for a number of reasons. First, the types of websites may influence customer responses to recommendations (Senecal and Nantel 2004). Second, sellers may deliberately bias their recommendations at the cost of individual customers by restricting online shoppers’ direct access to their product databases for cross-store comparison shopping, discriminating between products on the basis of their associations (or lack thereof) with suppliers (Haubl and Thrifts 2000), or manipulating contextual influences (Cooke et al. 2002; Haubl and Murray 2003). Third, customer private information obtained through personalized interactions may render the customer vulnerable as firms may fail to provide adequate protection, share private information with business partners or sell it for profits without customer approval or knowledge.

It stands to reason that 1) customers may have concern over market efficiency and customer welfare that can be negatively affected by personalization decision aids and 2) benevolence may be a salient relational dimension of agent recommendation behavior. We therefore define recommendation benevolence as the extent to which a customer perceives that the service firm’s recommendation agent operates in order to serve the best interests of the customer.

The results from our qualitative study show support for our conceptualization. Consistent with our argument, informants suggested that the benevolence dimension in agent behavior was personally relevant.

3.13 Recommendation Process Value (RPV)

The interaction process on the TMP service interfaces may be viewed positively or negatively by customers. In Internet shopping, utilitarian shoppers may desire the customized benefit but see the customization procedures as inconveniences (Dellaert and Stremersch 2005; Huffman and Kahn 1998), whereas hedonic shoppers may enjoy both the customized outcome and the interaction processes as fun (Babin, Darden, and Griffin 1994; Wolfinbarger and Gilly 2001), participation (Simonson 2005), intrinsically exciting (Fiore, Lee, and Kunz 2004).

Similarly, we define recommendation process value as the extent to which a customer perceives that the process of using the recommendation system offers additional utilities, fun, or enjoyment, over and beyond the core benefit of obtaining accurate
product recommendations. The initial results from our qualitative study show some support for our conceptualization. Consistent with our argument, informants suggested that the process dimension in agent behavior may influence the way informants interacted with the recommendation agent. Recommendation processes may be easy and fun and therefore may positively influence the evaluations of the service firm.

3.2 Mediating Effects of Value (RVF), Trust (TF), and Switching Barriers (SB)

We have conceptualized the three dimensions of agent recommendation behavior that may affect customer relationship outcomes in TMP. What factors precede customer acceptance of and commitment to technology-mediated service relationships? Do they fully or only partially mediate the effects of agent recommendation dimensions? We argue that, in the context of technology-mediated services, relational value, trust, and switching barriers may be the key variables that fully mediate the impact of agent recommendation dimensions on customer relationship commitment and intentions to use recommendation agents.

3.2.1 The Effects of Accuracy and Process Value on Relational Value

Perceived value is defined as a customer’s perception of benefits minus costs in a service relationship (Agustin and Singh 2005; Sirdeshmukh et al. 2002). We reason that there may be three sources of relational value in technology-mediated services. First, recommendation accuracy is one major source of the instrumental or extrinsic utilities customers seek through the adoption of a recommendation agent. Second, the processes through which customers interact with recommendation agents and get personalized services may be one major source of intrinsic utilities for customers who enjoy using the recommendation services. Third, trust in the service firm may be another major source of relational value. The effect of trust on relational value has been conceptualized and empirically supported (Agustin and Singh 2005; Sirdeshmukh et al. 2002).

3.2.2 The Effects of Accuracy and Benevolence on Trust of the Service Firm

We define trust here as a customer’s confidence in the firm’s dependability to deliver quality in technology-mediated personalized services. Trust is often conceived to develop along two dimensions, performance and benevolence, and their effects upon relationship commitment may vary depending on whether the context is B2B or B2C (Ganesan 1994). Although benevolence may intuitively carry more weight in the B2C context (e.g., Dowling 2002), strong effects of performance trust have also been reported in both business-to-business and business-to-consumer contexts (Chaudhuri and Holbrook 2001; Ganesan 1994; Garbarino and Johnson 1999).

Trustworthy behavior induces trust (Sirdeshmukh et al. 2002). It stands to reason that accuracy and benevolence as dimensions of agent recommendation behavior are trust-inducing in TMP-based service relationships.

3.2.3 The Effects of Accuracy, Benevolence, Process Value, and Relational Value on Switching Barriers
Switching barriers are defined as the extent to which a customer perceives service switching to be difficult or costly due to the possible incurrence of certain economic, procedural, and psychological costs (Burnham et al. 2003; Jones et al. 2002).

Switching barriers develop along multiple dimensions (Burnham et al. 2003; Jones et al. 2002). Which dimensions of switching barriers are most relevant in technology-mediated services? It seems that uncertainty costs, pre-switching search and evaluation costs, and setup costs are pertinent to TMP. First, services tailored over multiple transactions to individual customers at a high level of accuracy and benevolence have high relational value; switching service firms are more likely to incur risks associated with an untested service supplier (uncertainty cost). Second, customization to individual preferences makes the products and services more heterogeneous and harder to compare with alternatives, thus increasing the perceived costs of search and evaluation. Third, switching to a service firm and training the firm to deliver on customers’ individual preferences will require investment of time and effort. As a result, customers may have to tolerate a period during which service quality falls below the level already achieved at the incumbent service supplier (setup costs).

Accuracy, benevolence, process value, and relational value are hypothesized to have direct impact on the perception of switching barriers. While accuracy, benevolence, and process value, and relational value may positively affect the perception of switching barriers in general, process value may reduce the perception of setup costs as a particular dimension of switching barriers because 1) customers who enjoy agent interaction processes for intrinsic pleasure may be motivated to train multiple agents and 2) customers who have better knowledge of agent technology may feel it less confusing to switch. The effect of recommendation process value on switching barriers will be hypothesized but the direction of this effect will be left to empirical exploration.

3.24 Value, Trust, Switching Barriers, and Relationship Commitment (CR)
Relationship commitment refers to the extent to which a customer has an enduring desire to continue a valued service relationship with the service firm. Because commitment contributes directly to company profitability (Reichheld and Sasser 1990; Reichheld and Schefter 2000), intensive research has been conducted on the antecedents of customer commitment to the service relationship. Three antecedents, relational value, trust, and switching barriers seem to be most relevant in the TMP service context and the linkages will be replicated without further discussion.

3.25 Intention to Use the Recommendation Agent (IUA)
We define the intention to use the recommendation agent as the extent to which a customer is willing to use the company’s recommendation agent to receive personalized services. Customers who intend to use the service firm’s recommendation agent may display distinctly favorable predispositions toward the service firm, such as higher willingness to share personal preferences and goals with the service firm, willingness to give serious consideration to the recommendations, and experiences of occasional delights and surprises due to the recommendations. Customer intention to adopt the
recommendation agent is hypothesized to be a function of his/her perceived value of and commitment to the service relationship.

### 3.3 The Model of TMP and Relationship Commitment

In previous sections, we have argued that: 1) Agent recommendation behavior has three related but distinct dimensions that may influence relationship commitment: recommendation accuracy, recommendation benevolence, and recommendation process value; 2) The variables that fully mediate personalization effects of the three dimensions are relational value, trust of the service firm, and switching barriers; 3) Customer commitment to the service relationship is determined by relational value, trust of the service firm, and perceived switching barriers and 4) Customer intention to use the recommendation agent is a function of customer perceived value of and commitment to the service relationship.

We now summarized our discussion in the Model of TMP and Relationship Commitment (see Figure 1) and in the following falsifiable research hypotheses:

**Figure 1 The Model of TMP and Relationship Commitment**

![Diagram](image)

- **H1a:** Recommendation accuracy will be positively related to perceived relational value.
- **H1b:** Recommendation process value will be positively related to perceived relational value.
- **H2a:** Recommendation accuracy will positively affect customer trust of the service firm.
- **H2b:** Recommendation benevolence will positively affect customer trust of the service firm.
H3: *Customer trust of the service firm will positively influence the perceived value of the service relationship.*

H4a: *Recommendation accuracy will be positively associated with customer perceived switching barriers.*

H4b: *Recommendation benevolence will be positively associated with customer perceived switching barriers.*

H4c: *Recommendation process value will influence customer perceived switching barrier, but the direction of this influence is undetermined.*

H4d: *Perceived relational value will be positively associated with customer perceived switching behavior.*

H5a: *Customer trust of the service firm will be positively related to customer commitment to the service relationship.*

H5b: *Perceived relational value will be positively related to customer commitment to the service relationship.*

H5c: *Perceived switching barriers will be positively related to customer commitment to the service relationship.*

H6a: *Customer commitment to the service relationship will positively influence the intention to use the recommendation agent.*

H6b: *Perceived relational value will positively influence customer intention to use the recommendation agent.*

**RESEARCH METHODOLOGY**

We will now discuss the research methods used to gain additional insights into the dimensions of agent recommendation behavior and test the research hypotheses as proposed in the model.

**4.1 A Qualitative Study: Depth Interviews**

*4.11 Purpose, objectives, and appropriateness of the method (see 2.2).*

*4.12 Data Collection and Analysis Procedures*

A purposive sample of 22 customers who have accessed commercial recommendation systems will be located through social connections and recruitment emails. A semi-structured questionnaire will be developed for depth interviews each lasting an average of 50 minutes. When informants have given an account of his/her experience, we will then proceed to probe for more details and their actual or prospective responses. Before each interview, the informant will be given an IRB-approved informed consent to sign and be promised a payment of $10 for participation. Names and other identifying information of informants will be replaced to ensure anonymity.
<table>
<thead>
<tr>
<th>Informant</th>
<th>Gender</th>
<th>Age</th>
<th>Length of service relationship with the firm(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janet</td>
<td>F</td>
<td>&gt;66</td>
<td>1 transaction with Alibris 3 years ago; Many years with JC Penny</td>
</tr>
<tr>
<td>Betty</td>
<td>F</td>
<td>&lt;25</td>
<td>6 years with Amazon.com</td>
</tr>
<tr>
<td>Ann</td>
<td>F</td>
<td>46-55</td>
<td>5 years with Lancome</td>
</tr>
<tr>
<td>Ted</td>
<td>M</td>
<td>&gt;66</td>
<td>5 years with Amazon.com</td>
</tr>
<tr>
<td>Edward</td>
<td>M</td>
<td>36-45</td>
<td>17 years with Major Investment Company (MI)</td>
</tr>
<tr>
<td>Tom</td>
<td>M</td>
<td>36-45</td>
<td>1 year with Tire Rack; 3 years with BMG Music</td>
</tr>
<tr>
<td>Kathy</td>
<td>F</td>
<td>&lt;25</td>
<td>3 to 5 years with Clinique brands</td>
</tr>
<tr>
<td>Lucy</td>
<td>F</td>
<td>&lt;25</td>
<td>6 years with Amazon.com</td>
</tr>
<tr>
<td>Sarah</td>
<td>F</td>
<td>&lt;25</td>
<td>6 years with Fastweb.com</td>
</tr>
<tr>
<td>Rose</td>
<td>F</td>
<td>&gt;66</td>
<td>10 years with Catherine’s</td>
</tr>
<tr>
<td>Sam</td>
<td>M</td>
<td>&lt;25</td>
<td>2.5 years with Sprint</td>
</tr>
<tr>
<td>Nick</td>
<td>M</td>
<td>36-45</td>
<td>4 years with Amazon.com; 1 year with Circuit City</td>
</tr>
</tbody>
</table>

For the 12 informants already interviewed (out of the target size of 22, see Table 1), each interview was tape-recorded and then transcribed to text format. We obtained a total of 141 pages or 59,333 words. We will stick to the same practice for the rest of the sample. The directions for qualitative data analysis and interpretation (Spiggle 1994) will be followed. Two researchers will independently read all transcripts carefully to 1) identify individual cases of TMP; 2) for each identified TMP case, agent recommendation behavior as reported by the informant will then be coded as statements of recommendation accuracy, recommendation benevolence, and recommendation process value respectively; 3) codings that fall within the same category will be grouped to reveal patterns in the domains of each dimension. Evaluative responses to each dimension will also be explored. Differences in classification at each of the three steps will be settled through discussion.
4.2 A Cross-Sectional Survey

4.21 Purpose of the Study

The survey study is designed to test the structural model as proposed in the Model of TMP and Relationship Continuity.

4.22 Research Design

Sampling. Our target population will be customers who subscribe to the service of a service firm that practices TMP and have accessed its agent-generated personalized recommendations. We will sample from customers of TiVo, iTune, Netflix, and Amazon.com who have accessed their online recommendations at least three times in the past six months.

We plan to use two samples, a local sample and a national sample. The local sample will be drawn from qualified customers in a Midwestern city, using 1) snowball sampling within social networks and 2) by approaching organizations (colleges or departments of a major university, state or city government offices, churches, and professional associations). The national sample will be drawn from a list of qualified customers obtained from the service firms (e.g., Netflix, Amazon.com, or TiVo) or through reputable market research companies (e.g., Gallup, Knowledge Networks). Incentives for participation will be offered to organizations for the local sample and to individuals for the national sample.

Following the recommendations for SEM analysis (Anderson and Gerbing 1988; Kline 2005) and the practices of published marketing research (e.g., Agustin and Singh 2005; Sirdeshmukh et al. 2002), each sample should exceed 150 and the aggregated sample size should amount to approximately 300.

Measurement Development. Measurements will be developed for new constructs or adapted from validated scales for constructs established in the marketing literature. Measurement development procedures (Churchill 1979; Peter 1979) will be followed to ensure scale reliability, unidimensionality, and construct validity.

Based on literature review and the insights gained in depth interviews, we have generated six to nine items for the scale of each new construct (RA, RB, RPV, and IUA). The scales for relational value of the firm (RVF) and trust of the service firm (TF) will be adapted from Sirdeshmukh et al. (2002). The scale for switching barriers (SB) will be adapted from Jones, Mothersbaugh, and Beatty (2002). The scale for commitment to the service relationship (CR) will be adapted from Morgan and Hunt (1994).

In developing the measurement scales of the questionnaire, we will also ensure that 1) each Likert-scale measurement will consist of at least one reverse-coded item to allow the testing of acquiescence bias because the yea-saying, effort-saving tendencies of respondents may be detected and modeled through reverse-coded items; 2) we will distribute the initial draft questionnaire to a group of marketing professors and conduct two focus groups among undergraduate student customers of TiVo, Netflix, Amazon, and iTune to pretest and refine the questionnaire; 3) we will pretest the questionnaire in a
A group of 100 customers. The pretest survey sample will not be included in the final data set. Following recommended procedures (Anderson and Gerbing 1988; Churchill 1979; Gerbing and Anderson 1988), EFA, Cronbach’s alpha, and CFA will be performed to refine the scales on unidimensionality, reliability, and construct validity (convergent and discriminant validity).

Survey Procedures. The survey will be conducted electronically. Each participant will receive a personalized email with a link to the survey website. By clicking on the link, the participant will be directed to the survey website to log on with their email address. The survey consists of a personalized Cover Letter, the Informed Consent, and the Survey Questionnaire with approximately 60 items. Participants go through the three steps until they complete the questionnaire and press the button to submit.

Method of Analysis. Respondents will be analyzed by selected demographic (e.g., age), psychographic (e.g., technology savvy), and behavioral (e.g., frequency of use) variables to obtain descriptive statistics of their distribution within respondents, between respondents and non-respondents, between early respondents and late respondents, and their distribution in terms of measured constructs.

Data will be screened and then analyzed with procedures of EFA, Cronbach’s alpha, and CFA to ensure scale unidimensionality, reliability, and construct validity. Then the data will be ready for final analysis with SEM procedures (mainly by using the Mplus software package). To try to account for the effect of single source data, a common method factor which loads on all other factors will be included in the SEM model.

CONTRIBUTION OF THE RESEARCH

Personalization through information technology has become an increasingly affordable and popular strategy option for service firms to manage ongoing customer relationships. However, knowledge is sparse of its customer relationship consequences. As such, the research on TMP acceptance is theoretically relevant and practically meaningful (also see Section 1.3).

5.1 Theoretical Contribution

Customer acceptance of learning relationships is a theoretically important question in relationship marketing. Our research contributes to the discussion by carving out the boundary conditions and mediating variables of technology-mediated learning relationships. Customer acceptance is more likely when agents are characterized by high accuracy, benevolence, and process value in making personalized recommendation. Personlization effects on relationship commitment is mediated by trust, relational value, and switching barriers.

Consistent to the call for a shift from the interpersonal paradigm to the technological paradigm of service research (Bitner, Brown, and Meuter 2000; Parasuraman 1996), the notion of technology-mediated personalization (TMP) may extend the knowledge boundaries of 1) service personalization, which focuses on the behavioral adaptivity of service employees, neglecting the role of personalization
technologies and 2) service technologies, which traditionally refers to interface self-service technologies, not databases as “organizational memories.”

5.2 Managerial Implications

Service providers are often in a unique position to learn about the customer from repeated interactions. Each interaction is an opportunity to discover more about the customer’s needs, preference, and goals, and to use that knowledge to provide personalized services in ways that a competitor would never think of. Successful personalization should lead to greater trust, relational value, and switching barriers, which are the building blocks of a good service relationship and customer loyalty.

The Model of TMP, if empirically validated, may offer insights or surprises to service firms that have vested stakes in technology-mediated customer relationship management strategies. First, the three dimensions may vary in the strength of their effects on relationship commitment. If, for example, recommendation benevolence demonstrates a significantly stronger effect than recommendation accuracy, the exclusive focus on anticipating customer preferences (e.g., Amazon.com) may be inadequate use of management resources. Second, the dimensions may have non-linear effects on relationship commitment. If, for instance, the benevolence dimension is found to have a strong negative effect when it is low, a null effect when it is medium, but a strong positive effect when it is high, management may need to monitor the level of perceived recommendation benevolence to effectively manage the personalization effects. Third, the mediating variables provide an opportunity to identify predictors of stronger effects. For instance, if relational value predicts commitment much better than switching barriers, the assumption that learning relationships should be focused on building switching barriers may be misdirected.
REFERENCES


THE PERFORMANCE EFFECTS OF MATCHING MANAGEMENT CONTROL STRATEGY TO CHARACTERISTICS OF THE SALESPERSON

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As organizations become increasingly focused on meeting customer needs, the pivotal role of frontline sales professionals has come to the forefront. Effectively managing these employees and their boundary spanning experiences is a critical task (Johlke, Stamper, and Shoemaker 2001). Control is undeniably one of the most important determinants of the effective management of sales professionals. Management controls are the primary means used by organizations to align employee goals and to reduce employee opportunism (Hoskisson and Hitt 1988, Merchant 1985). Controls signal to employees the types of activity that are valued as well as the results that are expected by the organization (Floyd and Lane 2000).

Researchers have extensively studied the influence of control on various employee outcomes. For example, Jaworski and Kohli (1991), Ramaswami (1996), and Agarwal (1999) have examined the impact that control has on job tension and job satisfaction. The impact of management control on teamwork and adaptive selling (e.g., Oliver and Anderson 1994, Baldauf, Cravens, and Piercy 2001) has also been studied. Oliver and Anderson (1994) and Cravens et al. (1993) have also considered the influence of control systems on such outcomes as expertise, competence, motivation and performance. Results of the research studying the direct relationship between control systems (e.g., behavioral and output) and performance, however, are equivocal (e.g., Challagalla and Shervani 1996, Joshi and Randall 2001). For example, Cravens et al. (1993) find significant effects of behavioral control on both behavioral and output-based performance measures. Other studies report a significant relationship between behavioral control systems and behavioral performance, but not output (Oliver and Anderson 1994; Babakus et al. 1996; Baldauf, Cravens, and Piercy 2001). Jaworski, Stathakopoulos, and Krishnan (1993) report a significant positive relationship between output control and job performance. Oliver and Anderson (1994), however, report no significant relationship between output control and performance.

Perhaps in response to inconsistent findings, researchers have begun to question the plausibility that control systems exert a direct effect on performance, suggesting instead that it is the fit between control and other conditions that influences performance. In this vein, several studies have attempted to identify factors that interact with control to influence performance. For instance, Atuahene-Gima and Li (2002) tested the interaction between the salesperson’s trust in the supervisor and control. Their results indicate that output control strengthened the positive impact of trust on performance for the Chinese sample, but not for the US sample. The interaction between trust and process controls was not significant. Jaworski et al. (1993) tested the interaction between SBU characteristics and sales controls but did not obtain significant results. Jaworski and MacInnis (1989) and Ramaswami (1996) tested interaction effects of both procedural knowledge with sales control and performance documentation with sales control but also did not find significant results on performance. Fang, Evans, and Zou (2005) tested the moderating effects of goal-setting characteristics on the relationship between control and
performance and found that levels of goal difficulty and goal specificity are significant moderators.

The majority of this extant research has studied the fit between control and either other organizational variables, task variables, or environmental variables. The goal of the current research is to extend this work by considering the fit between control systems and characteristics of the person toward whom the control is being directed. I begin by providing an examination of the effects of three important person-related characteristics—the salesperson's customer mind-set, job mind-set, and company mind-set—on the salesperson’s performance. To operationalize these concepts, I rely on traditional constructs from the literature including customer orientation to capture customer mind-set, job involvement to capture job mind-set, and commitment to the company to capture company mind-set. Then, based on fit theory, I study sales controls as a boundary condition for these effects. I argue that the person and the situation will interact to affect the person’s behavior (Nadler and Tushman 1980). Thus, I consider the interactions between process and output controls and the salesperson’s customer orientation, job involvement, and commitment to the company (Refer to Figure 1).

The remainder of this paper is outlined as follows: First, I review control strategy, fit theory and other research that is relevant to the study. Second, I develop hypotheses pertaining to the effects of fit between the three salesperson mind-set constructs and process and output controls on performance. Third, I describe the methods and results of the survey. Finally, I discuss the managerial and research implications of the results.

**CONCEPTUAL DEVELOPMENT**

Management control is generally defined as systems for influencing and coordinating human endeavor within the firm (Flamholtz, Das, and Tsui 1985; Langfield-Smith 1997). Examples include planning systems, budgeting systems, career planning systems, and project monitoring systems (Marginson 2002). Past research in management control has focused a great deal on formal management control systems including both process (activity or behavior-based) and output (direct or volume-based) control (Jaworski 1988, Oliver and Anderson 1994, Cravens et al. 1993). Process-based control is defined as the extent to which sales managers monitor, direct, evaluate, and reward work activities. Output-based control is defined as the extent to which sales managers monitor, direct, evaluate, and reward sales outcomes. When following a process-based control system, managers position themselves more closely to the salesperson (Piercy, Cravens, and Lane 2001). When following an outcome system, salespeople are controlled mostly by incentive compensation; focus is placed solely on the outcome achieved rather than the activities or processes carried out in an effort to achieve the outcome (Cravens et al. 1993).

According to past research on Person-Organization (P-O) fit, employees generally prefer to work for organizations that are compatible with their own preferences (e.g., Kristof 1996, Schneider 1987). Further, employees are more likely to leave organizations that they do not fit (Schneider, Goldstein, and Smith 1995). To the extent that employees
differ in preferences, values, and personalities, their reactions to various organizational practices should also differ (Barber and Bretz 2000). Management control is an important organizational practice because it has the potential to signal or symbolize the organization’s culture and values (Kerr and Slocum 1987). I argue that no one particular type of control is better or worse than another (i.e., there is no one “best practice”). Instead control must fit with the person’s preferences, values, personalities, etc. In the following section, I develop person-control fit hypotheses; however, prior to doing so I describe the three person-related constructs under investigation, and consider their potential direct effects on salesperson job performance.

Customer Orientation

The first person-related construct that I examine is customer orientation. Researchers have pointed out the importance of investigating the marketing concept at an individual level (Saxe and Weitz 1982; Brown, Mowen, Donavan, and Licata 2002; Kennedy, Lassk, and Goolsby 2002). These researchers suggest that employees may differ in how they generally feel about satisfying and helping their customers. Saxe and Weitz (1982) initially defined customer orientation as the extent to which a salesperson tries to help customers make purchase decisions that satisfy their needs. Kennedy, Lassk, and Goolsby (2002, p. 161) defined customer mind-set as an “individual’s belief that understanding and satisfying customers, whether internal or external to the organization, is central to the proper execution of his or her job.” More recently, Brown, Mowen, Donavan, and Licata (2002, p.111) defined customer orientation as a surface-level personality trait representing the “employee’s tendency or predisposition to meet customer needs in an on-the-job context.” Results of past research indicate that service worker customer orientation has important effects on performance (Brown, Mowen, Donavan, and Licata 2002), satisfaction and commitment (Donavan, Brown, and Mowen 2004). Consistent with this research, I expect that:

H₁: Sales professional customer orientation will have a positive influence on sales performance.

Job Involvement

The second person-related construct that I consider is job involvement. I acknowledge that sales professionals also have the potential to vary in how they feel about their jobs. Job involvement is defined as the level of psychological identification that an individual feels toward his/her job (Kanungo 1982). Job involvement represents the degree to which the individual accepts that his or her work is good, worthwhile, and important to the self concept (Lodahl and Kejner 1965). Past research clearly indicates that job involvement is a relevant antecedent of job performance (Carmeli and Freund 2004; Holmes and Srivastava 2002; Diefendorff et al. 2002). Consistent with this research, I hypothesize the following:

H₂: Sales professional job involvement will have a positive influence on sales performance.
Commitment to the Company

The final construct that I consider is the sales professional’s commitment to the company, or organizational commitment. Organizational commitment is defined as an individual’s attachment to his or her organization, and is reflected in the strength of his or her identification and involvement with the organization (Jaramillo, Mulki, and Solomon 2006). Past studies indicate that organizational commitment leads to improved job performance. For example, organizational commitment has been found to increase service recovery performance (Seggie and Ashill 2006) and salesperson performance (Brett, Cron, and Slocum 1995; Jaramillo, Mulki, and Solomon 2006). Consistent with these studies, I hypothesize the following:

H3: Sales professional commitment to the company will have a positive influence on sales performance.

Person-Control Fit

Based on P-O fit theory, I suggest that the performance of customer-oriented sales professionals will be enhanced when greater process control is implemented. Workers who exhibit a customer mind-set feel that understanding and satisfying customers is an essential part of executing the job (Kennedy, Lassk, and Goolsby 2002), which indicates that customer-oriented workers focus more on processes (such as interacting with customers and building relationships) than sales outputs. Controls signal to employees the activities that are valued as well as the results that are expected by the organization (Floyd and Lane 2000). Thus, the implementation of process control will signal to sales professionals that it is indeed the processes, and not the outputs, that are important to the organization. Therefore, a customer-oriented salesperson who perceives that the organization emphasizes processes will likely perceive a high level of P-O fit because they too focus on processes. P-O fit has been shown to positively impact performance (Westerman and Vanka 2005) as well as other constructs such as job satisfaction (Kristof 1996, Schneider 1987) that lead to performance. Therefore, I expect customer-oriented sales professionals to perform well on the job, particularly when process control systems are implemented.

Sales professionals who exhibit high job involvement view the job as a central part of their lives. Job involvement is measured by items such as “The most important things that happen to me involve my present job” and “Most of my interests are centered around my job” (Kanungo 1982). I suggest that an employee who values his or her job so deeply that it becomes central to life is expected to place a high level of importance and emphasis on the day-to-day job processes rather than simply the outcomes of the job. Therefore, when process control is implemented (which signals to the employees that process is important to the organization), I expect sales employees who rate high on job involvement will perceive high P-O fit and will consequently reach a high level of performance.

Similarly, sales professionals who are committed to the company feel a sense of belonging and derive a great deal of personal meaning from the organization (instead of from the job as in the case of high job involvement). I suggest that individuals who are
highly committed to the organization will value the day-to-day processes that are emphasized by the organization, as they derive personal meaning from their commitment to the company on a daily basis. Additionally, I expect that workers who are committed to the company will enjoy working closely with managers. As noted previously, when following a process-based control system, managers position themselves more closely to the salesperson (Piercy, Cravens, and Lane 2001). Because of the aforementioned reasons, I suggest that a sales professional who is committed to his or her company is going to perceive P-O fit when process control is implemented. As a result, he or she is expected to perform well on the job.

Because of the expected perceptions of high P-O fit for workers who are customer oriented, involved in their jobs, and committed to the company, it is expected that the use of process control will moderate the relationship of these constructs on performance such that:

H₄: The positive influence of sales professional (a) customer orientation, (b) job involvement, and (c) commitment to the company on sales performance will be strengthened when more process control is implemented.

Conversely, I propose that the expected positive impact of being customer oriented on performance will not be fully realized if greater output control is implemented. Output control is concerned with the monitoring of performance goals and results, rather than the processes used to attain results. As previously noted, sales professionals who are high in customer orientation, job involvement, or organizational commitment are expected to value daily processes more than the results of the job. Therefore, I suggest that the use of output control will signal to employees that results are more important to the organization than processes, resulting in low perceived P-O fit. Consistent with previous research, low P-O fit should lead to poor performance. Thus, I propose that the use of output control will moderate the relationship between the three individual constructs and performance such that:

H₅: The positive influence of sales professional (a) customer orientation, (b) job involvement, and (c) commitment to the company on sales performance will be weakened when more output control is implemented.

METHOD

Regional managers of a large furniture manufacturer were contacted for the study and asked to provide a list of customer contact personnel from multiple corporate locations spread across five states. Questionnaires were then sent to the personnel who were identified. One-hundred and eighty-three subjects returned usable questionnaires. Each subject responded to items on 7-point Likert scales anchored by “Strongly Disagree” and “Strongly Agree.” All constructs used in the study were measured with scales from extant literature, including customer orientation (Brown, Mowen, Donavan, and Licata 2002), job involvement (Kanungo 1982), affective organizational commitment (Gruen, Summers, and Acito 2000), process control and output control (Ramaswami 1996), and self-rated sales performance (Babin and Boles 1996; Oliver and Anderson
Each of the scales were chosen following a literature review to identify commonly used scales for each construct. Each scale then passed a face validity assessment during which each of the items were reviewed to check whether the scales actually operationalize the constructs as intended for this study.

**Data Analysis and Results**

To test Hypothesis 1, a multiple linear regression model with output control, process control, and customer orientation as independent variables and sales performance as the dependent variable was assessed. As predicted in H1, the results indicate that customer orientation has a significant positive influence on sales performance ($t = 4.989$, $p < .001$).

Hypothesis 2 was tested with a multiple linear regression model with output control, process control, and job involvement as independent variables and sales performance as the dependent variable. The results of the analysis indicate that job involvement has a significant positive effect on sales performance ($t = 2.948$, $p < .005$), supporting H2.

Hypothesis 3 was tested with a multiple linear regression model with output control, process control, and commitment to the company as independent variables and sales performance as the dependent variable. The results indicate that commitment to the company has a significant positive influence on sales performance ($t = 3.543$, $p = .001$), providing support for H3. The findings of Hypotheses 1-3 replicate previous results that have indicated a direct effect of customer orientation, job involvement, and commitment to the company on performance.

Hypotheses 4 and 5 predicted an interaction effect between individual variables (customer orientation, job involvement, and organizational commitment) and organizational control systems (process control and output control). Consistent with Baron and Kenny’s (1986) suggested test for moderation, Hypotheses 4a and 5a were tested by adding two interaction terms (customer orientation x process control, customer orientation x output control) to the regression model used to assess H1. The results indicate a positive interaction (significant at $p < .10$) of customer orientation and process control on sales performance ($t = 1.907$, $p = .058$), providing marginal support for H4a. H5a was supported by the findings which indicate a significant negative interaction between customer orientation and output control ($t = -3.485$, $p = .001$).

Similarly, for Hypotheses 4b and 5b, two interaction terms (job involvement x process control, job involvement x output control) were added to the regression model used to test H2. The test of the proposed positive interaction between job involvement and process control on sales performance was not significant ($t = 1.601$, $p = .112$), failing to support H4b. While the results of this test did not reach significance, it is interesting to note that the regression coefficient of the interaction term was positive as predicted. H5b was supported by the findings which indicate a significant negative interaction between job involvement and output control ($t = -2.296$, $p = .023$).
To test Hypotheses 4c and 5c, two interaction terms (commitment to the company x process control, commitment to the company x output control) were added to the regression model used to test H3. The test of the proposed positive interaction between commitment to the company and process control on sales performance was significant at p < .10 (t = 1.894, p = .060), providing marginal support for H4c. H5c was also supported by the findings which indicate a negative interaction (significant at p < .10) between commitment to the company and output control (t = -1.876, p = .063).

MANAGERIAL IMPLICATIONS

Sales managers often have to make difficult decisions regarding the implementation of control systems. A question of obvious value to managers, therefore, is whether process control systems are more or less effective than output control systems. I argue, as the equivocal results of previous research suggest, that there is no easy answer to this question. In other words, no one particular type of control is universally better or worse than another. Instead, control must fit with the person’s preferences, values, personalities, etc. The results of the current study seem to suggest that there is some merit to this argument.

Sales managers can use the idea of matching person and control to determine which type of control system is most appropriate for their particular employees. Employees can be surveyed to determine where they rate on key variables (such as customer orientation, job involvement, commitment to the company, and perhaps others) that interact with certain control systems to increase or decrease performance. By understanding that the fit of the control systems is essential to their success, managers might even be able to make judgment calls, without the use of surveys, as to which type of control will best match the preferences, values, and personalities of their employees. Some organizations or work teams may even find that it is more effective to establish the appropriate control system on an individual basis (i.e. process control for some employees and output control for others) rather than using one control type throughout the SBU.

Another implication of interest to sales managers lies in the areas of hiring and training practices. Once control systems are in place, managers can benefit from hiring employees that will fit well with the chosen system. Again, this approach could either involve the use of surveys to assess where job candidates rate on key variables or simply judgment calls made by the interviewer or those in charge of hiring. Additionally, training programs that help to align the values, goals, and preferences of employees with those of the SBU may be useful in improving the effects of control systems. Drawing on the results of this study, an organization that emphasizes and rewards processes over outputs can potentially use training to increase the customer orientation, job involvement, and commitment to the company of its workers in order to enhance perceived P-O fit and job performance.
IMPLICATIONS FOR FUTURE RESEARCH

The current study extends the research on the fit between control and either other organizational variables, task variables, or environmental variables by considering the fit between control systems and characteristics of the person toward whom the control is being directed. I chose to focus on three individual variables in particular (customer orientation, job involvement, and commitment to the company) that potentially interact with control systems on job performance. Future research in this area should possibly test for interaction effects between other individual characteristics and control types. While my study generally found that process control was more effective with the three individual characteristics studied, I suggest that there are other types of individuals who will perceive fit and perform better in the presence of output control. Thus, another avenue of future research is to identify employee characteristics that fit an output control approach.

As noted previously, researchers have begun to examine the interactions between situational variables and control systems. However, there are still numerous situational or organizational characteristics that should be examined in future studies regarding control systems. Additionally, more research into training programs that could potentially improve P-O fit by altering employee characteristics (and thus enhancing the effects of the implemented control system) is warranted. Of particular interest in this area is whether training can endurably alter the key employee characteristics that are important to the effectiveness of control systems as opposed to simply changing behavior in the short-run. Finally, one potential limitation of the current study is that job performance was self-rated by respondents. Future researchers should consider instead testing the person-control interaction on performance measures that are either objective or supervisor-rated to see if the results of the current study are replicated.
Figure 1. Conceptual Framework

Customer Orientation

Job Involvement

Commitment to the Company

Sales Controls
* Output
* Process

Sales Performance
REFERENCES


WHAT IS THE ROLE OF STRATEGIC MARKETING PLANNING IN NEW VENTURES?

Pete Whalen, University of Oregon

ABSTRACT

Marketing planning is reviewed. Although the literature seems to suggest a ubiquitous approach, marketing planning’s purposes and corresponding components each have an associated typology. Based on Greiner’s (1972) model of organizational development, new ventures, or Creative Phase (I) companies, are examined. An exploratory study confirms the relevance of the expanded typology and shows that these businesses are open to formal planning but must work to keep the plan current and open to market influences.

INTRODUCTION

When asked about what role, if any, marketing planning had in their success, three technology entrepreneurs denied using planning processes to orchestrate their triumphant business divestiture. The company, started by these twenty-somethings, had recently been acquired by one of the nation’s largest technology companies.

“We didn’t have time to plan. The three of us met every week to make sure that we were on the same page and then we trusted each other to do our jobs. Our industry is moving too quickly to really plan. Instead we try to be flexible and react.”

Did they really achieve levels of market and financial success worthy of acquisition without marketing planning? Not likely. Instead they simply did not create a formal written marketing plan. Although the core process of planning provides universal value, different situations call for plans of differing formality and sophistication. However, the marketing literature seems to promote a ubiquitous plan applicable to businesses of all sizes and contexts. More understanding of the role of marketing planning in new ventures is needed.

Firms that plan before they begin to market their new venture or contact future customers outlast firms that do not (Shane & Delmar, 2003). The planning performance link has been well established throughout marketing and management literature (Herold, 1972; Wood and LaForge, 1979; Claycomb et al., 2000). Thune and House (1970) demonstrated that not only did formal planners outperform non-planners, but they also showed that the same firms improved their own performance after formal planning was adopted. Meta-analyses reviewed the initial wave of research, and again, reported a positive and significant benefit due to planning (Schwenk and Shrader, 1993). Brews and Hunt (1999) note that advanced methodologies have produced stronger planning/performance relationships and have silenced many of the critics who insisted there might be a correlation rather than a causal relationship between planning and performance.
Too often, the literature appears to treat marketing planning as a ubiquitous solution for all businesses. McDonald observes that, “academics have, in general, been guilty of a gross over-simplification of a subject which has an infinite number of contextual ramifications” (1996, p. 11). Although there is a slight distinction between formality (written or unwritten) and sophistication of plans (Rue and Ibrahim, 1998), very few distinctions between types of marketing plans exist. Dennis and Macaulay (2003) note that too many models of strategic marketing planning prescribe a rigid, formal process with very little flexibility for implementation. Piercy and Morgan (1990) were among the first to criticize formal planning procedures and advocate the creation of a more complete view of process. Their work directly led to Greenley and Bayus’s (1994) attempt at classifying different marketing processes of decision making.

There is also evidence to suggest that it is performance that requires and leads to planning. This is an important distinction in the sequence of causality. Firms must reach a critical mass of performance that necessitates planning. Sequence matters. This brings up an interesting void in the understanding of how marketing practice and planning should be prescribed to new or very young firms. It seems that business planning is important before launch and at a certain point of successful maturity, but what form of planning or marketing practice should be utilized between these two milestones? What then are new and young firm’s supposed to do in place of traditional marketing planning until they emerge as a viable entity, complicated and large enough to take advantage of the multitude of business processes designed for firms of a certain critical mass?

The purpose of this paper is to consider the role of marketing planning in new ventures before they reach this critical mass. The paper will review the literature regarding marketing planning. Based on the identification of the major components of planning, additional literature is considered to present a typology of each component. Greiner’s classic life cycles framework is also reviewed to identify the specific lifecycle phase that creates the parameters for investigating the critical mass construct. An exploratory study is then introduced to gather basic understanding of current practice and perceptions of marketing planning.

**MARKETING PLANNING**

“Marketing planning is the logical sequence of activities which leads to the setting of marketing objectives and the formulation of plans to achieve them (McDonald 1989, p. 2).” To better understand marketing planning the three primary aspects of this definition are considered independently.

The first aspect of the definition to consider is the sequential aspect of marketing planning. Marketing is a process with no beginning or end. However, the discussion on how to incorporate marketing planning into practice must begin somewhere. This has led to the creation of linear outlines and step by step instructions. However, experienced planners recognize that the planning process is anything but linear because of its complex integration. New discoveries and decisions within the planning process inevitably lead to additions and reviews of previous planning reports. Important questions regarding the
sequence of marketing planning include: when and what type of planning should be used by growing firms?

The second aspect of the marketing planning definition includes the setting of objectives. Although marketing plans and the process for generating those plans differ in degrees of formality and sophistication, the objectives are generally the same (Dibb, 2002; McDonald, 1989) and include:

1. **Situational Analysis** - Using marketing research to evaluate the internal and external environment in order to set objectives congruent with long term goals of the organization
2. **Strategy** - Exploiting competitive advantages and minimizing threats
3. **Marketing Management** - Creating an implementation schedule to determine budgets, provide a roadmap for carrying out the marketing strategy and communicate the marketing intentions throughout the organization
4. **Learning** - Increasing learning and providing a control mechanism

The third aspect of the marketing planning definition deals with strategy formulation. Strategy has been defined as, “the match an organization makes between its internal resources and skills…and the opportunities and risks created by its external environment (Grant, 1991, p. 114).” Smith (2005) distinguishes between macrocongruence, aligning your strategy with the external environment and microcongruence, aligning your strategy with the internal environment. Bicongruence, simultaneously aligning the external and internal environments, is necessary for successful strategy formulation.

Smith (2005) reviews the literature on marketing planning and notes a predictable pattern of phenomenon assertion (i.e. marketing planning improves performance), counter assertion (i.e. we can’t prove that marketing planning improves performance) and then a slightly qualified consensus (i.e. marketing planning improves performance in most cases).

The assertion that marketing planning improves performance was most notably launched by Thume and House (1970). They surveyed ninety-two large firms of varying industries and captured five measures of financial performance. Their results showed that increased formal planning processes led to greater increases in performance than did informal planning processes. Herold (1972) investigated five pairs of rival firms for performance/planning relationships. Over a seven year period, the formal planners extended their lead over informal planners. These early studies were bolstered by the inclusion of attitudes towards planning by top decision makers. Eastlack and McDonald (1970) surveyed two hundred and eleven CEOs and found that firms whose CEOs valued formal planning outgrew firms whose CEOs did not.

The empirical support of the first generation of strategic planning research led to questions of applicability. Armstrong (1982) reviewed fifteen studies and found that ten supported formal planning’s positive influence on financial performance, three supported informal planning and two showed no difference. The mixed reviews were indicative of
the research to come. The counter assertion phase of research questioned the universal benefits of the previous era’s findings. Individual studies used a contingency approach to investigate when and where strategic planning worked best. Bracker and Pearson (1985) found that, although slight, small firms that employed formal planning techniques outperformed those that did not. Rue and Fulmer (1973) posited that manufacturing firms were better served by planning than service firms. Ryhne (1986) extended the understanding by including temporal orientations and competitive foci. Not surprisingly, they found that long term orientations and externally focused firms were more apt to benefit from the planning processes.

In the same year, John Pearce published two related articles that demonstrate the continued focus of planning contingency. Pearce and Robbins (1987) found a significant and positive correlation between planning formality and firm performance. Yet Pearce et al. (1986) reviewed eighteen different papers and found that there was not adequate consideration for contextual differences to universally prescribe strategic planning. This critique was mainly based on the natural variation in methodology and variable selection expected by a vast group of researchers investigating an extremely broad subject. However, the second phase of research, counter assertion, did extend the research in two important ways. First, the planning performance link was shown to be highly dependent on contextual factors and the earliest work did not employ methodologies rigorous enough to handle such complexity. Secondly, the performance construct is difficult to ascertain. Sales and profits are not a consistent measure of firm performance and other measures must be considered.

The third era sought to address these two issues highlighted by the second era. Cameron (1986) reviewed financial measures for their relativity to organizational effectiveness and found that they were not sufficient. He points out that there are inherent conflicts of disagreement over success measures that diminish the likelihood of consensus among researchers. Venkatraman and Ramanuham (1986) acknowledge that some form of performance is necessary for strategic research yet the many different types of data and contexts require more thorough and multifaceted research techniques.

Taking advantage of increased methodologies and statistical tools, the third era took on the complexity of context as well. Lyonski and Pecotich (1992) surveyed five hundred and twenty two firms in a single study. They investigated the relationships between strategic formal planning, comprehensiveness, environmental stability and financial performance. They concluded that strategic marketing planning improves financial performance and that planning is independent of environmental stability. Two meta analyses (Schwenk and Shrader, 1993; Miller and Cardinal, 1994) reviewed previous studies in light of greater methodological scrutiny and continued to find support that planning increases performance. Finally, Priem et al. (1995) cap the debate by concluding that the more sophisticated methodologies have actually worked to strengthen the ties between planning and performance.

There is a smattering of exceptions to the redundant praise of planning processes. Honig and Karlsson (2004) do not find evidence that planning among nascent
organizations is positively linked to increased profitability. Instead, they relate the incorporation of planning to institutional forces of governments, industries and education. Stotegraaf and Dickson (2004) describe the paradox of marketing planning capabilities. Firms with higher planning capabilities have a negative correlation with post plan improvisation. This implementation rigidity is linked to lower performance. Noting that current models of marketing planning are too structurally rigid, Dennis and Macaulay (2003) introduce the improvisational techniques of jazz musicians as an alternative framework in support of more flexible planning technologies. Finally, Weber (2001) points to the lack of marketing research capabilities within most firms as another danger to investing in marketing planning and the direction it might provide.

Still, the general consensus is overwhelming in favor of planning. Given the lopsided theoretical support, there are surprisingly few companies engaged in marketing planning (McDonald, 1996). Why aren’t firms planning? Leppard and McDonald (1991) identify five barriers to marketing planning. The first barrier is cognitive. Firms of all sizes and industry lack the marketing skills and knowledge to incorporate marketing planning. The second barrier is information. Although data generation is hardly a problem in today’s environment, measuring marketing’s impact is one of the field’s most pressing issues. Thirdly, resources are scarce. Allocation of personnel and funds towards long term strategic objectives is difficult, especially under the current pressures of financial scrutiny and rapid technological disruption. The fourth barrier is cultural. Planning and marketing must be supported throughout an organization in order to capture its value. However, planning is tedious and demanding work. It does not provide a quick fix that will negate fundamental problems. The final barrier is behavioral. People act inappropriately and fail to disclose valuable information because of personal interests or fears which hinders the necessary cooperation and integration needed for successful planning.

TOWARDS A TYPOLOGY OF MARKETING PLANNING

If different marketing plans are better suited for different situations then a listing and typology of different marketing plans would provide a valuable reference towards future research. Accordingly, this section will attempt to incorporate the explicit variations investigated or discussed in previous research and outline the types of marketing planning components. Exploratory research intended to confirm the organization of the typology is planned and briefly discussed later in the paper.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Planning Component</th>
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<th>Types</th>
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<tr>
<td>Situational Analysis</td>
<td>Marketing Research</td>
<td>Greenley and Bayus (1994)</td>
<td>Gut Feelers</td>
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<td>Competitive Advantage</td>
<td>Strategy</td>
<td>Gelderen et al. (2000)</td>
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<td>Marketing Management</td>
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<td>Crossan et al. (2005)</td>
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<td>Schedule</td>
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<td>Improvisation</td>
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<td>Learning &amp; Improvement</td>
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<td>(Argyris 1976; Dodgson, 1993)</td>
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Table 2 organizes the components of marketing planning by purpose. For each component there is a relative typology drawn from the literature. This framework employs the relatively small amount of empirical research and theoretical contributions
that acknowledge varying degrees of marketing complexity. There is no doubt that further complexity for each component can and should be researched. This initial typology is meant to serve as an integrative look at organizing the current knowledge base to allow for future development of an entire marketing plan typology.

As outlined earlier in this paper, there are four broad purposes of marketing planning. The first purpose is a situational analysis. This process includes an assessment of the internal and external factors. Internally, the company’s resources and liabilities must be ascertained and generally include personnel, products and finances. Externally, the competition, market conditions and consumer interests must be considered.

The component of marketing practice that serves this purpose is marketing research. Marketing research is the “systematic design, collection, analysis and reporting of data relevant to a specific marketing situation facing an organization (Armstrong & Kotler, 2007, pg. 102).” In its most primitive form, marketing research is conducted through the experiences of the marketer and stored in memory. Although research shows that there are numerous psychological short-comings that should dissuade managers from relying on experiential information (Weber, 2001) there is no doubt that it remains a prominent method among organizations.

Greenley and Bayus (1994) empirically investigated the marketing planning processes and discovered four types of decision making planners. (Their use of the term “marketing planning process” is not as inclusive as this paper’s. They defined marketing planning process as, “the techniques available to interpret knowledge about the environment and to aid in decision making” (p. 142). Their work more closely aligns with this paper’s conceptualization of the situational analysis purpose and market research purpose.) They referred to the simplest form of companies as gut-feelers. Figure 1 details their findings.

Greenley and Bayus (1994) used Piercy and Morgan’s (1990) conceptual model to typify four different types of planning organizations. They based their study on multidimensional interpretations (analytical, organizational and behavioral) of
information gathering and analysis for decision making (i.e. SWOT analysis, perceptual mapping, etc.). They investigated US and UK companies and discovered that the smallest percentage (13%) fell into their sophisticated category. These firms used both qualitative and quantitative research tools and thoroughly analyzed the data. They found a fairly large portion of companies (30%) that fell into the information seeker category. These firms were aggressively using both types of research techniques to capture data but failed to completely analyze it. The largest group of companies (36%) fell into the unsophisticated decision maker’s category. This group of companies captures internal data but do not adequately utilize analytic techniques consistent with the formal marketing planning process. The final group, gut-feelers (21%), are operating with less data and utilizing very few marketing analytic techniques. Senior managers are involved but either unaware of formal planning or unwilling to implement its systems.

As the planning process comes full circle, this information is bolstered by information collected through the implementation of the last program schedule and stored in the organizational memory. New ventures begin with an initial plan void of such luxuries. Additionally, many organizations have plans that are not designed or capable of meeting this purpose. Related information about the learning and improvement purpose of planning is provided later in this section. It describes how the initial linear approach is turned into a process.

The second purpose of marketing planning is strategy development. A strategy is a long term plan of action designed to achieve a goal. Developing a competitive advantage should be a top priority of marketing planners (McDonald, 1989). The effectiveness of developing a strategy is partly contingent on successfully completing and utilizing marketing research and is therefore sequentially dependent on the situational analysis.

Gelderen et al. (2000) demarcate strategies from traditional connotations associated in the strategic management literature and propose five types of strategies with relationship to performance. First, Reactive Strategy is completely based on environmental forces and is void of planning. Second, Opportunistic Strategy starts with a plan but quickly sheds the structure when opportunities become available. Third, Critical Point Strategy identifies the single most important objective and focuses on its achievement with no consideration for other interests or objectives. Fourth, Complete Planning Strategy provides detailed plans for all expected activities and supports a rigid implementation of those plans. Finally, a fifth strategy emerged from their exploratory research, Habit Strategy. The habit category employs a standardized approach, or routines, based on previous experiences.

The third purpose of marketing planning is marketing management. Understanding the environment through marketing research and developing competitive advantages through strategy formulation are useless without successful implementation. The implementation schedule is the component of marketing practice that serves the purpose of marketing management. Implementation schedules include a calendar of programs that map financial requirements and role responsibilities.
Implementation schedules are inextricably linked to time. Through the conceptual expansion of time, strategies can be reduced into a series of actionable tactics. The two most common forms of temporal organization are clock time and event time. Clock time has become so commonplace that it is somewhat tautological. Clock-time management is most notably distinguished by triggers in change due to temporal shifts and not actual problems or events (Crossan et al., 2005) Event time is based on meaningful events. Event-time management is based on responses to internal or external changes or events. From an implementation schedule perspective, these forms of time conceptualization are mutually exclusive. Either the passage of time drives the plan or the passage of events. Both clock time and event time have been shown to possess contingent advantages. Implementation schedules based on clock time have been demonstrated to drive innovation output. Brown and Eisenhardt (1997) noted that without arbitrary forces such as the passage of time, pressures to produce might not be as high. Event time has been shown to be more advantageous in turbulent environments. Clark (1985) demonstrated that under conditions of uncertainty, individuals with heterogeneous time reckoning outperform individuals with homogenous ones. Instead of focusing on coordination and communication of shared schedules, major and obvious milestone completion allows for more optimal team production. While accountability, and therefore performance, can be increased through both temporal management techniques, they are most commonly employed in opposition to each other.

“Improvisational processes are a means for transcending these traditional dualities” (Crossan et al. 2005, p. 134). Organizational improvisation must be responsive to changes in the environment and intend to shape that same environment. It serves as a synthesis between event time and clock time. Under the right circumstances (experimental culture, real time information and communication, memory, expertise and teamwork skills) improvisation can maximize a firm’s ability to implement their strategic plan.

The fourth purpose of marketing planning is organizational learning and improvement. Organizational learning is, “a process by which organizations as collectives learn through interaction with their environments. The organizational learning process is viewed as a cyclical one in which “individuals” actions lead to organizational interactions with the environment, the environment responds, and environmental responses are interpreted by individuals who learn by updating their beliefs about cause-effect relationships” (Sinkula, 1994; p. 35).

Controls are placed into marketing plans to foster learning. The entire marketing planning process supports the learning capabilities of an organization and delivers information designed to bolster the efficacy of the firm. Controls allow for the connection of marketing management to the initial component of marketing research. Without this linkage, marketing planning would not be a process but rather a series of unconnected, linear efforts.

The literature on organizational learning is immense and not easily characterized. However, two of the most distinct types of learning are single and double loop learning.
(Argyris, 1976). Single loop learning occurs when errors are detected and corrected in accordance with the plans objectives. Single loop learning does not question underlying beliefs or assumptions. Double loop learning goes a step farther. Not only does it detect and correct errors, but it also reevaluates the existing norms and procedures that led to the error. Duetero-learning occurs when organizations learn how to carry out both single and double loop learning. Although there is a progression of sophistication ranging from single loop learning to duetero-learning, the most applicable form of learning is dependent on an organization’s environmental complexity and dynamics (Wijnhoven, 2001). Organizations must first identify their level of learning needs and strive to match those with the appropriate investments in learning efforts. Dodgson (1993) points out that learning can occur distinctly in different functions of the organization including marketing. Therefore, strategic marketing planning can encapsulate its own level of organizational learning separate from that of the organization as a whole.

The literature assumes that planning processes are generally a good thing (Smith, 2005; McDonald 1996). However, reviews of each of planning’s core purposes shows that optimal selection for each type of planning component is often dependent upon the organization’s environment. In accordance with Leppard and McDonald’s (1991) study on cultural integration of marketing planning, Greiner’s (1972) conceptualization of the five phases of growth a firm goes through is used to understand the . This framework is discussed in detail in the following section.

**GREINER’S MODEL OF ORGANIZATIONAL DEVELOPMENT**

To address the larger issues of theory building within marketing planning, Greiner’s (1972) classic framework can be employed. According to this perspective, growing organizations go through five distinguishable phases of development. Each phase has a prolonged period of growth, or evolution, and a period of substantial turmoil, or revolution. Organizational growth cannot be assumed to be linear. The revolutions result in a crisis that determines its ability to enter the next phase of evolutionary growth. To successfully manage an organization through a crisis it is important for the decision makers to recognize that market opportunities determine the strategy of the organization and the structure supports the resulting strategy. Size, age and related industry growth rates of the organization are important variables to consider. However, each variable on its own is not enough to distinguish its phase of growth. The phases are inextricably linked. Each phase is both an effect of the previous phase and a cause for the next phase.

Marketing planners should consider each phase and the conditions that promote or challenge planning’s contribution. The focus of this paper is on Greiner’s first two phases. There is anecdotal evidence to suggest that marketing planning does not apply to young or small firms. To more clearly understand, the Creativity Phase and Direction Phase are now reviewed in more detail.

In the initial Creativity Phase (I), young, small firms are managed by founders with technical or entrepreneurial orientations. These founders typically share disdain for management techniques. Communication with other employees is informal and frequent. Because of their growth, Creativity Phase (I) organizations reach a crisis of leadership.
They outgrow their informal styles. The founders are usually unwilling or unable to lead them towards the Directive Phase (II) of growth. A new leader must be found.

**THE FIVE PHASES OF GROWTH (Greiner, 1972)**

If the organization successfully manages its way through the initial leadership crisis, the Direction phase of growth should follow. In this phase, marketing becomes specialized and separate from general management. Communication becomes more formal due to the increased pressures of managing additional resources. Accounting techniques improve and incentives based on budgets become possible.

This framework highlights issues that could have major theoretical and practical implications for strategic marketing planning among Creative Phase (I) companies. Different conditions require different solutions and tools. However, most of the marketing literature synthesizes the marketing planning into one ubiquitous solution. New paradigms based on emerging market characteristics are an important and necessary request being imposed on the marketing community (Dawar and Chattopadhyay). There is mounting evidence that organizational context (Miller et al., 2004) is crucial in framing actions and influencing achievement.

Consider the four general purposes of market planning discussed earlier in accordance with the characteristics of emerging companies posited in Greiner's framework. The formality of traditional marketing planning counters the informal communication style and resistance to management techniques desired by the Creative Phase (I) leaders. It would seem logical that including traditional marketing planning...
would lead to frictions that would not support the natural evolution needed to grow beyond an emerging company. Formal marketing planning is unlikely to meet the needs of these Creative Phase (I) companies.

There is the need to introduce marketing planning to Direction Phase (II) companies. As companies prepare for the second evolutionary growth phase, marketing planning is in harmony with the characteristics and requirements of managers. Formal communication, budgets, accountability and specialization are the cornerstones of marketing planning and should be introduced in order to lead growth companies from the Creative Phase (I) into the Directive Phase (II).

Of the five barriers to marketing planning discussed earlier, McDonald (1996) later concludes that cognitive and cultural barriers are the two biggest obstacles. Introducing planning to an existing organization will test both barriers. First, the cognitive barrier must be overcome. The value of marketing planning must be communicated to management and personnel of a firm that had previously not utilized the marketing planning process.

Formal planning doesn’t seem to fit with early stage new ventures of Creative Phase (I) companies. However, after these firms reach a critical mass and attempt to grow into Directive Phase (II) companies, formal marketing planning seems to be a very viable solution. How do Creative Phase (I) companies currently conduct the marketing planning process? An exploratory study of eight firms matching the characteristics of Creative Phase (I) companies was undertaken to better understand what is currently going on in practice. The next section outlines the study’s methodology.

**METHODOLOGY**

Building on the information collected from the literature, an exploratory study was done. Content analysis was deemed as the appropriate method to collect and analyze the data and followed the eight steps proposed by Harris (2001) and summarized in Appendix 1. The unit of analysis is the entrepreneur’s perception; therefore a research team conducted a series of qualitative interviews from a convenience sample of businesses that met the requirements of the study (<50 ee’s, high growth, non franchise). A total of 8 interviews were conducted following standard interview guidelines (McCacken 1988). The interviews addressed the role of planning in their firm’s launch and development. Respondents varied in industry and size (within our own specifications). All interviews were audio-taped and transcribed by the primary researcher and then verified by the remaining member of the research team to minimize researcher bias and support data quality and reliability in analysis.

The primary researcher systematically organized and coded the interviews into the themes of meaning described in Appendix 1. Coding was facilitated with the latest QSR qualitative research software, NVivo (QSR International Pty Ltd. 2000), which is specifically designed for performing indexing, searching, and theorizing on qualitative data.
In content analysis, the quality of the analysis is determined by reliability and validity. When validating evidence is absent, as is the case in this exploratory research, the researcher must strive to ensure the results are valid through the research design. The research design (categories, coding scheme, pilot test) created for this study helps ensure that data resulting from the research represent variations in real phenomena due to the consistency of execution.

**EXPLORATORY RESEARCH RESULTS**

A description of the eight companies is provided in Table 3.

<table>
<thead>
<tr>
<th>Entrepreneur-Info Website Provider</th>
<th>Provides information helpful to entrepreneurs and sells the ad space and traffic</th>
<th>B2B</th>
<th>4</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window Fixture Reseller</td>
<td>Imports and manufactures window blinds and shades and resells to designers</td>
<td>B2B</td>
<td>8</td>
<td>45</td>
</tr>
</tbody>
</table>

The analysis follows the four components of the planning process previously discussed; situational analysis, strategy development, implementation schedules and organizational learning. Each component was identified in the interview analysis and are discussed in detail. It is important to note that in many cases more than one type of component is involved in their stories. In some cases this reflects their growth and adaptation. In others it reflects the existence of multiple levels inside of the same component. As this is an exploratory investigation into the presence of the previously developed typology components this does not present a problem.

**Situational Analysis**

The level of sophistication for analyzing and assessing their respective markets generally matched the complexity and size of their business. From the most basic level, two of our smaller companies demonstrated Gut Feeler characteristics. The brewer noted,

“*I don’t know that I am particularly concerned about the brand right now...I think that we have a nice image and I think that we are the company with a nice logo and a nice looking tap handle and some good tasting beer and a nice guy delivering the beer who shows up on time.*”

Certainly, this assessment of his company and the competitive environment is grossly oversimplified. The Custom Clothing Manufacturer lamented on his naivite when he embarked on his new venture.

“*I didn’t know the market except for the skier-hiker-climber... I didn’t know that we were going to have 60% of our business come from the Special Forces.*”

His original assessment of the market was based on his own hobbies and experiences.
There was a slightly higher order of assessment from the Unsophisticated group. They demonstrated the rudimentary capturing of information but a low level or analysis available in common marketing planning processes. The Alternative Fuel Manufacturer discussed their early form of marketing research.

“the biggest thing that we had going for us was the amount of time we spent doing public outreach and booths which is basically what they amounted to... so think of Earthday events, country fairs, county fairs, folk festivals, all that kind of stuff where we would set up an information booth and basically just stand there for a day, three days talking to people and that allowed us to build up a substantial amount of knowledge.”

He went on to discuss how their lack of experience and understanding of marketing prevented them from fully taking advantage of this opportunity.

“We were pretty clumsy about knowing what we were actually getting out of that interaction.”

The Custom Clothing Manufacturer revealed a benefit to the simplicity of his direct contact with his customers.

“If there is a problem or there is a reason why that person didn’t buy...(The Large Retailer) doesn’t have direct communication with that customer, they only have direct communication with that retailer...while we have direct communication with the customer that wants or does not want our stuff... and so the situational awareness is absolutely immediate because we will get a phone call or an e-mail about whether it worked or not and if they do have questions”

Not surprisingly, the Entrepreneurial-Info Website Provider practiced some of what they preach. They were the only company identified as Sophisticated. They differentiated the explicit separation of information gathering, collection and internal and external analysis.

“significant research... alla... the marketing side, to be substantiated and to be something that we can be confident that we can execute on ...that is not something that you do a quick Google search and wallah you have your factoids... that’s something that you have to validate, verify, run by people, incorporate some expert perspective”

No Information Seekers were identified. This could be because of the less bureaucratic nature of smaller, leaner firms. The over indulgence of gathering and storing information is a luxury that most new ventures do not have.

**Strategic Development**

Less discussion of strategic development surfaced in the interview than could be expected surrounding a conversation predicated on the role of planning in their firm. The Research Analyst who would later confess to their recent adoption of business planning processes recalled there Reactive Strategy during earlier years.

“In the early days the only marketing that we did was very indirect marketing... making sure that we did quality work and that our clients all talked amongst themselves and relying on word of mouth... there really wasn’t another strategy... the only reason that we ever first made business cards was because people kept asking for them, the only reason that we
ever put a web page up is so we could have something that people could point to or look at if we were applying for a grant.”

The Software Application Provider revealed an Opportunistic Strategy. As a self confessed serial entrepreneur, he had learned the hard way that a lack of planning can be detrimental. But even his new found appreciation of planning gave way to market opportunity.

“now we have adjusted it and we have completely shifted our long term goals from being a technology provider to eventually being more of a kind of traditional brokers office involved in real estate… because that is where the market is driving our business and that’s what people are asking us for.”

The Shop Owner has not completely formed a vision for the future. Instead she will focus on opening one store at a time in accordance with Critical Point Strategy. When asked about the number of stores she would eventually like to open, she gave this response.

“[Laugh] If you asked my husband, he would say like 50 stores….if you asked me I would say four or five… the third store will probably be on the outskirts of Portland and that will be in the next year that we will do that…it just depends on how each [store opening] goes and what I see as a good balance between work and family… you know all of those things.”

A Completely Planned or Habit Strategy was not observed. The lack of formation of a Habit Strategy can be partially linked to the youth of the companies. They are in the process of forming their routines, good and bad, and did not necessarily enter in with an established strategic habit. The lack of a Completely Planned strategy is partially due to its theoretical identity. It is unlikely that any new business owner is going to feel complete control over the implementation of their plans. However, the characteristic of a rigid philosophy is doubtlessly present but simply did not appear in our interviews.

Marketing Management

The achievement of objectives in support of a larger strategy can be done through implementation schedules or informal tactics. A key distinguisher between management drivers is the temporal orientation, either clock time or event time. A synthesis of these two is known as improvisation. The most common identification of task completion is calendar based. The Software Application Provider uses time to keep his company accountable to the planning process.

“We do an informal review probably every quarter and then we actually sit down and do a plan versus actual analysis in a more formal way maybe once a year.”

The Alternative Fuel Manufacturer describes a similar technique.

“For existing businesses, like our parent, we do [a review] on an annual basis if not every two quarters and readjust the business plan along with the financials.”

Event Time management is just as applicable for supporting strategic success. It differs from Clock Time management in its responsiveness to changes in the environment rather than more predictable temporal passages. The Brewer indicated that his firm’s improved financial performance, whenever that happened, would drive the next phase of growth.
My objectives are going to be sales numbers…I want sales numbers and I want things to be relatively efficient… and I want a high a margin as possible….how will we get there….I don’t know, I get up every day and come do it

Later he would add,

“trying to grow capacity…trying to balance having enough capacity to move beyond where we are at and trying to move beyond where we are at….so the next step is me hiring help in the brew house so that I can go out and sell.”

To improvise, there needs to be real time information and an entrepreneurial orientation. Two companies demonstrated this type of spontaneous marketing management. The Custom Clothing Manufacturer does not use formal written plans. He talked about how he internalizes the company’s situational analysis.

“once I make a decision its ingrained inside of me and therefore inside the company… because I am the company, really…my dad used to say stop saying “we” its “you”...but no dad, I have employees now...[DAD: no, its you]...okay you’re right…I figured this out... it really is “me”...yes there are employees and there are twelve employees up in Seattle too but it is still “me” and I still dictate every single activity that comes in or out of this facility and through the brand... so I don’t really need a business plan even though I think that I should utilize one on a simplified level... more just to keep me focused...[LATER]......that’s nice because we can make decisions on the fly”.

The result is he is able to successfully improvise. Although his success, pending move, additional hires and apparent stress level make it seem that he is on the verge of outgrowing his current management system. A large firm showed the capacity to improvise as well. The Window Fixture Reseller described how they use formal planning ingrained in clock time accountability but also demonstrated the incorporation of event time management when appropriate.

“we do a three year rolling plan... a detailed, by-month, 12 month budget and we do that detailed plan during the fall at the retreat...with that said...this year we hammered out our plan, we came back and we were approached by a very big company...one of the top companies in design and they were trying to do a brand extension and they wanted to come into our category...and we initially thought that this was a big threat but because of the product life cycle of our core product was changing... we did two acquisitions in the fall which led us into a new category, which is a faster going category, so we are kind of at the front side of the growth curve of that new category, that new product... so we started to feel that it was probably a good opportunity as our current category of natural shades was maturing that we could actually get a little more life out of it by doing some of this private label manufacturing... we haven’t signed the deal yet , creating a deal with this company that wanted their own label but as we started this negotiation, and this actually came from our director of marketing, as we were trying to hammer out this decision... she said we have been through this many times because she came from [a big
successful company] and has had experience with this sort of thing ...she insisted that we need to take our business plan and see how this fits into our plan... and not can we do this... and so it all came back in the end to how can we leverage this relationship to further our plan.”

Learning

Interaction with the environment causes individuals and organizations to update their understanding or their surroundings. Not surprisingly, the most common form of learning noted in our interview was single loop learning. The Entrepreneur Info Website Provider described their tactical marketing plan.

“We are constantly shooting new flares into the night sky with new marketing initiatives to see what works and then putting new resources behind the things that seem to be the most effective.”

The distinction between double loop learning and duetero-learning is negligible because an organization with the foresight and consciousness to question its norms and planning making policy, aka double loop learning, would almost certainly also engage in single loop learning. The Window Fixture Reseller describes the reconciliation process among their team members.

“we have a staff meeting every two weeks and everybody has a business plan...they bring in their binder and they flip it open... our business plan isn’t a static document, its alive, it’s a live document and so we have action plans by quarter, by department, by person that’s responsible... they have to update those every two weeks so when they come to that plan they have an action item list of the primary goals that we call the big rocks, their big rocks of what that their department is working on and how they link to other departments... they have to give a five minute pitch of where they are versus plan and versus budget and what they are doing and what resources they need.”

Additionally, the Alternative Fuel Manufacturer noted their reflective style of learning in how they analyze their reports on plan versus actual.

“a line that kind of plots what our projections were and then a line that plots our historical and then our projection based off the historicals... so we can kind of see if those line up and... if we are exceeding or falling below our projections... and then we can kind of dive in and then find out why.”

The interviews revealed a wide range of planning techniques. Although a general praise of planning was present, there were differences is planning terminologies and expectations. The most common revelation was the impressionability of the marketing function. Planning can provide structure for decision making. However, in these formative companies, the plan does not trump the market opportunity or customer demands. This places pressure to continuously manage the plan and keep it current. For very small companies this can be done through a informal process, internalized by the founder. Written plans are not needed for high levels of performance. For emerging companies with a slightly more complex internal makeup, this requires frequent communication between principle decision makers. It is not “if” the plan will be
adjusted, but “how” has it last been adjusted, and “what” does this mean for the future. As the number of contributors continues to grow, increased formality, institutionalization and accountability become more important.

There are some consistent limitations associated with an exploratory, qualitative study. Conclusions cannot be generalized based solely on the findings. Themes that emerge and are consistent with the literature provide support and direction for future research. The analysis provides evidence that entrepreneurs consider the components detailed in Table 1. How these different components are integrated and best prescribed is yet to be determined and discussed in more detail in the next section.

**FUTURE DIRECTION**

Planning is a paradox. Its core purposes and relative components are very simple and logical. However, the types of components and environmental applicability are complex. For young, growth oriented companies, planning is a continuous process. The separation between implementation and planning is small. They must complete the cycle of situation analysis, strategic development, implementation and learning much more frequently. Market opportunities shape their development and readjust the marketing plans more often. The marketing planning process for these companies requires specific research that can account for their unique criteria and limitations.

Future research is needed to understand and connect the different types of marketing components that work best with each other. Given the need to remain current, situational analysis and strategy development components that support improvisational marketing management and double loop learning should be investigated. The ability to keep a plan current is more likely to be found in the more intimate setting of a small company. The knowledge that is gained might provide insight with applications for larger businesses that struggle with similar issues.
REFERENCES


Clark, P. A. Raymond H. (1985), A Review of the Theories of Time and Structure for Organizational Sociology.


APPENDIX 1 - INTERVIEW PROTOCOL AND CONTENT ANALYSIS STEPS

Opening

- Introductions of researcher(s) and participant
- Purpose of the study
- Assurance of confidentiality

Demographic Data

- Current Business Description
- When the Venture Began
- Participant background/prior work experience

Research Questions

- Did you have a written business plan before you began your business?
- Do you have a written business plan and/or marketing plan now? Why or why not?
- If they use and believe in plans….how have they been used from the beginning of the company until now? Has there been different levels of formality, detail or sophistication as the company has grown?
- If they do NOT use or believe in planning for growth, what techniques do they use to analyze the market? Create strategy, manage the implementation towards their goals and objectives? (I.E. what takes the place of formal marketing planning?)

Prompts

- Tell me more about that.
- Can you explain that in more detail?
- Can you give me examples?

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
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</thead>
<tbody>
<tr>
<td>Identify the questions to be asked and constructs to be used</td>
<td>Constructs: Planning, marketing plan, business plan, situational analysis, strategy, implementation schedule, learning</td>
</tr>
<tr>
<td><strong>Questions:</strong> Did you have a written business plan before you began your business? Do you have a written business plan and/or marketing plan now? Why or why not? If they use and believe in plans….how have they been used from the beginning of the company until now? Has there been different levels of formality, detail or sophistication as the company has grown? If they do NOT use or believe in planning for growth, what techniques do they use to analyze the market? Create strategy, manage the implementation towards their goals and objectives? (I.E. what takes the place of formal marketing planning?)</td>
<td></td>
</tr>
<tr>
<td>Choose the texts to be examined</td>
<td>Considering the research questions, interviews with three stakeholders of the marketing discipline (students, academics, practitioners) are appropriate</td>
</tr>
<tr>
<td>Specify the unit of analysis</td>
<td>The entrepreneur – questions were centered around the entrepreneur’s experience and current practice with planning processes</td>
</tr>
<tr>
<td>Determine the categories, or themes of meaning, into which responses are divided</td>
<td>Responses are divided into themes or nodes based on the constructs and their context – Positive planning, negative planning, SA- gut feelers, SA – unsophisticated, SA – information seekers, SA – sophisticated, Strat – Reactive, Strat – Opportunistic, Strat – Critical Point, Strat – Completely Planned, Strat – Habit, IS – Clock Time, IS Event Time, IS – Improvisation, Learning – Single, Learning, Double, Learning Duetero</td>
</tr>
<tr>
<td>Generate a coding scheme or coding rules</td>
<td>Rules are created for the coders to define the recording units and categories and to document the process for assessing reliability and validity</td>
</tr>
<tr>
<td>Conduct a sample or pilot study</td>
<td>A Convenience sample was used and no pilot study was performed because of the exploratory nature of this study</td>
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ALLIANCE MARKET ORIENTATION AND NEW PRODUCT DEVELOPMENT: CONCEPTUALIZATION, ANTECEDENTS, AND CONSEQUENCES

Pelin Bicen, Texas Tech University

INTRODUCTION

Upon reviewing the most important areas of research in the marketing literature in the last decade, perhaps research on market orientation (MO) to be at the forefront (MSI 1999). Marketing academicians have devoted considerable attention towards the development of the market orientation concept, its antecedents, consequences, and contingency factors (Jaworski and Kohli 1993; Kohli and Jaworski 1990; Narver and Slater 1990). In general terms, market orientation has been discussed as a major prerequisite for being able to create superior customer value, which in turn is regarded as a major determinant of competitive advantage (Hunt and Morgan 1995). Empirical studies support the existence of a positive relationship between market orientation and profitability of organizations (Deshpande, Farley, and Webster 1993; Han, Kim, and Srivastava; Hult and Ketchen 2001; Im and Workman 2004; Jaworski and Kohli 1993; Narver and Slater 1990, Slater and Narver 1994; Ruekert 1992). Thus, marketing research on market orientation has largely concentrated on various intraorganizational aspects of market orientation.

Another fundamental area of research in the marketing field involves the concept of exchange. More than two decades ago, Hunt (1983) concluded that “... the primary focus of marketing is the exchange relationship” (p.9). Many of the studies have discussed the nature, antecedents, and consequences of various forms of exchange relationships (Anderson and Narus 1990; Anderson and Weitz 1992; Bagozzi 1975; Dwyer, Schuur, and Oh 1987; Frazier 1983). This exchange-based paradigm has informed many inquiries in the domain of interorganizational relationships such as the relations between buyers and suppliers (Cannon and Homburg 2001; Cannon and Perrault 1999; Ganesan 1994; Jap 1999; Jap and Ganesan 2000; Kalwani and Narayandas 1995), manufacturers and distributors (Anderson and Narus 1990; Anderson and Weitz 1992; Morgan and Hunt 1994), service providers and clients (Heide and John 1988; Moorman, Zaltman, and Desphande 1992), and strategic alliances (Rindfleisch 2000; Rindfleisch and Moorman 2001, 2003; Siwadas and Dyer 2001). In general terms, interorganizational relations are regarded as a basis for success in competitive environments, which in turn is regarded as a major determinant of competitive advantage (Gulati 1998; Hunt 1997; Hunt and Morgan 1997). Despite this wealth of interorganizational research, several aspects of interfirm relations have eluded inquiry (Rindfleisch and Moorman 2001).

First, while interorganizational relationships and intraorganizational aspects of market orientation certainly warrant research attention, there is also an important confluence between these two research streams. As recently noted by Hunt and Lambe (2000, p.28, italic added),

“Research on MO to date takes a single perspective. A key orientation that is missing in the present conceptualization of MO is a firm’s partnering orientation. Because firms often create superior value for customers by collaborating with other
organizations, firms that partner with other firms to compete must develop a strategy of MO that is interfirm rather than intra-firm in nature. The antecedents, consequences, and measures of a business strategy of inter-firm MO are still lacking. Works on relationship marketing make a step in this direction.”

Likewise, Rindfleisch and Moorman (2001, p.14) suggest that “we also encourage market orientation scholars to investigate the relationship between alliance participation and market orientation…Therefore, researchers could explore the relationship among alliance participation, information exchange, and market orientation”

Recently, there has been a rising interest in examining market orientation from a relationship perspective (Baker, Simpson, and Siguaw 1999; Blesa and Bigne 2005; Langerak 2001; Leisen, Lilly, and Winsor 2002; Min and Mentzer 2000; Sanzo, Santos, Vasquez, and Alvarez 2003; Siguaw, Simpson, and Baker 1998; Zhao and Cavusgil 2006). In all these studies, researchers investigate how the degree of market orientation of one member of a distribution channel member influences the market orientation of another channel member and/or whole value chain, and how their market orientation is related to relevant channel characteristics (e.g., trust, commitment, satisfaction, dependence). However, they do not examine market orientation as a relationship property that could be developed at an inter-firm level. To my knowledge, there are only two studies that investigate market orientation at the network level e.g., distribution network, and supply-chain (Elg 2002; Grunert et al. 2005). However, both of these studies discuss network level of market orientation conceptually. Briefly, the marketing literature has paid little attention to market orientation at an inter-firm level1.

Second, it is well-accepted that in the context of changing and increasingly uncertain, nonlinear, and complex business environment, sustained competitive advantage depends on developing new products and services. Therefore, marketing scholars have turned their attention toward how organizations develop successful new products (Olson, Walker and Reukert 1995; Moorman 1995; Moorman and Miner 1997; Wind and Mahajan 1997). However, marketing literature on new product development has largely concentrated on various intraorganizational success factors (Rindfleisch 1998; Rindfleisch and Moorman 2001). Although an increasing number of organizations develop new products via interorganizational exchange relationships, the marketing literature has paid little attention to understanding the key aspects of interorganizational new product development activity (for exceptions, see Kotabe and Swan 1995; Rindfleisch and Moorman 2001; Siwadas and Dwyer 2000).

In this proposed study, I seek to enhance marketing’s understanding of these issues by examining the role of the market orientation at the interfirm level in new product development activities of alliances. Therefore, this study explores five key issues:

1. What is an alliance market orientation?
2. What are the possible antecedents of an alliance market orientation?

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1 The summaries of studies that investigate market orientation from a relationship perspective can be found in the Appendix.
3. What are the possible consequences of an alliance market orientation?
4. How can interfirm relationships be used to develop an alliance market orientation?
5. How does an alliance market orientation help organizations gain strategic advantages over competing dyads?

**PURPOSE and SCOPE OF THE STUDY**

The purpose of this study is to address a gap in our understanding of the development of market orientation of an alliance. As a first step, alliance market orientation will be conceptualized, and a conceptual framework involving potential antecedents and consequences of an alliance market orientation will be presented. Although not exhaustive in its consideration of all potential antecedents and consequences, the framework highlights key constructs from relationship marketing, market orientation, and new product development literatures. The unit of analysis throughout this study will be a dyad, comprising of both horizontal and vertical alliance partners. The focus will be on new product development alliances which are defined as formalized interorganizational arrangements between partnering firms to jointly generate, exchange, and utilize information related to the research and development of new product innovations (adapted from Rindfleisch and Moorman 2001, p.1). The context is relationships between financially independent new product alliance partners. Therefore, vertically integrated hierarchical relationships will be beyond the scope of this study.

**CONCEPTUAL FRAMEWORK**

New product development (NPD) is important because it is an engine of economic growth. In order for firms to have sustained competitive advantage in the long run, firms should continuously engage in creating new products and services (Hunt 2000; Hunt and Morgan 1995) NPD requires the use of knowledge assets in a dynamic environment; therefore, as one of the most prominent research streams in knowledge-based asset strategies, market orientation has focused on the generation, dissemination, and utilization of market intelligence (Han et al 1998, Jaworski and Kohli 1993, Slater and Narver 1995).

A recent BusinessWeek-BCG survey shows that 72% of the senior executives in the survey named new product development (NPD) as one of their top three priorities; however, survey results also show that almost half of the respondents are dissatisfied with the returns on their investments in that area (BusinessWeek 2006). Therefore, many organizations are entering into business alliances to reduce the inherent risk associated with NPD and to overcome the intensified competition and the rapid technological change (Doz and Hamel 1998; Heller and Fujimoto 2004; Sivadas and Dwyer 2000; Varadarajan and Cunnigham 1995). A business alliance is defined as collaborative efforts between two or more firms in which the firms pool their resources in an effort to achieve mutually compatible goals that they could not achieve easily alone (Lambe et al 2002, p.141).

By entering alliances to develop new products, alliance partners concern themselves with obtaining information on the environment, engaging in a high degree of
interorganizational information exchange, and making long-term decisions (Rindfleisch and Moorman 2001; Sanzo et al 2003). Therefore, it would seem relevant to consider an alliance market orientation to predict the performance of a new product development effort. Although anecdotal evidence and qualitative analyses hint at possible outcomes (Elg 2002; Grunert et al. 2005), the lack of a systematic investigation makes it difficult to properly assess the antecedents and consequences of alliance market orientation (AMO). The intended main contribution of this study is having empirically proven the existence of an alliance market orientation, its antecedents, and consequences.

Although business alliances have been formed for distribution, product bundling, marketing, and assorted other purposes, in this study, I am interested in examining the factors of alliance success generalized to NPD goals (e.g., NP creativity, NPD speed, and NP success). Therefore, using the two-firm alliance dyad as the referent unit of analysis, I conceptualize an alliance market orientation which is an antecedent variable of NPD goals (e.g., NP creativity, NPD speed, and NP success). I take point of departure in the definition of market orientation by Kohli and Jaworski (1990). In this study, the conceptualization of an alliance market orientation does not strive to re-define market orientation, but rather attempts to explicate the understanding of how cooperative market oriented behavior of an alliance might be used to drive new product development strategy of an alliance. In this study, alliance market orientation is defined as the activities that two-firm alliance partners carry out together to perform the task of generating market intelligence, engaging in a high degree of interorganizational information exchange, and responding to this intelligence in a jointly manner (adapted from Kohli and Jaworski 1990, p.3). Drawing on a resource-based view of the firm (RBV) and a resource-advantage theory of competition (R-A theory), an alliance market orientation (AMO) is conceptualized as an idiosyncratic resource.

In their seminal article, Hunt and Morgan (1995, p.11) defined resources as “any tangible or intangible entity available to the firm that enables it to produce efficiently and/or effectively a market offering that has value for some market segment(s).” RBV of the firm argues that only resources that are rare, valuable, imperfectly imitable, and nonsubstitutable can generate competitive advantage and superior financial performance (Barney 1991; Day and Wensley 1988; Hunt and Lambe 2000; Wernerfelt 1984). Research in this area has emphasized that resources and capabilities that lead to competitive advantage are owned and controlled by a single firm. However, recently,

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2 In the marketing literature, research has mainly centered on three perspectives of market orientation: behavioral perspective (Kohli and Jaworski 1990), cultural perspective (Narver and Slater 1990), and system perspective (Becker and Homburg 1999). Although these perspectives have remarkable differences, marketing scientists have mentioned that there is a fair amount of conceptual and operational overlaps as well (Avlonitis and Gounaris 1997; Cadogan and Diamantopoulos 1995; Helfert, Ritter, and Walter 2002). In this study, I adopt the definition of Kohli and Jaworski (1990), because discussing inter-organizational behaviors and activities seems more feasible rather than discussing fuzzy nature of an alliance culture in the context of inter-firm innovation management (Elg 2002).
Researchers have recognized that these resources and capabilities may extend beyond firm boundaries and be sources of interorganizational competitive advantages (Asanuma 1989; Day 1995; Dyer 1996; Dyer and Singh 1998; Jap 1999; Lambe et al 2002; Varadarajan and Cunningham 1995). These studies suggest that when partners are willing to make relationship-specific investments by combining their resources in a unique way, their strategic advantages over competing dyads that are unwilling to do so are increased. Therefore, idiosyncratic interorganizational resources lead to competitive advantage (Dyer and Singh 1998). Lambe et al (2002, p.143) define alliance idiosyncratic resources as those that are (1) are developed during the life of the alliance, (2) are unique to the alliance, and (3) facilitate the combining of the distinct lower order resources contributed by the partner firms (and, hence, are higher order resources).

Hunt and Morgan (1995, p.13) discuss market orientation as a firm resource. They argue that “a market orientation is intangible, can not be purchased in the marketplace, is socially complex in its structure, has components that are highly interconnected, has mass efficiencies, and is probably increasingly effective the longer it has in the place.” Therefore, market orientation can be a source of sustainable competitive advantage. Drawing on an R-A theory of competition, in this study, I argue that alliance market orientation is an idiosyncratic resource of an alliance which provides an alliance comparative advantage in resources that will yield a marketplace position of competitive advantage and, thereby, superior financial performance. Under compatible marketing philosophies, alliance partners become more willing to be efficient (e.g., reduced cost) and effective (e.g., increased customer value) toward a common goal (e.g., competitive advantage). According to an R-A theory of competition, the marketplace position of a competitive advantage results from an alliance, relative to its competitors, having a resource assortment that enables it to produce a market offering (in this study, new product) for some market segment(s) that is perceived to have superior value and is produced at lower costs (Hunt 2000, p.136, 137).

This study examines the antecedents and consequences of an alliance market orientation in two-firm alliance relationships. A conceptual framework (see Figure 1 and Figure 2) involving potential antecedents—relational factors (i.e., trust and commitment), environmental factors (i.e., market turbulence and technological turbulence), and interorganizational factors (i.e., top management support, goal congruence, complementary resources, interorganizational structure)—is hypothesized to lead to an alliance market orientation which enables an alliance to achieve higher new product creativity, new product development speed, and new product success than either firm would have been able to accomplish individually. Furthermore, the effect of an alliance market orientation on NP outcomes (i.e., NP creativity, NPD speed, and NP success) is hypothesized to be moderated by the environmental factors (i.e., market turbulence and technological turbulence). The model will be a static model that provides a single time period perspective of a partnership, in contrast to a dynamic model or an intertemporal perspective.

These resources are discussed in Hunt (2000, p.188) as relational capitals. He discusses relational resources (capitals) in strategic alliances as they are radically heterogeneous and immobile which means that there is no marketplace where such resources can be traded.
RESEARCH DESIGN and METHODOLOGY

In this study, the sample frame will consist of two-firm alliances (both horizontal and vertical). Therefore, the unit of analysis throughout this study will be a dyad. The focus will be on the new product development alliances, and such consideration is expected to control for any extraneous effects due to variations in alliance type (Eisenhardt and Schoonhoven 1996; Lambe et al 2002). The context is relationships between financially independent new product alliance partners. Therefore, vertically integrated hierarchical relationships will be beyond the scope of this study. The respondents will be the key informants who are highly knowledgable about the phenomena under this study (e.g., R&D managers, key executives, alliance professionals). Although the measures used in this study will be designed to examine the
aspects of the mutual relationships between the alliance partners, and the focus of the conceptual model is on joint, due to logistical challenges, one partner in the alliance will be surveyed.

The research sample for this study will be developed from two sources. First, in accordance with the National Research Act of 1993, new product alliances are required to file written notification with the Attorney General and the FTC in order to minimize the threat of antitrust prosecution. These filings are published in the Federal Register Index, and they provide information about the identity and location of alliance partners, and formation date and objectives of that alliance. The index starts from 1998, and it provides the daily news about new product alliances. Second source will be Funk and Scott’s Index of Corporate Change. This directory indexes articles on products, companies, and industries that appear in most business periodicals and newspapers. Funk and Scott also lists recent business activities such as alliances. Since these indexes do not include names of individual executives, I will check 2007 CorpTech Directory of Technology Companies and 2007 Standard and Poor’s Directory to develop a mailing list. The names, addresses and phone numbers of key informants will be available in these directories.

CONCLUSION and IMPLICATIONS

New product development is an engine of economic growth. It is frequently articulated both in marketing and strategic management literature that firms should engage in product innovations to have sustained competitive advantage in the long run. Since new product development efforts require the use of knowledge resources in dynamic environments, new product development has been discussed as an organizational learning process which involve generation, dissemination, and utilization of information (Moorman and Miner 1997). Previous research mainly focus on the factors of successful new product development efforts such as organizational culture, organizational memory, organizational motivations (i.e., willingness to cannibalize), firm size and incumbency. However, many of these studies have investigated new product development process in intraorganizational context. Although increasing number of organizations are entering business alliances to alleviate the inherent risk associated with new product development and to manage the process and outcome better (Sivadas and Dwyer 2000, p.31), there is a paucity of research examining new product development efforts in an interorganizational context.

Since new product development efforts have been discussed as generation, dissemination, and utilization of information, it would seem relevant to consider the market orientation of organizations to predict the performance of new product development efforts. Much research in market orientation literature has focused on the relationship between market orientation and innovation (Atuahene-Gima and Ko 2001; Han et al 1998; Im and Workman 2004; Lukas and Ferrell 2000), and the results mainly

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4 The interviewing of one partner regarding the relationship between alliance partners is called a proxy report (Lambe et al 2002; Menon, Bickar, Sudman, and Blair 1995). Due to the challenges in data gathering from both sides, many researchers have used proxy reports in their studies (Baker et al 1999; Cannon and Perrault 1999; Lambe et al. 2002; Mohr and Speakman 1994; Sanzo et al 2003; Sivadas and Dwyer 2000)
support this relationship. However, marketing research on market orientation has largely concentrated on various *intraorganizational* aspects of market orientation (Rindfleisch and Moorman 2001).

In this proposed study, I seek to enhance marketing’s understanding of these issues by examining the role of the market orientation at the interfirm level in new product development activities of alliances. Therefore, the primary objective of this study is to define alliance market orientation, and determine its possible antecedents and consequences in new product development context. It is proposed that environmental factors, relational factors and inter-organizational factors will lead to alliance market orientation which is hypothesized to lead to new product development outcomes (i.e., new product creativity, new product development speed, and new product success). Since environmental factors are critical both in alliance and market orientation literatures, besides their direct effects on alliance market orientation they are also hypothesized as moderating factors on alliance market orientation-NP outcomes relationship.

In terms of marketing practice, I believe that the proposed study will be of considerable interest to marketing practitioners involved in interorganizational new product development activities. Although it is well-known that many organizations enter into business alliances to quicken the pace of innovation, overcome budgetary constraints, spread out risks, and gain access to resources (Sivadas and Dwyer 2000, p. 31), there is a lack of research in this area. Many alliance executives have noted that their alliances are tended to be unstable, and a large number of them fail. I believe that part of this frustration is the fact that partners consider entering into new product alliances will alleviate many problems and do not consider various factors that can contribute the success of new product development efforts. I believe that market oriented alliances which generate, disseminate, and utilize market information faster and better than their competing dyads will have competitive advantage over them. I also believe that the proposed study will enable alliance participants to both increase the efficacy of their new product development efforts and reduce their level of frustration.

**SCALES**

**Relational factors:**

**Trust:**
- In this alliance, each of us can be counted on to do what is right.
- In this alliance, we keep promises that we make to each other.
- In this alliance, the level of trust that each partner has its working relationship with other partner is very high.
- In this alliance, we don’t trust each other at times $^r$.
- In this alliance, partners have high integrity.

*Adapted from: Anderson and Narus (1990), Morgan and Hunt (1994), Zhao and Cavusgil (2006).*

**Commitment:**
- In this alliance, we both are very committed to the success of our alliance.
- In this alliance, we both intend to maintain the relationship indefinitely.
In this alliance, the relationship deserves our maximum effort to maintain.  
*Adapted from: Morgan and Hunt (1994)*

**Interorganizational Factors:**

**Complementary Resources:**
- We both contribute different resources to the relationship that help us achieve mutual goals.
- We have complementary strengths that are useful to our relationship.
- We each have separate abilities that, when combined together, enable us to achieve goals beyond our individual reach.
- The product development effort benefited from its closeness to both companies’ existing products.  
*Adapted from: Lambe et al (2002) and Sivadas and Dwyer (2000).*

**Top Management Support:**
- We both have senior-management level commitment toward the use of alliances to achieve strategic goals.
- Senior-management in both firms believes that alliances play a role in the future success of each firm.
- When the situation calls for it, top-level management in our respective firms supports the use of alliances.
- Senior-management in each company encourages the use of alliances to achieve strategic goals.  
*Adapted from: Lambe et al (2002).*

**Goal Congruence of the Dyad:**
- We both have different goals.  
- We both have compatible goals.
- We support each other’s objectives.
- We both share the same goals in the relationship.  
*Adapted from: Jap (1999).*

**Interorganizational Structure:**

**Centralization:**
- Problems in our alliance are resolved hierarchically.
- Even small matters in our alliance must be referred to someone higher up for an answer.

**Formalization:**
- We both extensively upon contractual rules and policies in controlling day-to-day operation of our alliance.
- We both follow written procedures in most aspects of business in our alliance.  
*Adapted from: Sivadas and Dwyer (2000).*

**Environmental Factors:**

**Market Turbulence:**
• In our business environment, customer’s product references change a quite bit over time.
• Our customers tend to look for new product all the time.
• The demand for our product(s) is high.
• New customers tend to have product-related needs that are different from those of our existing customers

*Adapted from: Jaworski and Kohli (1993) and Jap (1999).*

**Technological Turbulence:**
• The technology in our industry is changing rapidly.
• Technological changes provide big opportunities in our industry. It is very difficult to forecast where the technology in our industry will be in the next 2 to 3 years.
• A large number of new product ideas have been made possible through technological breakthroughs in our industry.
• Technological developments in our industry are rather minor.

*Adapted from: Jaworski and Kohli (1993).*

**Alliance Market Orientation:**

*Generation of intelligence:*
• In this alliance, we jointly meet with customers at least once a year to find out what products they will need in the future.
• In this alliance, we jointly do a lot of in-house market research.
• In this alliance, we are slow to detect changes in our customers’ product preferences.
• In this alliance, we jointly poll end users at least once a year to assess the quality of our products.
• In this alliance, we are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation).
• In this alliance, we get together periodically to review the likely effect of changes in our business environment (e.g., regulation) on customers.

*Dissemination of intelligence:*
• In this alliance, we have interorganizational meetings at least once a quarter to discuss market trends and developments.
• In this alliance, when something happens to a market, everybody in the alliance knows about it in a short period.
• In this alliance, data on customer satisfaction are disseminated on a regular basis.
• In this alliance, there is a minimal communication between us concerning market developments.
• In this alliance, when one partner finds out something important about competitors, it is slow to alert other partner.
Responsiveness to intelligence:

- In this alliance, for one reason or another we tend to ignore changes in our customers’ product needs.
- In this alliance, we get together periodically to review our product development efforts to ensure that they are in line with what customers want.
- In this alliance, we get together periodically to plan a response to changes taking place in our business environment.
- In this alliance, customer complaints fall on deaf ears.
- In this alliance, even if we came up with a great marketing plan, we probably would not be able to implement it together in a timely fashion.
- In this alliance, when we find that customers would like us to modify a product, we make concerted effort to do so.
- In this alliance, our activities are well coordinated.

Adapted from: Kohli, Jaworski, and Kumar (1993)

NP creativity:

In regard to new product creativity, please rate the degree to which the new products generated by this alliance are

- Dull – Exciting.
- Fresh – Routine.
- Conventional – Unconventional
- Novel – Predictable.
- Usual – Unusual
- Unique – Ordinary.
- Commonplace – Original.

Adapted from: Andrews and Smith (1996)

NPD speed:

In regard to the speed of development, please rate the degree to which new products generated by this alliance are

- Far behind our time goals – Far ahead of our time goals.
- Slower than the industry norm – Faster than the industry norm.
- Much slower than we expected – Much faster than we expected.
- Far behind where we would be had we gone it alone – Far ahead of where we would be had we gone it alone.
- Slower than our typical product development time – Faster than our typical product development time.

Adapted from: Rindfleisch and Moorman 2001

NP Success:

The new products generated by this alliance are very successful in terms of

- Sales
- Market share
- Return on investment
- Profits
The new products generated by this alliance are very successful in terms of
  • Customer satisfaction
  • Technological advancement
  • Overall performance

*Adapted from: Im and Workman (2004)*
# APPENDIX

(Studies that investigate market orientation from a relationship perspective)

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</tr>
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A recent ad for Microsoft Office showed a female standing in an office setting with the head of a dinosaur. The ad copy read as “Microsoft Office has evolved have you?” This is an example of a visual metaphor, a type of rhetorical figure that is used extensively in advertising and communication (Phillips 2003). A visual metaphor makes an analogical comparison between two objects, by stating that one object is figuratively like the other object, even though the two are literally different (Stern 1990). The visual of a dinosaur’s head on a female’s body is incongruous, it does not make sense at a literal level. This incongruity in the visual attracts attention and one is drawn towards reconciling the incongruity. Only at a figurative level, can one interpret that the ad is suggesting that the female is “outdated, anachronous” and needs to upgrade to newer versions of Microsoft Office. The incongruity in the visual makes the ad stimulating (McQuarrie and Mick 1996; McQuarrie and Mick 1999; Peracchio and Meyers-Levy 1994), elicits some level exploratory behavior (Berlyne 1960) and subsequent resolution of incongruity with meaningful perceived comprehension yields what is termed in semiotics literature as ‘pleasure of the text’ (Barthes 1986). Pleasure of the text is conceptualized as the positive affect that a reader experiences due to the reader’s subsequent perceived comprehension of an initially incomprehensible text.

The phenomenon of incongruity driven pleasure or positive affect experienced by the audience (McQuarrie and Mick 2003; Peracchio and Meyers-Levy 1994) is a potent one both for the advertiser and the academic. Research suggests that pleasure experienced from the ad leads to positive attitude-towards-the-ad (McQuarrie and Mick 1999; Mick 1992) that would in turn get transferred as positive attitude-towards-the-brand (MacKenzie and Lutz 1989; MacKenzie et al. 1986). Also, cognitive effort to reconcile the incongruity and the generation of positive affect due to successful comprehension is an intriguing interplay of cognitions and emotions that should pique the interest of a theoretician. We embark on a journey to address two unanswered questions in advertising and marketing literature: (i) What is the relationship of incongruity in visual metaphors and affect? (ii) What is the mechanism by which incongruity in visual metaphors leads to positive affect?

What is apparent from prior studies is that incongruity plays an important role in pleasure of the text or positive affect. But there are boundary conditions for incongruity or deviation in visual metaphor to yield a quantum of pleasure. If deviation falls below a threshold level or is above an upper limit, pleasure may not be experienced. Therefore, if

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1 Text is a term derived from Semiotics that refers to a message or assemblage of signs that is physically independent of the sender or the receiver. It follows conventions associated with the genre and is relayed in a particular medium of communication.

2 Etymology of “rhetoric” is “words” or “speech”. A rhetorical figure also called figures of speech is a generic term for an artful deviation from ordinary mode of speaking or writing.
incongruity is too low then the visual metaphor becomes a degenerate literal statement and is too dull for attention (Tversky 1977). On the other hand, if the incongruity is too high, the metaphor becomes obscure and uninterpretable thus thwarting ad evaluations (Tourangeau and Sternberg 1981). Further, there is a mediatory phenomenon of incomprehension at initial perusal of the metaphor followed by subsequent comprehension, an “arousal – release” sequence (McQuarrie and Mick 2003) that seems to play a role in pleasure of the text. But there is lack of empirical validations of these theoretical propositions.

First, the relationship of incongruity in visual metaphors and positive affect has not been examined empirically in the marketing literature. Research has shown that rhetorical figures versus literal expressions have a significant positive effect on attitude-toward-the-ad. McQuarrie and Mick (1999) and Mothersbaugh et al. (2002) found the “figures effect”; rhetorical figures were perceived to be more artful/ clever or incongruous than literal expressions. In a subsequent paper, McQuarrie and Mick (1999) studied the effect of four types of visual rhetorical figures on attitude-toward-an-ad. They found that the visual figures had a significant positive effect on attitude-toward-an-ad versus the control (ads without the figurative execution). But we are still uninformed about the effect of different levels of incongruity in rhetorical figures (visual metaphors in our study) on ad evaluations. Second, the process by which incongruity in visual metaphors leads to positive affect though has attracted theoretical discussions; it still has not been empirically examined. There is indeed a need to understand the mechanism by which incongruity in metaphors leads to pleasure of the text and positive affect. Third, in marketing literature, the degree of incongruity or deviation in rhetorical figures has been measured by scales such as “artful, clever/ plain, matter-of-fact” (McQuarrie and Mick 1992; McQuarrie and Mick 1999) and “meaning openness” (Mothersbaugh et al. 2002). In one study, McQuarrie and Mick (1996) used “artful, clever/ plain, matter-of-fact” scale as a measure of deviation and complexity in figures but in their later study they used the same scale as a measure perceived figurativeness of the ad. In these studies (McQuarrie and Mick 1996; McQuarrie and Mick 1999; Mothersbaugh et al. 2002), whether incongruity played a role in positive attitude-toward-the-ad and other ad evaluations is an open question.

In marketing academia, the seminal work by Scott (1994b; 1994a) exhorting a need for theory in visual rhetoric propelled some research on visual metaphors, but the phenomenon of visual metaphors still eludes us. In our study we make an effort to add to the body of research on advertising and communication by empirically studying the phenomenon of incongruity in visual metaphors and affect. In this conceptual paper, first we address what is meant by visual metaphors, then we deliberate at length on the concept of incongruity in visual metaphors, after which we expand on the process model for the effect of incongruity in visual metaphors on affect and pleasure of the text, leading on to the operationalization of incongruity and finishing with the conclusions and future research section.
WHAT IS A VISUAL METAPHOR?

Visual metaphors present two ideas or terms in relationship to one another such that one (i.e. the source) is used to organize or conceptualize the other (i.e. the target) (Kittay 1987; Lakoff and Johnson 1980). A visual metaphor has two elements the “source” and the “target”. A visual metaphor is created by projecting a set of associated attributes or concepts belonging to the source onto the target. The properties of the target are altered in a way so as to also reflect the set of attributes or concepts of the source (Forceville 1994). Take the example of the fictitious energy drink ad shown in Figure 1. The plug point is the “source” term and the Z energy drink is the “target” term. At a literal level, the ad depicts a plug point flushed on a can, which suggests that the can has electricity. This is not a meaningful interpretation. At a figurative level, one is able to comprehend that Z drink is an energy drink that is a source of electrifying energy.

FIGURE 1
Z ENERGY DRINK AD
(BYLINE: “THE ELECTRIFYING ENERGY DRINK”)
**INCONGRUITY IN VISUAL METAPHORS**

Extant research suggests that rhetorical figures can vary on the degree of deviation from expectation or incongruity. Metaphors belong to a class of rhetorical figures called tropes\(^1\) that are purported to be the most deviant of figures (McQuarrie and Mick 1996; Mothersbaugh et al. 2002). Tropes are deviations from ordinary semantic expectations because they are created by substituting or transferring one meaning with another. They also subsume deficiency of regularity and meaning uncertainty. That is tropes do not communicate the entire meaning and have to be resolved in order to fathom their meaning.

With an objective to acquire a thorough understanding of incongruity in visual metaphors we study two theoretical paradigms. One is the schema incongruity theory (Mandler 1982) other is the theorizing by Berlyn(1971; 1960) on collative variables. Schema incongruity theory gives us an understanding of incongruity in a visual stimulus, at a higher level of abstraction. It does not enable us to differentiate incongruity from other collative variables such as “novelty” and “surprisingness”. In fact, one can apply schema incongruity theory to understand “novelty” and “surprisingness” as well. But Berlyn’s research equips us with clear conceptual understanding of incongruity by separating it from other similar constructs such as “novelty” and “surprisingness”. It is noteworthy that this conceptual clarity of incongruity is lacking in marketing literature.

**Schema Incongruity Theory**

A theory that is very popular and ‘overly applied’ in context of incongruity is the schema theory and its extension as schema incongruity theory (Fiske and Taylor 1991; Heckler and Childers 1992; Mandler 1982; Meyers-Levy et al. 1994; Meyers-Levy and Tybout 1989; Peracchio and Meyers-Levy 1994; Sujan 1985; Wheeler et al. 2005). In social cognition terms, schema is a cognitive structure that represents the knowledge and associations about a concept or idea (Fiske and Taylor 1991). A schema therefore constructs our expectations. It is a framework we use to understand, organize and evaluate the incessant stream of stimuli. Schemas are therefore representations of experience that guide action, perception and thought (Mandler 1982, p. 3). Schema incongruity occurs when a stimuli or event does not correspond to or match with the schematic representation occasioned by the stimuli or event at that point. The extent of correspondence between the actual stimuli that is experienced versus the expected or instantiated schematic representation is the basis of degree of schematic incongruity. One should appreciate the fact this expectation mismatch can also evoke a perception of “novelty” or “surprisingness” in a stimuli. In order to get a cognitive psychology perspective of the construct of “incongruity” we elaborate on Berlyn’s perspective of incongruity.

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\(^1\) Figures of speech or rhetorical figures can be divided into two broad classes called tropes and schemes. A scheme such as rhyme, alliteration etc. is a deviation related to arrangement and order. Schemes manifest through regularity of some sort that leads to overcoding. A trope such as metaphors, irony etc. is a deviation related to semantics or meaning. Tropes manifest in some sort of irregularity that leads to undercoding.
Berlyn’s View of Incongruity

Incongruity belongs to the group of collative properties such as novelty, surprisingness, complexity etc. (Berlyne 1963; Berlyne et al. 1963; Berlyne 1960). Collative properties in a stimulus engender some level of conflict among incompatible response tendencies of one kind or another. These properties are shown to occasion orientation reaction in the observer. The orientation reaction is a complex set of physiological processes, including changes in organs controlled by the autonomic nervous system, in EEG waves, in skeletal musculature, and in sense organs, which accompanies at least some form of exploratory behavior. This results in a transitory rise in arousal (Berlyne and Lawrence 1964; Berlyne and McDonnell 1965).

According to Berlyn (1960), incongruity exists when a stimulus induces an expectation which is disappointed by accompanying stimulus. It means that while some elements in a stimuli occasion certain response and expectations, some other accompanying element/s may induce responses that conflicts with or contradicts the expectation set by the previous set. Berlyn has distinguished between incongruity and surprisingness/novelty. To appreciate this distinction one needs to appreciate his notion of what is an “expectation”.

An expectation consists of some process which represents the expected stimuli i.e. it must have some properties that vary with those of the expected stimuli and the strength of the processes must increase with the probability of the expected stimuli. An expectation could be caused explicitly by a sign that has preceded the expected stimuli in past or implicitly caused by something that suggests the imminent possibility of appearance of the expected stimuli. Psychology informed by associationism professes that the likelihood that stimuli A evokes an expectation of B depends on the frequency with which A and B are instantiated. Greater is the frequency with which stimulus events A and B are associated in the input to an organism, the greater will be the probability that the central correlates of A i.e. a, will activate the central correlates B i.e. b (Osgood 1957). An important point here is the distinction between successive association, i.e. A and B occur in close succession and synchronous association i.e. A and B occur simultaneously.

Berlyn contends that the expectation in context of incongruity is due to synchronous predictive redintegration. Predictive redintegration can be conceived as that type of process in which a stimulus say A, provokes the reaction that is a ‘part’ of the ‘whole’ reaction originally evoked by A (Hollingworth 1920). Redintegration is the evocation of a particular state of mind resulting from the recurrence of one of the elements that made up the original experience.

In case of incongruity we have a situation in which stimuli A evokes an expectation B due to redintegration, but there is an accompanying stimuli X that contradicts B. This means that incongruity is caused not just by a stimulus that is “novel” or perceived as “new” but due to the existence of elements in the stimuli that are both similar to prior expectation and also contradict what has been previously learned. Therefore, incongruity subsumes the property of novelty and more. Incongruity is caused
by cohabitation of elements, certain elements that cause certain expectation and certain other elements that counter these. For example, in a visual metaphor of a female’s body with the head of a dinosaur, the female’s body generates an expectation of a female’s head, while the dinosaur’s head evokes the expectation of a dinosaur’s body. Both these conflicting reactions cause a perception of incongruity. But “surprise” occurs because A evokes an expectation B but stimulus Y that contradicts B occurs. So there is a gap between what is expected and what is actually experienced. Therefore, say you have always seen red Ferraris and one day you see a yellow one. You would be surprised by seeing a yellow Ferrari. One should note that though the conceptualization of incongruity and surprise are distinct it is often hard to separate the two. Often incongruity is referred to as a special case of surprise.

**Incongruity in a Visual Metaphor**

We define, *incongruity in a visual metaphor* as the degree to which there is the lack of structural and semantic correspondence between the source and target elements in the visual metaphor in the presented context and the pre-existing knowledge structures associated with source and target elements in the given context. This definition of the incongruity is informed by both Berlyn’s conceptualization of incongruity (Berlyne 1971; Berlyne 1960) and the schema incongruity theory (Fiske and Taylor 1991; Mandler 1982). Therefore, the incongruity in visual metaphors entails the interplay of the source and target elements ensconced in an individual’s existing structural and semantic schemas.

One of the explanations for incongruity in visual metaphors is that the source and target terms are from different domains and therefore when one tries to map the properties of the source onto the target it causes the problem of *domain incongruence* (Ortony 1979). The features and attributes that belong to the source domain are semantically and structurally remote from the target domain. Therefore, agility and speed of a Puma (animal) is not identical to the agility and speed of a shoe (Puma brand). Hence, the features or attributes of the source cannot be directly compared or transferred to the target because the attributes are associated with different domains. One can bring about a comparison only by metaphorically altering the attributes of the source to be meaningfully compatible with the source. Therefore, an ad that shows a shoe placed as a tie is incongruous because shoe and shirt belong to two distinct domains that are not perceived together in real life. Therefore, one cannot go by the literal meaning that a shoe is a tie. It is only by metaphoric alteration of attributes of “corporate, formal, ornamental” can the meaning be ascribed to the shoe in a meaningful way.

Carroll (1994, p. 198) posits that the consequence of two phenomena simultaneously occupying the same space or homospatiality, is incongruity. Further, the two phenomena are incompossible. He is of the opinion that it is the combination of homospatiality and incompossibility that gives rise to the “apparent falsity” in metaphors. In context of metaphors, Burke (1954, p. 90) mentions the “perspective by incongruity”, a perspective that is gained by constant juxtaposition of incongruous terms that reveals “unsuspected connectives” and appeals to the audience by exemplifying relationship that conventional forms of communication had ignored. Koestler (1964, p. 35) speaks about
metaphors as a part of a creative process of perceiving a situation or idea in two self-consistent but habitually incompatible frames of reference.

**Perceptual and Conceptual Incongruity in Visual Metaphors**

One can distinguish between two types of incongruity in the context of visual metaphors, one being *perceptual incongruity* and the other being *conceptual incongruity* (Berlyne 1960, p. 287). *Perceptual incongruity* is something an observer perceives the instant he looks at the visual metaphor. This is a perceptual or sensory level of detection. Here the conflict is between perceptual responses to elements of the visual metaphor arising from stimulation of receptors and those that contiguous elements evoke centrally due to redintegration. Tversky and Kahneman (1983) contend that certain attributes are more easily accessible to our cognition than others. Attributes that are more regularly and automatically conjured by the automatic system are called natural assessments. Surprisingness (has some ‘similarity’ with the concept of incongruity) is one of the attributes that falls into the category of natural assessments (Kahneman and Frederick 2002). Therefore, we would postulate that incongruity can also be detected by the perceptual system automatically. But *conceptual incongruity* arises out of learned conflict between symbolic responses. Say you do not associate A and B based on your knowledge structure, yet say an ad shows both A and B together. Therefore, there is an expectation violation at a semantic level. As would be apparent, conceptual incongruity required a deeper level of processing of the stimuli.

**A PROCESS MODEL FOR AFFECT AND PLEASURE OF THE TEXT**

Incongruity in a visual metaphor renders the ad, incomprehensible at first glance. This causes arousal and stimulates the audience, who makes an attempt to reconcile the uncertainty. Reconciliation of incongruity-induced-uncertainty is via metaphoric comprehension. The initial state of incomprehension followed by the subsequent comprehension of the visual metaphor is called the ‘a-ha experience’. The ‘a-ha experience’ leads to pleasure of the text. But comprehension of visual metaphor is not a given. Research suggests that comprehension of visual metaphor is a complex cognitive process brought about by cross-domain mapping. As incongruity increases beyond a level, it becomes difficult to apply cross-domain mapping and comprehension fails. In such a scenario, incongruity in visual metaphor can lead to negative affect.

**Comprehension of Metaphors**

One of the inconclusive and ever evolving questions that has intrigued researchers for decades is “how are metaphors comprehended?” There has been a preponderance of studies attempting to understand the cognitive processes involved in metaphoric comprehension (Pollio et al. 1990). One basic assumption that unites a majority of the studies is that metaphors establish correspondence between concepts from disparate domains of knowledge(Bowdle and Gentner 2005). In stating that a particular white soap is a dove; one is establishing a correspondence between the white soap and dove. What differentiates a metaphor from mere literal comparison is that the concepts that constitute the metaphor are from different semantic domains.
Despite the general acceptance for cross-domain mapping, there is a disparity in views on how the mapping takes place. There are two broad conceptualizations, one set of researchers espouse that metaphors are ‘figurative comparisons’ while the other set claim that metaphors are ‘figurative categorizations’. Again, there are several alterations to these broad based views. In the comparison view paradigm, one of the dominant and oldest notions is that metaphors are comprehended via feature matching (Johnson and Malgady 1979; Malgady and Johnson 1980; Miller 1979; Ortony 1979; Tversky 1977). This view subscribes to the theory that interpretation of metaphors is brought about by the similarities between semantically distant domains. If X and Y are two domains, the similarity is the intersection or common area occupied by the two. Therefore, in saying a white soap is a dove; one is matching the common features of the soap and dove. Therefore, one considers the common features of “soft, gentle, pristine” and ignores the not common features like “dove is a bird with different characteristics than a soap”, in order to interpret the metaphor.

There have been few criticisms to the feature matching view(Glucksberg and Keysar 1990; Lakoff and Johnson 1980; Tourangeau and Strengberg 1981). First issue held against this view is that of property selection i.e. not all common or intersecting features are considered in the comprehension process. Therefore, in comparing ‘people’ with ‘dinosaurs’ in the Microsoft Office ad campaign, one does not consider common features such as both dinosaur and people have eyes, feet and common physical features in interpreting the ad. Second, criticism is that metaphoric comprehension may entail correspondence between ‘non-identical, domain specific attributes’, which would be considered as distinctive properties in feature matching view. Therefore, “softness and gentleness” of a bird, dove is in fact not the same as “softness and gentleness” of a soap. Thirdly, feature matching view cannot account for the possibility that new information be mapped from the source to the target that is not common to both the concepts.

The advocates of the categorization view (Glucksberg and Keysar 1990; Glucksberg et al. 1997; Honeck et al. 1987; Johnson 1996; Kennedy 1990) contend that metaphors establish taxonomic relations between semantically distant concepts. Therefore, the literal target and source of the metaphor are directly not placed in comparison with each other. Rather, the base concept is used to abstract a metaphoric category of which the base is a prototype and target term is assigned to that category. Therefore, in categorization view a some properties of a dove are used to create a metaphoric category that represents “gentleness and softness”, that typifies a dove and then a soap can be interpreted as a member of that category. This process sets up an inheritance hierarchy that is implicit in establishing taxonomic relations.

The categorization view in fact corrects for the criticisms of feature-matching view. First, because not all properties of target constitute the metaphoric category, means all common features are not a part of the interpretation. Second, metaphoric categorization does not take literal properties of the source and hence the target is assigned to abstractions of the attributes of the source. Further, because the metaphoric category view can take new information from the source and hence the target that gets assigned to the metaphoric category can inherit these new attributes.
But, the categorization view ignores the role of the target in creation of the metaphoric category (Gibbs 1992). If the metaphoric category were just the abstraction of the source, it can lead to several categories that can be far removed from the target. This comes as a limitation of the earlier categorization view. Researchers have proposed more sophisticated versions of the categorization view. One such view is the interactive property attribution model (Glucksberg et al. 1997). According to this view, target and source play distinct but interacting roles. Whereas the base suggests possible metaphoric categories, the target simultaneously suggests the applicability of the categories. Hence, the target is used to determine what categories it can meaningfully inherit. Therefore, in case of ‘Three Olives vodka is a woman’ ad depiction, the attributes of ‘sensuousness and smoothness’ are derived from all possible abstractions attributed to a woman, based on the appropriateness and applicability of the abstractions to a vodka. Few researchers, in an attempt to reconcile the comparison and categorization view, have proposed a career of the metaphor model that argues that as a metaphor becomes more commonplace through regular usage, the comprehension process shifts from comparative process to a categorization one (Bowdle and Gentner 2005; Gentner 1983). But there are further debates on how the interaction process between target and source takes place. According to us, in a broad sense, the interactive categorization view seems to be the most compelling description of the process of comprehension of a metaphor.

A Process Model: Effect of Incongruity in Visual Metaphors on Affect

There has been considerable theorizing on ‘collative motivation’ or motivation dependent on collative properties such as novelty, surprisingness, complexity and incongruity. The basic assumption here is that collative properties effect arousal or drive irrespective of context. This arousal would vary depending on the frequency of exposure and different levels of the collative property. Incongruity, which is a collative property, would cause an arousal that stems from the conflict and uncertainty evoked by visual stimulus.

Incongruity is a property of metaphors and there is theorizing to suggest metaphors elicit tension. Nilsen (1986) proposed that metaphorical process elicits linguistic, pragmatic or hermeneutic tension. In context of visual metaphors, linguistic tension is an outcome of relationship of graphic elements in an ad that is unconventional in relation to graphic conventions. Pragmatic tension is caused when the depiction of objects violates their usual form in reality. And hermeneutic tension is evoked when the ad’s depiction of the abstract qualities of the product poses a certain level of challenge one’s belief system (Kaplan 1992). The tension or arousal should increase as incongruity in a visual metaphor increases.

There are two routes that account for the effect of incongruity of visual metaphors on affective evaluations (Figure 2). One is the perceptual route and other is the comprehension route. The perceptual route can be understood in terms of arousal boost concept and comprehension route can be understood in terms of arousal lag concept introduced by Berlyn (1971; 1960) in context of collative variables. Berlyn (1960) purported that both arousal-increasing and arousal-mitigation systems can be lead to positive hedonic value. If one is exposed to a visual metaphor for a very brief period so
that semantic level processing is inhibited, the incongruity experienced would be at a perceptual level. If one could increase incongruity from low to high, beyond a threshold level, the hedonic value will increase and reach a peak when the arousal potential is at a moderate level. After which there is a decline in hedonic value and at high level of arousal potential, the hedonic value may become negative. Therefore, arousal-increasing system or *arousal boost* has a non-monotonic relationship with hedonic value.

Conflict and uncertainty are aversive states and an organism tries to reduce or alleviate an aversive state and get back to a more comfortable state. States of high uncertainty and conflict are states of disequilibrium and are unstable. In fact there is research to suggest that incongruity evokes exploratory behavior so as to make up for the lack of information and reduce uncertainty. Subjects spend longer time perusing a stimulus high on incongruity versus low on incongruity (Berlyne 1963; Berlyne et al. 1963). The reduction of response uncertainty to a below a threshold value is termed as *conflict resolution*. The removal or attenuation of the source of discomfort is supposed to be rewarding. This is the *arousal jag* or arousal-mitigating phase that also contributes to the positive hedonic value generated from a stimulus. In context of visual metaphor, the conflict resolution is brought about by the process of comprehension. Comprehension quenches the stimulation evoked by the incongruity in the visual metaphor.

**FIGURE 2**

**A PROCESS MODEL FOR THE EFFECT OF INCONGRUITY OF VISUAL METAPHORS ON AFFECT**

![Process Model Diagram]

The two routes can be reconciled to understand the overall effect of incongruity in an ad on advertising evaluations. As is evident from Table 1, low incongruity evokes mild stimulation. Because incongruity is low, comprehension of the visual metaphor will require little effort and hence the affect experienced post comprehension will also be mildly positive. Moderate level of incongruity in visual metaphors will elicit the most
pleasant level of arousal or stimulation. Again, conflict resolution in case of moderately incongruous visual metaphors post comprehension will lead to moderate positive affect. In case of high incongruity, the hedonic value due to arousal will be negative. The comprehension route can lead to two possible outcomes: one in which perceived comprehension takes place and other in which perceived comprehension does not take place. If the metaphor cannot be comprehended, it will lead to moderate to high negative affect such as frustration and disappointment. What one needs to appreciate in case of a highly incongruous metaphor, in which the terms of the metaphor cannot be easily reconciled, that even if perceived comprehension takes place, an individual will be uncertain about the level of comprehension and hence the positive affect experienced will be compromised. Hence high incongruity in visual metaphors may lead to only mild to moderate positive affect. Overall, by reconciling the effect of the two routes, one can deduce that moderate level of incongruity should lead to more favorable evaluations than either high or low levels of incongruity.

This prediction is in conformance with the schema incongruity theory. Schema incongruity view postulates that a stimulus that is of low level of incongruity is not stimulating, become it is close to expected schematic representations. Instead low incongruity may elicit a mild positive hedonic value caused by familiarity and liking. But a stimulus that violate our expectation should cause arousal. Moderate incongruity not only is arousing but also can be resolved and assimilated and hence leads to positive affect. While extreme incongruity, causes high level of arousal and affect is predicted upon the nature of resolution. If the viewer is unable to resolve the schema incongruity it will lead to negative affect while if it is reconciled either by alternate schema or successful accommodation it will lead to positive affect.

TABLE 1
RELATIONSHIP OF INCONGRUITY IN A VISUAL METAPHOR AND AFFECT

<table>
<thead>
<tr>
<th></th>
<th>Perceptual Route</th>
<th>Comprehension Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Incongruity</td>
<td>Mild Positive Affect</td>
<td>Mild Positive Affect</td>
</tr>
<tr>
<td>Moderate Incongruity</td>
<td>Moderate Positive Affect</td>
<td>Moderate Positive Affect</td>
</tr>
<tr>
<td>High Incongruity</td>
<td>Mild to Moderate Negative Affect</td>
<td>Either Mild to Moderate Positive Affect or Moderate to High Negative Affect</td>
</tr>
</tbody>
</table>

**H1:** Incongruity in visual metaphors will have a non-linear or U shaped relationship with affect. Moderate level of incongruity versus low level of incongruity in a visual metaphor should lead to higher positive affect. Also, moderate level of incongruity versus high level of incongruity in a visual metaphor should lead to higher positive affect.
The A-ha Experience and Pleasure of the Text

A-ha experience is a transition from a state of incomprehension to that of comprehension of the stimulus. A-ha experience represents the change from a state of incomprehension to a state of comprehension. Rhetorical figures are indirect form of communication. Hence the comprehension of rhetorical figures unlike literal comprehension is not clear at a glance. Metaphors, a type of tropes are supposed to be the most deviant of rhetorical figures. Metaphors are undercoded and lack information and hence the reader gets motivated towards elaboration of the text so as to achieve closure. The cohabitation of two terms in a visual metaphor that are incompossible and inconsistent, at first renders the message unobvious to the audience. Hence the reader has to make an effort towards understanding the visual metaphor. The subsequent resolution of meaning of the metaphor elicits pleasure of the text.

The a-ha experience is marked by a pre-experience characterized by some factors connected with threat, discomfort, uncertainty or arousal and a post-experience characterized by some factors that signify safety, readjustment, clarification or release. In physiological sense a rewarding event such as comprehension after some effort, should produce a change in arousal level. Because an organism is active and disturbed before it receives the reward. The onset of a reward produces a change to quiescence and tranquility(Berlyne 1960). Therefore, “aha experience” would be the point at which there is a change in hedonic value. It can be understood as a point of inflection on a curve.

FIGURE 3
A PROCESS MODEL FOR PLEASURE OF THE TEXT

Because a-ha experience takes place only when the initial incomprehension is resolved, hence comprehension should occur for a-ha experience to take place (please refer to Figure 3). A-ha experienced can be thought of as the “click” of comprehension. So a-ha experience would depend on both the initial degree of incomprehension and the subsequent degree of comprehension of the visual metaphor. As incongruity the increases from low to high, the initial perceived incomprehension should increase. Simultaneously as the incongruity increases, the likelihood for perceived comprehension to occur after some effort-after-comprehension should decrease. Moderate level of incongruity yields the most favorable level of a-ha experience. Therefore, when incongruity is low, the
incomprehension would be mild and comprehension should not be challenging and hence a-ha experience should be of low intensity. Moderate incongruity will lead to higher level of perceived incomprehension on first exposure to the visual metaphor. Comprehension should be possible after some effort and hence a reader should experience higher level of a-ha experience. But when the metaphor is highly incongruous, it becomes very difficult to accomplish cross-domain mapping and reconcile the meaning of the metaphor. In case of highly incongruous visual metaphors, even if one were able to accommodate or assimilate the visual metaphor, one would not be certain of one’s comprehension. Hence, a-ha experience should reduce in case of extreme incongruity in visual metaphors.

**H2:** Incongruity in a visual metaphor will have a non-linear relationship with the ‘a-ha experience’

The ‘a-ha experience’ is one explanation for the pleasure-of-the text. Metaphors and other rhetorical figures are deviations from expectation. The initial incongruity leads to incomprehension, which is unsettling and ensuing comprehension and resolution of incongruity is rewarding. The a-ha experience contributes to the pleasure of text. Greater is the intensity of a-ha experience or click of comprehension, the greater should be the pleasure of text experienced. Pleasure relates to “safety, readjustment, clarification or release” (Berlyne 1960, p. 258). It is the reward from getting over an aversive situation. It is the thrill one get from solving a puzzle (Peracchio and Meyers-Levy 1994). *Pleasure of the text* is the positive affect that a reader experiences due to the reader’s perceived successful comprehension of an initially incomprehensible text. This affect is experienced via the comprehension route. The perceptual route leads to arousal that is stimulating. As stimulation increases from low to moderate levels there is an increase in hedonic tone. This *arousal boost* yields a feeling of pleasantness. Conceptually the affect via the perceptual route is different from the affect via the comprehension route.

**H3:** The ‘a-ha experience’ mediates the relationship of incongruity of visual metaphor and pleasure experienced from a visual metaphor

**H4:** The ‘a-ha experience’ has a linear relationship with pleasure experienced from a visual metaphor

**THE OPERATIONALIZATION OF INCONGRUITY IN VISUAL METAPHORS**

**How to manipulate incongruity in visual metaphors?**

A generally accepted assumption in the comprehension of visual metaphors is that of cross domain mapping. Comprehension of metaphors proceeds by transference of properties of target that belongs to one domain to the source that belongs to another domain. The domain of the source and target are semantically distant thus resulting in domain incongruence (Ortony 1979). This domain incongruence is a cause of incongruity in a metaphor. It therefore follows from this preface that more is the perceived semantic distance between the two domains that subsume the terms of the visual metaphor the greater would be the perceived incongruity in the metaphor. Therefore, instead of using dove (a bird) to transfer the abstract properties of “smooth and gentle” onto a white soap, if one used say a “white sheep”, it would create a greater level of incongruity in the visual
metaphor. In our study, we created a set of ads that reflected the domain incongruence notion. Two sets of ads for fictitious brands were created. One set of ads were for Big John shirts, a plus-size line of shirts and other set of ads were for Z energy drinks. We used different source terms to transfer the desirable properties to the brands. In case of Big John shirts (Please refer to Figure 4) we used “a giant”, “an elephant”, “a bus” and “a mountain” as sources to transfer the desired attribute of “bigness” to the shirts. The theoretical argument applied here was as the perceived semantic distance of source term and the target term increases, the incongruity in the visual metaphor should increase.

CONCLUSION AND FUTURE RESEARCH

To empirically study our research questions first, two sets of ads using visual metaphors were created with the help of a professional ad executive. In the choice of the products for the ads, two points were borne in mind. One, the products should be ones that most subjects should be familiar with, so that knowledge factors do not confound the study variables. Two, the products should be such that we can come up with different source terms that can be used to transfer a particular attribute to the product. After much cogitation, we converged on a plus-size line of shirts called Big John shirts and an energy drink called Z energy drink. For Big John shirts, the desired attribute to be mapped onto the shirt was “bigness”. We used “a giant”, “a whale”, “an elephant”, “a bus” and “a mountain” as source terms for the target “Big John shirts”. In the Z energy drink ads, the desired attribute was “electrifying energy”. To transfer the association of electrifying energy, we used “a lightening”, “a plug point”, “electrons in an atomic model” and “an electricity danger sign” as source terms for the target i.e. Z energy drink. Therefore, we created five ads for Big John shirts and four ads for Z energy drinks.

A pre-test was conducted with the objective to calibrate the ad stimuli as low, moderate and high incongruity visual metaphors. Due to constraints on availability of subjects, we used a within-subject experimental design. Incongruity is reflected in perceived deviation from expectation and hence a within-subjects design could pose the problem of carry-over effects. Hence, we used a Latin-square design so that nuisance effect of sequence of the ad exposure could be factored out. Subjects were randomly assigned to a within-subjects 4X4 Latin-square design, in case of Z energy drink and a within-subjects 5X5 Latin-square design, in case of Big John shirts. Incongruity was measured through the “Very unexpected – Very expected” and “Very irrelevant – Very relevant” (Heckler and Childers 1992), 11 point semantic differential scales. Also we had items such as “Very similar to other ads in this product category - Very different from other ads in this product category”, “very novel – not at all novel”, “simple –complex”; all rated on 11 point semantic scales for manipulation check. Further we measured the extent to which the visual aroused uncertainty and conflict(Berlyne 1960). The analysis of the pre-test data is currently underway. We hope to find significant differences in perceived incongruity for different ads.

After the pre-test, we propose to conduct the main study. The main study objective is to test the effects of low, moderate and high levels of incongruity on ad evaluations. The key dependent variables will be the “pleasure-arousal” scale by Mehrabian and Russell (1974); pleasantness scale (Berlyne 1963); attitude-toward-the-ad;
attitude-toward-the-brand and an ad hoc measure for pleasure of the text. We propose to measure the pleasure of the text with an 11 point Likert scale anchored with “strongly agree – strongly disagree”. The items in the scale are “I liked the process of going through the ad/ The process of going through the ad gave a pleasant feeling/ I enjoyed the process of going through the ad/ The process of going through the ad gave me pleasure/ The process of going through the ad gave me a good feeling”. After the main study, we propose to carry a computer-based and electroencephalograph-based study, with a new set of ads to capture the “a-ha” experience.

This paper proposes to make a few contributions to the literature of rhetorical figures and advertising. First, we are making an attempt to empirically examine the relationship of incongruity in visual metaphors and affect. Second, we would like to understand the process by which incongruity leads to affect. Of particular interest to us is the mechanism that leads to pleasure of the text. Though the study focuses on visual metaphors, the findings from this study can be applied to other rhetorical figures as well. Incongruity is a characteristic of rhetorical figures in general. Rhetorical figures are called artful deviations (Corbett and Connors 1999; McQuarrie and Mick 1996). Hence, our understanding drawn from incongruity in visual metaphors and affect can be applied to other rhetorical figures. McQuarri and Mick (1996) placed the various rhetorical figures along a gradient of incongruity and complexity. According to their framework, metaphors are most deviant of figures. Hence, one must bear their framework in mind, when applying the results of our study to other rhetorical figures. One must do so metaphorically!
FIGURE 4
VISUAL METAPHORS MANIPULATED TO DIFFERENT LEVELS OF INCONGRUITY
REFERENCES


ESSAY 1:

THE UNINTENDED (UN)DESIRED EFFECTS OF UNREDEEMED COUPONS

ESSAY 2:

“I LIKE TO GAIN, BUT NOT TO BE GIVEN.” THE DIFFERENTIAL EFFECTS OF DISGUISED/NONDISGUISED COUPON DISTRIBUTION APPROACHES

Ze (Amy) Wang

University of Kansas

Essay 1

In the U.S., coupons are a ubiquitous method of persuasion. In 2005, 323 billion coupons (valued at approximately $374 billion) were distributed. That roughly translated into an astonishing 3000 coupons per household per year. Yet only 1% of the coupons are ever redeemed. Still, marketing researchers have exclusively focused on redeemed coupons. Do the 99% (i.e., 320 billion coupons with face value of about $317 billion) (unredeemed) coupons have any impact on the consumer? This is the primary question that this dissertation attempts to answer. Today, coupons have evolved from a promotion technique with simple product display on the coupon to a complex advertising vehicle with sophisticated advertising messages. Given this, it is surprising that the promotion effect of redeemed coupons has received disproportionate attention, whereas the unredeemed coupons (i.e., 99 percent of coupon population) are virtually ignored. In this study, I will specifically examine the residual effects of unredeemed coupons on such critical marketing outcome variables as brand attitude, brand attitude certainty and behavioral intentions.

Theoretical Background and Key Hypotheses

One critical dependent variable in this dissertation is attitude certainty, which refers to the confidence level individuals have about their attitude validity or correctness (e.g., Gross, Holtz and Miller, 1995). High-certainty attitude may persist longer, resist other persuasive messages and better predict the future behaviors (e.g., Petty, Haugtvedt and Smith, 1995 for a review). This study will investigate the boundary conditions in which coupons may either undermine or bolster the attitude or attitude certainty toward the couponed brand. The critical independent variables are: consumer commitment, coupon face-value and the strength of the ad-message accompanying the coupon. Broadly speaking, for a couponing campaign, consumers can be divided into two groups: consumer with high commitment to competitors’ brands (high-commitment consumer) and consumers with low commitment to any brand in the product category (low-commitment consumer). Consumers loyal to the couponing brand are not considered here because the coupons’ persuasion attempt is to generate incremental sales and change brand attitudes of consumers who will not purchase the couponed brand otherwise. There are two elements in a coupon that influence the persuasion attempt: coupon face value (the economic incentive) and the accompanying ad-message (the brand information).
Consumers’ Commitment and Attitudinal Responses to Coupons

High commitment consumers have strong brand preference and low motivation to process information from and strong resistance to competing brands. A low face value coupon is a very weak attack attempt. Hence coupon ads either with strong argument or weak argument will be ignored and have little impact on high-commitment consumers’ attitudinal responses.

A medium face value coupon with a relatively large economic incentive will generate higher motivation for consumers to process the couponed brand and product information. For consumers with high commitment to competitors’ brands, purchasing the couponed brand may involve high substitution cost and risks. They need to process the coupon ad information and learn the consumption benefits of purchasing the couponed brand in addition to the economic saving. When the ad argument attached to this medium face value coupon is weak, high-commitment consumers could reject the coupon by successful counterargument against the ad position. According to metacognition and resistance to persuasion framework (e.g., Tormala and Petty 2002), high-commitment consumers’ confidence in their initial brand attitude will be bolstered after successfully resisting a strong attack attempt (i.e., a medium face value coupon from other brand) through elaborated counterargument. When the coupon ad argument is strong, high-commitment consumers could not directly generate viable counterargument. They might use other approaches to defend their own beliefs (e.g., compromise the importance of the attributes), but their perception of resisting a strong attack message with few counterarguments or unreliable reasons will not strengthen, and perhaps even weaken their initial brand attitude (Tormala and Petty, 2006). In this case, a medium face value coupon with strong ad argument may not change the attitude per se, but it has a hidden success of weakening high-commitment consumers’ initial brand attitudes.

When the coupon face value is large, the economic incentive alone is persuasive enough for the consumers to purchase the couponed brand. Even if the associated ad message is weak, high-commitment consumers might still redeem the coupon because of the large price discount, but their attitude certainty toward favorable brand will not change. In this case, a large face value coupon has an explicit behavioral success of coupon redemption, but leads to little attitudinal change (provided that the consumption experience is significantly superior to the brand under attack.) If the coupon offers a large discount and provides cogent ad information, high-commitment consumers may perceive the resistance as flawed or very difficult. According to Rucker and Petty (2006), individuals’ perception of counterargument failure may undermine confidence in the old attitude. Under this condition, an extra large face value coupon could successfully induce positive attitude toward the couponed brand, bolster consumers’ confidence in this and lead to redemption behavior. The complete hypotheses about couponing effects on high-commitment consumers are summarized in figure 1.

H1(a): As the face value of a competitor’s coupon increases, high brand commitment consumers will become significantly less certain about their brand attitude, when exposed to a strong ad argument.
H1(b): As the face value of a competitor’s coupon increases, high brand commitment consumers will become significantly more certain about their brand attitude for medium value coupons than for low or high value coupons when exposed to weak message.

Consumers with low commitment towards any brand in the product category lack clearly defined prior attitude. Their information processing is more objective compared to high commitment consumers. Low-commitment consumers seek diagnostic information from the coupon (e.g., large face value or strong argument) to help them make the purchase decision. They are less resistance to persuasion attempt and highly motivated to process the brand information in the coupon-ad messages. If the face value is low and argument is weak, they may reject the coupon due to the possibility of better offer from other brands. If the low face value coupon is associated with strong argument, they redeem the coupon because of the persuasive brand information. As the coupon face value goes up, low commitment consumers have higher probability of redeeming the coupon, and their confidence in choosing the promoted brand is higher for the strong ad arguments than for the weak ones. If the coupon face value is extra large, the low commitment consumers have less motivation to process the brand information and will redeem the coupon based on the persuasive price discount. According to Rucker and Petty (2004), after being persuaded by a persuasion attempt, individuals’ attitude is stronger after failed counterarguments than following undirected thinking. In the couponing context, high commitment consumers could be persuaded by extra large face value coupons because of failed counterarguing against the persuasive message, whereas low commitment consumers will simply process and be persuaded by the price and brand

![Figure 1: Hypothesized effects of couponing on High-Commitment Consumers](image-url)
information. Hence, under same condition (e.g., large face value coupon with strong argument), high commitment consumers hold more confidence in their choices than low commitment consumers.

H2(a): As the face value of a competitor’s coupon increases, low commitment consumers will become significantly more certain about their attitude toward the couponed brand, when exposed to a strong ad argument than to a weak ad argument.

H2(b): Low brand commitment consumers’ attention to coupon ad message and recall of brand information will increase as the face value of coupon increases, up to a point. Beyond the threshold point, consumers’ attention to coupon ad message and recall of brand information will either decrease or stagnate with an increase in the face value of coupon.

METHODS
Experiment 1 will be a 2 (brand commitment: low versus high) × 2 (ad message argument strength: strong versus weak) × 3 (face value: low, medium and high) between subject design. About 240 students will participate in this study. The stimuli will be a Web-zine containing some brief articles, ads, filler and experimental coupons on the computer screen. Participants will be instructed to browse the Web-zine and then fill out the survey with dependent measures (e.g., recognition and recall of the coupon ad information, brand attitude and attitude certainty, and other thoughts about the coupons). With a focus on competitors’ consumers, experiment 2 will be a 2 (ad message type: comparative versus noncomparative) × 3 (face value: low, medium and high) between-subject design. Similar stimuli and experimental procedures will be used as those in Experiment 1.

Essay 2
One challenging issue that coupon marketers face is coupon distribution approach. As firms recognize that consumers are bombarded with numerous coupons everyday (e.g., free standing inserts, direct mail, in-ads and magazine on-page coupons, etc.), a new disguised coupon distribution approach has emerged. For example, in the New York City area, 1-800-Flowers.com invited consumers to help the company choose a tagline by clicking their favorite slogan at company’s webpage, and in return, consumers get a $5 coupon. Similarly, some companies (e.g., ClearContext, Pepperidge Farm) ask people to fill out a brief survey or solve a crossword puzzle, and then offer or increase the discount of their own product coupons/gift cards to participants. In contrast to the traditional coupon distribution channels, in which consumers were passively given the coupons, the disguised coupon distribution approach requires consumers’ active involvement in gaining the coupon. We attempt to test different consumers’ attitudinal and behavioral responses to both disguised and nondisguised coupon distribution approaches.
Theoretical Framework and Hypotheses

Distraction and Resistance to Persuasion

People generate counterarguments against counterattitudinal information. Petty, Wells and Brock (1976) reasoned that distraction inhibits the dominant cognitive response to a persuasion attempts, and this effect holds for both counterattitudinal and pro-attitudinal messages. If the thoughts were primarily counterarguments, distraction would enhance the persuasion by interrupting with subjects’ resistance to the counterattitudinal information. If the favorable thoughts were dominant, distraction would reduce the persuasion because of its interference with the supportive elaboration. Knowles and Linn (2004) suggest the explanation based on Elaboration Likelihood Model. The basic role of distraction is to move people from central route processing to peripheral route processing. As people get distracted by the second task, they could process the message only based on the peripheral aspects.

In the coupon context, consumers get distracted in the disguised coupon distribution by the tasks (e.g., selecting slogan, answering survey questions, solving puzzles). The use of distraction in the persuasion communication might dilute the readers’ attention and the dominant cognition will be attenuated. Therefore, disguised coupon will generate less counterargument among the consumers with high-commitment to other brands, improving the persuasion effects (i.e., more favorable attitude toward the couponed brand). But for the consumers committed to the couponed brand or low-commitment consumers, the promotion message is pro-attitudinal. According to distraction-persuasion relationship, the disguised approach should lead to less attitudinal changes compared to traditional methods due to the lack of positive thoughts elaboration.

H1: Traditional coupons will be more beneficial to self-brand committed consumers and low-commitment consumers compared to disguised coupons, whereas disguised coupons will be more beneficial to consumers committed to competitors’ brands.

Previous research on elaboration and attitude strength (e.g., Petty, Haugtvedt and Smith 1995 for a review) has shown that high levels of elaboration or thoughtful processing of attitude relevant information result in stronger attitude than low levels of elaboration. Stronger attitude may persist longer over time, better resist attacking messages and predict more accurately about future behavior. In this study, we evaluate the attitude strength formed in two coupon distribution approaches by measuring subjects’ certainty about their brand attitude. Because in disguised conditions, consumers have lower levels of elaboration on the coupon ad message than in the traditional approach, I expect the resulting attitude will be held with low level certainty.

H2: Consumers’ attitude towards the couponed brand is held with less certainty in disguised coupon distribution than in traditional coupon distribution.

Attitude Basis, Message type and Distraction Effect

Previous research shows that distraction may improve or undermine the persuasion effort because of the interruption in cognitively processing of the message content. The role of distraction in this process depends on the type coupon ad message
and the type of beliefs consumers hold about the brand. If the consumers have cognitively-based attitude toward the brand and the coupon ad is informational, then distraction will inhibit the counterarguments or proarguments. On the other hand, if consumers hold affective-based beliefs and the coupon ad is informational, distraction will have a limited effect on brand resistance. This is because affective beliefs are holistic, unidimensional evaluative, whereas cognitive ones are analytical. The congruency of consumer attitude basis and coupon ad message types will moderate the distraction effect.

H3: Differential effects of disguised coupon over traditional coupons will be greater when the type (emotional or informational) of coupon ad and attitude basis are congruent than otherwise.

METHODS

Experiment 1 will be a 3 (consumer commitment level: high toward the couponed brand, high toward competitors’ brands and low commitment to any brand) × 2 (coupon distribution approaches: traditional approach and disguised approach) between subjects design. Participants for this study will be 120 college students. The stimuli will be a Web-zine containing some brief articles, ads, filler and experimental coupons. Under the disguised distribution condition, the experimental coupon will be displayed only after clicking on the coupon-ad link and selecting an advertising slogan. In the traditional coupon distribution condition, the experimental coupon will be presented directly after filler coupons. Participants will be instructed to browse the Web-zine, print the coupons they intent to redeem and fill out the surveys with dependent variable measures (recall of coupon ad information, brand attitude and other thoughts about couponed brand).

Experiment 2 will be a 2 (consumer attitude basis: cognitive versus affective) × 2 (coupon distribution approaches: traditional approach and disguised approach) between subjects design. Stimuli and procedures are similar to Experiment 1.

IMPLICATIONS

By focusing on the 99% of the coupons that are never redeemed, this dissertation research will enhance our understanding of the couponing’s effects on consumers attitudinal responses and provide practical guidelines for marketers about coupon design and distribution choice. Our thesis is that unredeemed coupons are not ineffectual. Well-designed coupons (e.g., with strong ad argument) may have hidden success without redemption (e.g., weakening consumers’ initial belief in competitors brand), while poorly designed ones (e.g., with weak ad argument especially those with medium face values), may boomerang against couponing brand by bolstering consumers’ positive attitude toward competitors’ brand. In addition to shedding light on the complex nature of couponing effects, this research also provides insights for marketers to choose proper coupon distribution channel to reach their target consumer. This research should extend the marketing research literature on couponing effects and the psychology research stream on resistance to persuasion.
REFERENCES


“HYBRIDIZED CONSUMPTION:
A VIEW BY VIETNAMESE CONSUMERS FROM WEDDING WINDOWS”

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INTRODUCTION

Academic researchers have long recognized that globalization produces cultural heterogeneity and not just homogeneity (Featherstone 1990; Friedman 1994; Robertson 1992). An alternative to the homogenization of globalization is a process where things are taken from available local and global sources to create heterogeneous meanings and meaningful forms: the “mixed” and “in-between,” called creolization or hybridization (Hannerz, 1987). From a postmodern perspective, hybridization becomes routine in an era of globalization (Werbner and Modood 1997). In consumer research, hybridization consumption is also studied as nature of the globalization of consumption (Clark 1992; Erbaugh 2000; Ger and Belk 1996; Ustuner, Ger, and Holt 2000). But if consumer cultures throughout the world are hybridized (Ger and Belk 1996), how does the postmodernist perspective of global consumption make sense of the transgressive and transformative power of the hybridization consumption? Theories of liminality in anthropology will shed the light on both the routine and transformative power inherent in hybridization consumption.

Theories of hybridization in globalization have many parallels with theories of liminality in ritual study. They both focus on the site and context in which hybridization functions and the actor performs hybridization (Werbner, 2001). However, while hybridization becomes routine in trends toward globalization, hybrid figures in ritual study are hedged with taboo and are out of the everyday world. Turner (1966) defined liminal period as betwixt-and-between moments in which hybrid figures, including incongruous elements, are created to raise consciousness and smoothen transitions. Hybridization in a liminal period not only reflects social categories, but also affects movements across categories.

In the context of local cultures encountering a global consumer culture, local consumers face the betwixt-and-between qualities of the liminal period. This study uses the hybridity concept in ritual study to explore the nature of the hybridized consumption created by consumers in the Vietnamese transitional economy to cope with their time in a liminality of modern/traditional, global/local, urban/rural, and new/old. Such contradictions are silent in everyday life, but become salient in ritual (Turner, 1966). To illustrate this point, the wedding context was chosen as the site studied. This research explores three questions:

1) What types of transitions do Vietnamese consumers experience in contemporary wedding consumption?

2) How do those transitions frame the expression of hybrid consumption? and

3) What are consumers’ corresponding experiences of hybridized consumption?
The paper starts with a review of relevant literature to provide a background for the subsequent analysis.

THEORETICAL BACKGROUND

Organic versus Intentional Hybridity

A crucial distinction between the two forms of linguistic hybridization made by Bakhtin (1981) enables us to understand the difference between the routine cultural borrowing and appropriation versus conscious hybridization. Organic hybridity is “unintentional, unconscious hybridization” which is “one of the most important modes in the historical life and evolution of languages” (Bakhtin 1981, p. 360). Applying this concept in consumer research, consumer cultures throughout the world historically borrow, appropriate, exchange, and mimic what is at hand when they encounter other cultures. This unconscious hybridization process is not interruptive, but creates a springboard for future social changes. In contrast, intentional hybridity is “first of all a conscious hybrid,” “a collision between differing points of views on the world.” This conscious hybridization process makes use of contrasts and oppositions, mixing incongruous elements from disparate domains to “bring otherness from beyond the boundaries into established routines of daily life” (Werbner 2001, p.141).

In consumer research, I propose that intentional hybridity refers to 1) products, services, or commercials which are intentionally marketed in hybrid forms, in which incongruous elements from disparate domains are juxtaposed; and 2) hybrid expressions of consumption in which consumers creatively mix contrasts and oppositions. Illustrations for the former are Tele Chobis, the Mexican adaptation of Teletubbies (Kraidy 2005), Starbucks (Elliott 2001; Thompson and Arsel 2004), and advertising of global brands using local and mythical appeals, such as Marlboro in China. Illustrative of the latter are the changing outfits of the heroine in henna night in Turkey (Ustuner, Ger, and Holt 2000) and using a makeshift altar in a home for the elderly in Japan (Bethel, 1992). Local cultures, of course, are constantly changing through a process of organic hybridization. With this dynamic view, at a given moment, society and its members are always in a liminal process that requires hybrid figures to smoothen the crossing of boundaries. The distinction, then, between organic and intentional hybridization, makes sense of routine hybridization processes, thus building ground for consumers to construct intentional hybridization consumption. Theories of liminality and hybrid figures in the liminal phases enable us to further understand how consumers do this.

Hybrid Figures, Process, and Boundary:

Anthropologists study hybridization through social order and disorder. Each individual’s life experience is a series of fixed positions and passages between positions, either in terms of personal and calendrical passages (van Gennep 1960) or social structure (Turner 1966). In the betwixt-and-between moments and spaces, hybrid figures, myths, and jokes may reflect, raise consciousness, challenge, and transform the categories, hierarchies, contradictions, and conflicts in societies (Douglas 1966; Turner 1966; Werbner 2001). These mixtures hybridize by fusing and juxtaposing elements from “different and normally separated domains.”
More recent work has focused on the processual nature of cultures to further knowledge on hybridization in the conditions of liminality (Werbner 2001). Discrete successive order and disorder events are replaced with the metaphor of a forever changing river. At any given moment, individuals experience a continuous swinging between contrasts and oppositions in a social system. Handelman’s (1990) concept of boundary enables us to better understand the in-process boundary-crossover. Handelman defined a boundary not as a rigid cut of oppositions, but as a fluid “condition of oscillation among its unlike properties.” Then, the boundary is seen “as composed of contradictory sets of attributes:” local/global, old/new, traditional/modern, rural/urban, and so on; and “the interior of the boundary is fluid, plastic, and in-transition” (Handelman, 1990, p. 247). Hybrid figures are constructed to internalize the idea of the boundary to resolve conflicts.

Borrowing Werbner’s argument of the modern novel as intentional hybridity, I suggest that globalization of consumption involves hybrid figures that are intentionally created, either by the market or by consumers themselves. The aesthetic designs of products, services, and commercials, and joyful contexts of consumption, may mask its hidden ontology as hybrid figures created by fusing and juxtaposing incongruous elements. The elements may be from local cultures or the global market, which are both culturally hybrid through the historically organic hybridization. These hybrid figures are useful for consumers in dealing with their crossing over boundaries of local/global, old/new, tradition/modern, rural/urban, etc.

**METHOD**

The research was design to observe, analyze, and understand transitions and the associated consumption experiences faced by Vietnamese consumers in wedding consumption. Data for this study were collected in two 3-month periods during wedding seasons in Ho Chi Minh City, the center of trading and economics in South Vietnam. The study employed multiple qualitative and interpretive methods to explore wedding consumption rituals. It centered on ethnographic research methods to learn through participating and observing others’ activities in everyday life.

Interviews and fieldwork gathered insights from:

1) observing at the business sites

2) observing at wedding ceremonies at homes and/or churches, and wedding receptions

3) in-depth interviewing with couples before and after weddings, as well as with the couples’ parents and with people in the wedding business

4) writing a personal journal and

5) collecting artifacts such as wedding plans, guest lists, invitations, gifts, wedding photographs, and videotapes, and decorations.
However, there are aspects of consumer experience that cannot be unraveled by ethnographic research, such as ambivalence, controversial behavior, and sensitive topics. Projective techniques were complementarily used to extract such information. Photographs, videotapes, and field notes from field trips supplemented my interview texts.

To increase the awareness of and participation in the study, the author widely announced her research to acquaintances. Informants were also selected from business sites such as hotels or restaurants, wedding studios, and wedding gown stores where the author did her fieldwork. Some informants were introduced to the research by businesspeople, who then actively contacted the researcher to participate in the study. The sample chosen included 53 brides and grooms and 16 of their parents. Most of the informants defined themselves as middleclass, in terms of their being able to afford an average (by their society’s standards) wedding. Thirteen informants indicated that they had financial difficulties in organizing the wedding. Another nine informants said they were not worried at all about finances for their weddings. However, this group also expressed that they just wanted to have a normal wedding, although they might be able to afford a bigger and more lavish wedding. Some of them even commented that with their status, people would expect a bigger wedding from them. The rest of the grooms and brides reported that they have saved enough money for their weddings and they just spent within the amount they had.

Interviews were conducted separately with the bride and the groom, before and after their weddings. The time-lag interviews allow tracing informant changes in perceptions of, attitudes toward, and beliefs in wedding ritual consumption before and after the event. Insights into generational differences were highlighted by information from the couples’ parents. Interviews with the informants before their weddings covered topics related to their wedding preparation. This pre-wedding interview was also the place for projective tasks. In post-wedding interviews, emphasis was placed on informants’ feelings and retrospections on the big day, with visual elicitation being based on the wedding photos of the couple.

Following a naturalistic inquiry method, I conducted data collection, analysis, and interpretation in a circular or hermeneutic way (Thompson 1997). In this process, iteration between individual stories and family accounts was made to form, revise, and further develop understandings of the entire data set. Data was partitioned into categories by age, gender, role, financial resources, involvement in wedding preparation, and elements of the wedding: ceremony, reception, and photo album. I then identified patterns in the meanings of weddings and in meanings of consumption in weddings.

Informants were divided into four groups, based on their attitude toward four main concerns related to weddings: tradition, conflict, individuality, and management. The largest groups are harmony seekers who viewed the wedding as the beginning of the relationship between two families, which plays an important role in the happiness of the new family of the couple. Their wedding designs always took into account the harmony of two families. This group also tried to harmonize conflicts between generations: the
couple and their parents. The second group consists of *tradition lovers*; a “complying with traditions” narrative is quite common within this group. To them, traditions are what they were born into and grew up with; it is consequently their purpose to preserve these traditions. The third group, *impression creators*, wanted to make their wedding striking to observers by focusing on the appearance of the couple in public. Lastly, there are *control keepers*. This group looked at their weddings as a life project which needs to be managed properly. Having total control over the wedding by thwarting others’ claims on it is the solution for control keepers.

A temporal dimension was added to the analysis. Movements of each group were tracked along the wedding process. At an individual level, focus was on the ambiguity and in-between conditions of individuals at various stages. At the group level, analyses focused on power, status, and social capital variables. This was done to group these patterns into more general, conceptual themes, and to determine relationships among these themes. Specifically, consumers experienced personal transition, market transition, and social transition. Finally, the interpretation task was to seek parallel structure, similar themes, and recurring elements across contexts, situations, and individuals. I focus on how consumers draw boundaries between sets of contradictory attributes in transitions and the role of these boundaries in creating hybridized consumption and making meaning for this consumption.

### FINDINGS

**Previous Experiences with Weddings**

Although none of my informants had ever experienced their own weddings before, they all reported attending or seeing weddings while growing up. In Ho Chi Minh City, it is not uncommon for an adult to get at least ten wedding invitations a month in wedding season. It is customary for grooms and brides to ask their single friends to serve as carrying girls or boys to carry nuptial trays in the wedding ceremony. Most informants take for granted a socially acceptable wedding.

While all brides in my sample reported remembering at least one wedding during their childhood, grooms said they did not pay much attention to weddings. It was not until they had a date for their own wedding that they took notice of the details of the weddings they attended. Eight of 28 brides said they had imagined how their weddings would be by drawing on their childhood memories. To them, being a bride means being beautiful. Tradition lovers pictured a wedding with a bridal procession along country paths, with participants in Vietnamese traditional outfits, and children running here and there. “It is like in folk paintings of wedding,” an informant said. Her wedding fantasy derived not only from her childhood memories, but also from a collective memory of a traditional Vietnamese wedding.

Most childhood wedding fantasies related to a bride with many gowns in different colors. Some childhood fantasies of weddings have been discarded as out-of-date. Informants reported that the image was relevant when they were kids. Now, however, the market offers more fashion options. What they previously had thought to be nice was no longer appropriate for the current society:
I remember my aunt’s wedding. Since then, I always have had in my mind that I would wear áo dài and then three or four gowns with different colors. But when I grew up, I realized that it was just kid stuff. The present differs from the past. You watch television and read magazines, and then you know that there are more beautiful things. In the past, we didn’t connect with the world. We were outdated. And I was only a kid at that time; didn’t know anything at all. (Tuyền)

Impression creator brides did not build their wedding fantasies from childhood memories, but from wedding magazines and movies as well as other weddings they attended: “As other girls, I also wanted to have a lavish wedding. You know, kind of competing with your friends; five-star hotel, many guests, fireworks, and so on. Things you see from magazines, movies, or your friends’ weddings” (Thơ). Like impression creator brides, wedding fantasies of grooms in the impression creator group also stemmed from media, the Internet, and friends’ weddings. However, grooms’ fantasies were not established until the wedding preparation stage.

**Wedding Preparation**

*The Dream and Reality*

Disillusionment marks the movement from childhood to adulthood. All informants acknowledged that they had to face reality, no longer being able to live in a childhood dream-world. Lack of economic resources and conflicts with spouse or parents, were major problems in reality that prevented informants from realizing their fantasies. Bride Hiền said:

In my dream, my wedding was very big. But I know my situation now. I grew up and must be realistic. When I was at school age, I lived in a dreamlike world. I wished I had had seven or eight gowns with different colors. It was childish; didn’t think at all, just wanted to have a very big wedding. We are not super-rich. If we had a big wedding, we would be in debt. We have to think about our life after the wedding; we will have kids. I must be realistic, spending within our budget.

Some informants could not realize their fantasies because their spouse or parents did not agree with their ideas. Impression creators might face the limitation of the market’s ability to help them realize their fantasies. Groom La wanted to have a carriage (as in the Cinderella movie) for his bride procession. However, he could not find any place renting such a carriage. He changed his vision to a convertible car with flower-scattering along streets they passed. But his parents did not agree. His parents are government officers; a wedding that “stood out” might have resulted in a bad reputation for them.

Informants, however, did not give up their fantasies. For the reception in her hometown, Birde Hiền rented two different color gowns from a local store because of cheaper prices there. Nevertheless, the gown she wore in the reception in Ho Chi Minh City was rented from a different store that was more fashionable and better fit with urban style. She commented that “not seven or eight gowns like in my dream, but at least I must
have three gowns.” A wedding gown is borrowed and adapted into the local culture through an organic hybridization process. But in Hiền’s wedding consumption, the gowns from her childhood fantasies were mixed with her adult calculation, creating an in-between figure; her gown-renting decision, “[was] analogous to the changing, in-between condition of the bride” from childhood to adulthood (Handelman 1990, p. 239).

In-between Two Families

Harmony seekers are the group most concerned with conflicts between two families. The combination of the two families’ practices in ceremonies is the most acceptable wedding design for harmony seekers. The combination may seem to be redundant, but it made sense to participants and made both families happy to see their customs and traditions shown in the wedding. This is exemplified in the case of Thi and Hạnh. The great aunt of the bride advised that the couple have conflicting horoscopes, and therefore they shouldn’t have a tray of betel and areca. The groom’s uncle, who played the role of the go-between, told him that it is the tradition, so they must have betel and areca. Finally, the groom decided to buy both a tray of betel and areca and a birthday cake. The groom’s side still brought a tray of betel and areca to the bride’s house, where the bride’s father refused to take the tray in. Then the groom’s family replaced the tray with a box of birthday cake. The groom commented, “This is ‘one attempt [that] fulfills two tasks’ (to kill two birds with one stone). Those who want betel and areca have betel and areca. Whoever does not want betel and areca has birthday cake. The bride’s side didn’t ask for the cake, but with the cake, it looks like we have more. Everybody is happy.”

One who only thinks of a birthday cake may misinterpret the nature of the hybridization consumption. It is an organic hybridity that has been historically adapted into Vietnamese wedding ceremonies. The rite of cake cutting represents the sharing of the sweet and the bitter of life. This rite, however, is popular in the South but not in other regions of Vietnam. But in this case, Thi used it to make the nuptial neither “have” nor “have-not” regarding betel and areca. Consequently, the nuptial resembles the condition of in-between for the two families, arranged by the groom.

Local Tradition and Global Modernity

The “complying with traditions” narrative is quite common among tradition lovers. To them, Vietnamese traditions are what they were born into and grew up with. It is their purpose to preserve these traditions. The traditionalists are afraid of local tradition being swallowed by popular global culture. They indicated that they learned a lot about traditions from their parents, grandparents, and also from books. For them, keeping traditions does not simply mean having artifacts or performing certain behaviors or gestures. Rather, their ideas of complying with tradition are to understand the meanings underlying each artifact or each behavior, and to incorporate these into their own values and beliefs. Bride Thu commented:

We both want a traditional wedding, so the rings must be traditional style, too. A wedding ring must be solid, without carving or stone, and made with 24k gold, golden gold, not white gold. We read from “Vietnamese customs” that wedding rings represent a lifecycle. It means, the further we are from the departure, the closer we are to the arrival. Therefore, a
traditional wedding is one which does not have any special design, carving, or stone at all... (Thu)

One subgroup of tradition lovers is less aggressive than the tradition preservers above. They call themselves obsolete, outdated, or old-fashioned. Unlike Thu, who rejected a modern-design ring because it cannot express the meanings that a wedding ring is supposed to carry. Bride Y did not accept foreign or modern things, simply because tradition is her style:

Now there are many modern designs. The (invitations) have white, yellow, purple, green …light green, you know, or mulberry. They look nice, quite new, and might be nicer than the one we chose. But they are not our style. We love something traditional. Our invitations are pink, as tradition would require. For a long time, we call “thiep hong” (pink invitation). We have betel and areca, a heart, a dragon for the groom, and a phoenix for the bride. Now they have a photo of the couple—it looks good—and other decorations. But it is not our style. I think they are pretty, but I still love the traditional way. It depends on your taste. (Y)

Not as aggressive as the tradition preserver, the second subgroup accepts that people have free choice. This subgroup does not love their traditions through an exotic lens borrowed from Western Oriental discourse. They accept that the traditional might not be better than the modern—but it is their style. The way they address themselves as obsolete or old-fashioned may have been inherited from the innovation movement in Vietnam during the late nineteenth and early twentieth century. At the very beginning of the French colony, there was an intense cultural clash between the old generation that clung to Confucianism and the young generation that thirsted for freedom, innovation, and new knowledge from the West. The latter criticized the former for their conservativeness. The former accepted the label of obsolescence, but were proud of their fight for the love of traditions.

Newly-designed rings and invitations are aesthetic works, that are meant to bring foreign otherness from beyond the boundary into wedding consumption of Vietnamese consumers. All of the jewelry and invitation shop owners I interviewed mentioned how they selectively added Western-style decorations and designs into products to give them a “Western look of Vietnamese taste,” which would “gradually introduce to and educate Vietnamese consumers about Western taste.” They are obviously intentional hybridities; they work to transform the local. While they are accepted by other groups, they are thought to represent an unacceptable attack on traditions by the traditional group. This group takes a stance of tradition protection. Because wedding rings are exchanged in front of ancestral altars to present the binding of the couple, the hybrid forms would be considered as threatening to traditions. Similarly, wedding invitations date back in the country’s history. It would be a threat to traditions if a hybrid form is used instead of a traditional one.
However, their traditions are more problematic than some thought. Cultures evolve historically through organic hybridization, with borrowings, exchanges, and inventions (Werbner 2001). There is an image of a heart in the invitation of Bride Ý; and for her, an invitation with a heart is a traditional. This borrowed element is an organic hybridity. Although it is disruptive to social values and beliefs, it carries a potential challenge to the meaning of marriage as family responsibility by the meaning of personal romance.

The love of tradition does not prevent tradition lovers from consuming global market offerings. To them, the reception is a party setting for sharing joy with friends; it is thus a more acceptable place than the wedding for foreign products. All the tradition lovers I interviewed had traditional dancing performances for their reception held at hotels, and all performed rites of cutting cake and pouring champagne in the reception. All brides in the tradition group wore a white wedding gown when they walked down the aisle to the stage, except that one who had áo dài (a Vietnamese traditional outfit); but, after the rite of cutting cake and pouring champagne, she also changed to a white gown. It is not uncommon to hear from tradition lovers the comment: “the reception is a creolization (in negative meaning).” But why they accept this intentional hybridity while they reject the hybrid form of wedding rings and invitations?

A bride in the tradition group recalled her wavering between áo dài and a Western style gown: “I’m curious what it is like to wear a gown. You know, áo dài is common for us; we wear it in daily life. But only on the wedding day you can wear a wedding gown. When I wore a gown, it was kind of a strange and different feeling. It like the first time you have something, something new. It’s hard to describe.” She vacillated between local tradition and something new from the global market. She drew a boundary, including tradition protection and modernity adaptation. The hybrid form of reception at the hotel, I suggest, successfully internalizes this boundary.

The reception is considered the traditional practice for having a feast to share joy with the community when the family has a happy occasion. A folk dancing performance reconstructs a scene from the traditional Vietnamese wedding. The appearance of the parents on the stage before the entrances of bride and groom, and the “tradition-like” rite of offering wine to parents, are to honor the parental authority that is valued in Vietnamese culture. In contrast, commodifying the feast by moving it to a business place is a sign of a modern society with specialization. A dramatic scene of bridal entrance highlighted by special effects is to make “the couple feel like celebrities” (Otnes and Pleck 2003). Furthermore, the champagne-pouring and cake-cutting rites are well-designed to highlight the romantic love of the couple. Engulfed in romantic music, groom and bride are highlighted by a spotlight beam in a pink or purple color, enveloped by a white cloud, huddling heads together, and hand-in-hand cutting cake or pouring champagne over a pyramid glass fountain.

The hybridized figure, which is neither local nor global, neither traditional nor modern, is not an arbitrary figure, but is intentionally designed and organized. It is analogous to the in-between condition of traditional lovers who swing between tradition
and modernity. However, this figure does not match the internal uncertainty and ambiguity of other groups, such as impression creators, to whom the boundary of individuality and society emerges as more salient. This group had to find new hybridization consumption, which can internalize their in-between condition.

**Individuality and Society**

For impression creators, the opening performance in weddings is the land of creativity. A Food and Banquet manager of a four-star hotel I interviewed said that there has always been great pressure on creating a new opening performance. The industry seems to develop their programs based on fixed categories. Most of the restaurants and hotels offer “Western style performance” or “traditional performance.” Although a group of restaurants positioned as “công nghệ cưới” (wedding industry) do better jobs by offering more subgroups within two main categories—local and foreign—they still design fixed categories based on their assumption of pure cultures:

Customers come to us because we give them many options. For example, if they like foreign style, they can choose France, Egypt, Persia, Italy or whatever country—you name it. Actually, it is just modern dancing where performers wear Western-style dresses. We change the background and music. If they want traditional style, we have them choose North Vietnam, South Vietnam, and Central Vietnam. Performers can wear áo dài, tụ thân (one kind of female traditional dress in the North), bà ba (a traditional top in the South), or váy (a female traditional skirt which Vietnamese women wore before people were forced to wear pants by the Chinese regime). We also have Japanese, Chinese, or Champa and Khmer dancing.

Consumers always ask the hotel to realize their ideas for the opening performance because they want their weddings to be different: “Weddings of the younger generation are not like weddings in the past. We want things unique, different, breaking old tastes. It’s not like everybody is the same. It’s the new era. We no longer have boring, outdated, or ‘poor’ weddings,” Tuyên said. She longs for individuality and standing out from the crowd. However, at the same time, she insisted that her reception should have an opening performance, a wedding cake, and a champagne fountain, because it is a norm; every wedding has those. So, designing a unique opening performance is a good way to highlight a wedding. An opening performance in the reception of couple Minh and Dung serves as a hybrid figure that subsumes the boundary of individual and society within itself. Therefore, it has transformative power to support impression creators to solve their internal ambiguity between individuality and society. Groom Minh told of his plan for the opening performance for his reception:

This is my idea. I’m not sure if I will have it for the reception. But I think I can. It’s possible. I will have two cameras. I will show a clip with our wedding photos for people who come early. They will watch our clip while they will be waiting for the reception. I will have background music. Then, suddenly the video and music will be turned off. CNN news will appear on the screen. It is easy to do. It is within my ability. For example, you are here and talking with me. I can have it like we are in a live show.
of CNN. So a reporter in CNN will say that they are conducting a study on weddings, especially traditional weddings in Vietnam. There will be scenes of the Vietnamese countryside. And here is a typical wedding in Vietnam, the wedding of the groom Minh and the bride Dung, the reporter will announce. Then the bride and I will walk in from outside. We come live on the CNN show. It’s cool, isn’t it?

And the couple finally had the show for their wedding. The opening with a CNN live show was a highlight which makes the couple’s reception stand out from normal Vietnamese weddings. But in and of the show itself, there are movements between sets of contradictory elements: local/global and individuality/society. The Vietnamese image of traditions and countryside, with local continuity, serve as a marker that makes the wedding distinct from other weddings in the world. The local becomes valuable, and is respected when it wins the recognition of the foreign. This is what Bakhtin (1981) called the “double consciousness” of intentional hybridity and what Handelman (1990) called the in-process: “in motion, but unfinished and incomplete” quality. This quality of ambiguity and in-process of the hybridized show matches with the in-between condition of its designer; and following Handelman’s argument, it projects the being that the designer wishes to acquire. Here, it is a unique person standing out from society.

**On the Big Day**

Except for control keepers, other groups’ members reported their experience of transition on the wedding day. On departing to the bride’s house, a groom started questioning himself whether it was true that he was getting married on that day. Couples reported when they exchanged rings, they recognized that they became husband and wife. They felt the rings tying them together and hoped it would be forever. The moment that the bride received a gift from her family made her feel that she was separated from her family: “It was like I am sent away. From now on, it is no longer my home. It was so sad.” Á, a bride’s mother, recalled her feelings in the ceremony: “I knew that it was wrong. But I still thought that I lost her. Now, she is still with me in this house. But at that moment, I felt so sad. It was like, since then, she was no longer my daughter.” Bowing in front of the bridal ancestral altar, the groom felt his becoming a member of the family. For the bride, she felt partly belonging to the groom’s side when the in-law put jewelry on her in the asking-the-bride ceremony. Not until she got to the groom’s house and bowed in front of the ancestral altar did she feel that she had joined the groom family.

Interestingly, it was difficult for informants to recall their feelings in the receptions. All four groups (both couples and their parents) said it was so overwhelming to stand in front of so many people. Most couples regretted that they were so tense that worry was obvious on their faces. All reported that they saw that happen in other weddings and reminded themselves to be comfortable while on display. However, most of them forgot and did not smile at all. Some got notice from photographers and remembered to perform as comfortable enough so that at least they could have a few good-looking photos. The fantasy of appearing in the public as celebrities seems not to come true, although in pre-wedding interviews, all informants expressed their concern
and preparation to make their entrance remarkable. Finally, whatever special effects were created by the hotels, the couple failed with their performance. Many informants wished that if they could do it over again, they would have performed better.

**DISCUSSIONS AND CONCLUSIONS**

The emergence of various forms of lavish weddings can be seen as result of recent economic and social transitions in Vietnam. Most of informants commented that because of better economic conditions, they must have bigger and more luxurious weddings compared to weddings in the past. Consumers are also aware that the connectedness between local and global markets offers them more and better choices. All my informants considered themselves as middle class, and perhaps that is why they also expressed their feelings of belonging to the global consumption world. At the same time, weddings in Vietnam have been restored the nature of being a private and family affair after decades of their having been under the state control. Traditional customs in weddings are being reconstructed. On one hand, this trend may result from the state program of “return to the roots” and “preserve national culture.” On the other hand, consumers might interpret the trend as an evidence of the state’s mistake of abandoning traditional customs in the past.

While the state is groping for a way to integrate into the world system, Vietnamese consumers also puzzle among continuous sets of oppositions: tradition/modern, local/global, old/new, society/individuality, and so forth. These tensions always exist in society; however, as Turner argues, in such a liminal moment as a wedding, they become more salient. As a result, in the context of the wedding, Vietnamese consumers vacillate between oppositions at 1) the micro-level, such as childhood/adult, dependent/independent, in-between two families, and generational differences and 2) the macro-level, such as local/global, old/new, and society/individuality.

The distinction between organic hybridity and intentional hybridity suggested by Bakhtin (1981), and a view from the study of ritual hybrid considering consumption as a hybrid figure, offers a new explanation of hybridization consumption in Vietnamese weddings. First, this hybridized consumption is not simply a failure of dominant global forces in asserting themselves onto the local culture, whose meanings result from the arbitrary intermingling of the two cultures (Hannerz, 1987). Analyzing informants’ accounts of wedding receptions in Vietnamese weddings unearths the quality of the taken-for-granted of things such as wedding cakes, white Western-style gowns, and champagne. Some informants even called cake-cutting and champagne-pouring “traditional customs.” This is referred to as “invented tradition” by Hobsbawm and Ranger (1983) or organic hybridity by Bakhtin (1981). Those artifacts have been borrowed and adapted into Vietnamese culture as results of what Hannerz called “a conversation between cultures.” But the reception is also “a staged and framed aesthetic production” (Werbner 2001). The mixture of contrasts and oppositions of tradition/modern and local/global in the analysis of the wedding reception are consciously designed. In this sense, it is an intentional hybridity that has juxtaposed contrastive and opposite elements to further movement across boundaries.
Second, hybridized consumption seen as a hybrid figure, from a ritual study’s perspective, not only reflects and enacts social categories and boundaries, but also has transformative power. Hybridized consumption that is constructed to internalize the in-between condition of consumers would project “the logic of progression” that resolves the ambiguity that consumers face. Hybridized openings show which internal composition resembles the boundary of individuality/society, between which impression creators waver, enabling them to move on.

Third, hybridization, however intentionally designed, has limits. When consumers draw an exclusive boundary between “our tradition” and “their modernity,” they may reject the intentional hybridity that fuses local tradition and global modernity. As in the case of tradition lovers with wedding rings, a fusion of modern design in wedding rings is interpreted as threatening to local tradition.

This study also shows that in Vietnam’s contemporary society, wedding rituals still retain their transformative power. Informants’ accounts reveal their experiences in transitions: childhood/adult, single/married, in-between two families. However, to control seekers, wedding rituals lost their transformative power. To this group, the ceremony was just the thing that needed to be done without any sacred meanings and experiences. Tracking four group’s experiences along the wedding process shows that each group was facing different boundaries. For example, traditional lovers were ambiguous with traditional/modern, while impression creators were faced with individuality/society. As a result, their hybridization consumptions are linked to the boundaries they faced.
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THE MOTIVATING EFFECTS OF SUBGOAL FAILURE

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Failures are finger posts on the road to achievement. (C. S. Lewis)
If at first you don’t succeed, failure may be your style. (Quentin Crisp)

ABSTRACT

Consumers often fail to perform specific behaviors which, if performed as desired, would enhance their own personal wellbeing or the welfare of broader society. What do these behavioral failures mean regarding consumers’ pursuit of welfare-enhancing goals? Drawing on the theory of cognitive dissonance and the hierarchy of goals, we propose a compelling theoretical framework to study the relationship between failing a subgoal and being committed to an endgoal. In an experiment on pro-environmental consumer goals, we find support for our dissonance-based predictions by finding that failing an environmental IQ test (a subgoal) results in cognitive dissonance and increased commitment to the environment (an endgoal), but only for consumers who have incorporated pro-environmental goals in their self-concept.

How many consumers fail to recycle a soda can when there is a trash bin nearby, or are too lazy to turn off the water while brushing one’s teeth, or violate a diet because of a tempting piece of chocolate? Although most consumers are aware of the importance of recycling, energy conservation or eating healthy, all too often these same consumers fail to perform such behaviors on a regular basis. As the contradictory quotes above exemplify, we do not have an innate sense of whether a failure to perform such behaviors indicates future achievement or further failure. An important question is to what extent a single lapse of behavior is predictive of consumers’ decreasing commitment to pursue the corresponding higher-order goals. The present research proposes an integrative theoretical framework to investigate the effect of behavioral failures on consumers’ commitment to a welfare-enhancing goal as well as subsequent goal setting.

The effect of prior goal performance on subsequent goal pursuit has been investigated in psychology (DiPaula and Campbell 2002), marketing (Soman and Cheema 2004), and management (Zikmund-Fisher 2004). Poor task performance is suggested to result in negative affect (Cron et al. 2005), downward adjustment of subsequent task goals (Ilies and Judge 2005), decreased self-efficacy (Bandura 1989), and ultimately, reduced performance and persistence at subsequent behaviors (Shah and Kruglanski 2002; Soman and Cheema 2004). Overall, a portion of empirical evidence suggests that behavioral failures have negative consequences across the board. Yet other research suggests that failure may actually increase motivation depending on situational or dispositional factors (Kernis, Frankel, and Brockner 1989). Certain moderators have been proposed to qualify the negative main effect of failures, such as self-esteem (Kernis et al. 1989), goal orientation (Cron et al. 2005), goal proximity (Cochran and Tesser 1996), and association with a higher-order goal (Fishbach, Dhar, and Zhang 2006). Overall, the literature on behavioral violations of goals demonstrates inconsistent and fragmented findings due to the lack of a unifying theoretical framework (Ilies and Judge 2005), an exclusive focus on the relationship between proximal lower-order goals (i.e.,
tasks or behaviors) rather than goals at different levels of the hierarchy, and an over-reliance on verbal or analytic tasks to manipulate performance feedback (which also risk the ecological validity of the findings).

The present research proposes a robust theoretical mechanism to reconcile contradictory findings regarding the effects of behavioral failure and tests the framework within the context of a welfare-enhancing consumer goal. We begin our investigation with a contextual overview of the goal hierarchy. Next, we provide a brief review of the goal failure literature and identify inconsistencies motivating this work. Reconciliation of previous findings is then offered by a cognitive dissonance-based framework and associated hypotheses. An experiment testing the framework is then presented before the implications of study’s findings are discussed.

BACKGROUND

Goals in a Hierarchy

Most consumer cognitions and behaviors can be viewed as goal-directed and accordingly, the structure of goals can be conceptualized in a hierarchy (Bagozzi and Dholakia 1999). In this hierarchy, higher-order goals\(^1\) constitute the long-term end-states that people ultimately strive to achieve. Lower order goals or subgoals present potential behavioral routes by which one can attain endgoals.\(^2\) Mostly, these lower order behaviors regulate motivation to attain endgoals reflecting one’s values and identity (Bandura 1989). In this regard, subgoal performance may predict both the progress toward and commitment to an endgoal (Fishbach et al. 2006). In Bagozzi and Dholakia’s (1999) model of goal pursuit, subgoals (i.e., action) and endgoals (i.e., goal) are connected through a feedback loop that links goal attainment or failure back to goal setting via affective reactions to feedback. In other words, people set an endgoal and then identify specific actions (i.e., subgoals) by which to attain the endgoal, initiate the actions, monitor performance, and consequently infer either success or failure. Feedback on the subgoal then leads potentially to readjustment of the endgoal.

In the current research, we argue that the process which connects performance to goal setting is not symmetric due to differences in the direction, nature, and strength of emotions associated with success and failure of a subgoal. While extant research testifies to the positive effects of subgoal success on future goal setting and performance, the consequences of subgoal failures are not as well understood owing to equivocal empirical findings. Therefore, we focus our efforts on one side of the feedback loop, namely, the relationship between subgoal failure and endgoal commitment.

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\(^1\)For brevity, the term “endgoal” will be used instead of “higher-order goal” hereafter.

\(^2\)We refer to goal-directed behaviors as subgoals and behavioral failure or behavioral violation of goals as subgoal failure.
Subgoal Failures and Goal Commitment

The literature on subgoal failures can be considered as two distinct streams. The first provides overwhelming evidence that failing a subgoal has unfavorable main effects on goal-related outcome variables, whereas the second argues that these detrimental effects do not necessarily arise and that failure may even act as a source of positive motivation.

The negative effects of subgoal failure have been demonstrated on subsequent behavioral performance and on subgoal setting—both effects have been reported widely in the literature. For example, a recent study showed that participants who failed at a verbal task (as compared to those who succeeded) lowered their goals for the subsequent trial (Ilies and Judge 2005). Parallel effects are found on goal performance; where failure to attain a behavioral goal is shown to result in demotivation and hence, poor performance (Soman and Cheema 2004). Research has also shown that failure leads to negative affect (Ilies and Judge 2005). Consistent with this finding, Bagozzi and Dholakia (1999) propose emotional reactions to serve as a mediator between goal attainment and subsequent goal setting. While the direct relationship of failure and negative affect has been shown in many studies (Heimpel et al. 2002), the mediating role of negative affect has received mixed evidence (Cron et al. 2005). Additional negative consequences of subgoal failures have been shown in the literature, such as decreased self-efficacy (Bandura 1989) and decreased persistence on the task (Shah and Kruglanski 2002). Notably, most of these negative effects reported in the literature concern the relationship of goal constructs at the same level of the goal hierarchy (i.e., task or subgoal level). The direct effect of failing a subgoal on the pursuit of a corresponding endgoal remains unknown.

The second stream of research suggests that failure of a subgoal may have both motivating and demotivating effects on subsequent goal setting (Bandura 1989; Kernis et al. 1989). Several moderators for this effect have been identified, self-esteem being the major one. In particular, goal failure has been shown to have a negative effect on the performance and motivation of people with low self-esteem (Kernis et al. 1989). Further, self-esteem is found to increase persistence at a task after a single episode of failure (DiPaula and Campbell 2002). Overall, high self-esteem people are observed to regulate their goal-directed behaviors more effectively. Unfortunately, the generalizability of self-esteem findings across different types of goals (e.g., welfare-enhancing consumer goals) is suspect. Notably, most research on goal pursuit uses verbal or analytical tasks for the ease of manipulation or academic goals for convenience. Self-esteem becomes important in these contexts due to a general perception of competence associated with the performance. Welfare-enhancing consumer goals (the focus of our work) do not necessarily require exceptional levels of ability or competence.

The two sets of literature suggest competing effects such that subgoal failure may have negative, neutral, or positive effects on goal setting and performance. Some moderators have been suggested and include salience of progress versus commitment (Fishbach et al. 2006), goal orientation (Cron et al. 2005), and subgoal proximity (Cochran and Tesser 1996). Unfortunately, these moderators do not clarify the situation.
for two reasons. First, the majority of studies in the literature focuses on task-level outcome variables (e.g., subsequent task performance or subgoal setting) and completely overlooks the consequences of subgoal failures at upper levels of the goal hierarchy. Second, no unifying theory has been suggested to account for these largely unrelated effects that explain main and interactive effects of subgoal failure. The present research aims to address both these gaps in the literature.

With regards to the first gap, we suggest that the impact of subgoal performance on commitment to an endgoal is of utmost importance if we wish to understand the entire process of goal pursuit. For example, if a consumer fails to recycle a soda can once and registers this incident as a failure, the ensuing change in overall commitment to the environment is of key importance if we want to predict behaviors beyond a subsequent recycling episode (such as future energy conservation or littering). Consideration of a goal failure within the goal hierarchy is critical and allows us to model the interplay among wider ranging behaviors. For the second gap, we adopt a dissonance-based perspective and develop an integrative theoretical framework which we believe unifies the findings reviewed hitherto while considering the hierarchical subgoal-endgoal relationship.

THEORETICAL FRAMEWORK AND HYPOTHESES
Cognitive Dissonance as a Unifying Theory of Subgoal Failures

In his original work on cognitive dissonance, Festinger (1957) postulated that two cognitions are dissonant if the obverse of one follows from the other. This inconsistency between cognitions creates dissonance, a state of psychological discomfort, which motivates the person to reduce this negative tension. Magnitude of cognitive dissonance is proportional to the importance of the inconsistent cognitive elements and the pressure to reduce dissonance increases proportional to its magnitude. Dissonance may be reduced in a multitude of ways, such as changing one of the dissonant cognitions (i.e., an attitude, belief, or behavior), adding new consonant cognitions to reduce overall psychological inconsistency, decreasing the importance of dissonant cognitions, and misattributing the arousal (Fried and Aronson 1995; Simon, Greenberg, and Brehm 1995). The bulk of cognitive dissonance research—which is extensive in social psychology—has focused on attitude change as the primary mechanism of dissonance reduction.

The design and findings of studies on subgoal failure share remarkable similarities with traditional cognitive dissonance research. Indeed, violation of a behavioral goal can easily be viewed as a dissonance based process such that inconsistent cognition associated with the failure leads to a dissonant state. From a traditional perspective (i.e., a belief-disconfirmation paradigm, Harmon-Jones and Mills 1999,) information associated with the goal failure is very likely to be inconsistent with one’s beliefs and result in dissonance. The more recent treatment of dissonance as induced hypocrisy (Fried and Aronson 1995) would suggest that the failure is perceived by the person as a transgression of important beliefs which in turn yields dissonance due to the person’s hypocritical feelings about one’s actions. In either case, failing a goal is likely to generate dissonance in the person, as manifested by psychological discomfort—a traditional representation of dissonance (Elliot and Devine 1994).
Dissonance reduction can occur by a variety of mechanisms including (but not limited to) aligning beliefs or attitudes with behavior, discounting the information, or bringing behaviors more in line with beliefs or opinions. The success of any dissonance reduction strategy depends upon the convenience and effectiveness of the method in a particular situation and the resistance of cognitions to change (Harmon-Jones and Mills 1999). From this perspective, findings related to the negative main effect of failure on subsequent goal setting can be regarded as a manifestation of dissonance reduction via bringing beliefs and attitudes toward a goal in line with one’s behavior. In other words, a person who fails a goal simply downwardly adjusts future goals to be consistent with the failure. Given that these effects are produced in relatively benign experimental settings, such an approach is the most convenient mechanism available to research participants at the time. Consistent with the preceding discussion on goal hierarchy, we expect that, on average, subgoal failure will result in a lowered motivation to pursue the endgoal. Further, subsequent subgoals will be adjusted via this change in the endgoal commitment.

Thus, our first two hypotheses are:

**H1**: Failure at a subgoal leads to lower levels of commitment to the corresponding endgoal than success.

**H2**: Subgoal performance has an indirect effect on subsequent subgoal setting through goal commitment.

Furthermore, the previously discussed findings on negative affect confirm dissonance arousal in the face of failure, which leads to our third hypothesis:

**H3**: Failure at a subgoal leads to higher levels of psychological discomfort than success.

We do not expect a mediating effect of discomfort on goal commitment since the modes of dissonance reduction will vary across participants and some people, in fact, are expected to adjust their commitment upward to relieve the discomfort as will be discussed later in the text.

**Self-Concept and Self-Concordance of the Endgoal**

The proposed cognitive dissonance framework not only provides an effective and parsimonious way to amalgamate extant research findings on subgoal failures, but also suggests potential moderators for the effects of failing a subgoal. In particular, variables likely to moderate the effects of subgoal failures can be thought of as factors influencing the personal relevance and importance of inconsistent cognitions, which in turn affect both the magnitude of dissonance and the choice of a dissonance reduction mechanism. In the present paper, we will focus on one of the major revisions suggested to the theory, the self-concept view of Aronson (1968) and test the specific predictions deriving from this account of dissonance related to the self-concept.

Aronson (1968) suggests that dissonance occurs in situations where inconsistency arises between the meaning of a behavior and one’s self-concept and thus, dissonance
reduction requires self-justification. Aronson assumes that most people have a positive self-view and hence, experience dissonance upon acting in an incompetent, immoral, or irrational manner. This view is compatible with the research on goal failure and self-esteem. While high self-esteem people would be expected to persist at a subgoal in order to confirm a positive self-view, low self-esteem persons would not be expected to pursue such a goal since their self-view embraces ineptness at a task. Cooper (1999), however, contends that dissonance cannot be limited to people with one type of self-concept or one level of self-esteem. Accordingly, we adopt Cooper’s notion and envisage a broader role of self in the dissonance process such that multiple dimensions of self are revealed in goal setting and striving. We argue that people incorporate different goals into their self-concept via identification or internalization, which determine the importance of dissonant cognitions that arise upon goal failure.

The extent to which an endgoal is incorporated into one’s self-concept will influence the mode of dissonance reduction chosen by the person experiencing a subgoal failure. We introduce self-concordance of a goal to conceptualize the relationship of self-concept with a goal, which is defined as “the degree to which stated goals express enduring interests and values” (Sheldon and Elliot 1999). We expect self-concordance to show effects analogous to that of self-esteem. In particular, high concordance of an endgoal with one’s self-concept is expected to result in a preference for dissonance reduction following a failure via further confirming commitment to the endgoal and subsequently setting related subgoals. On the other hand, if the endgoal is not self-concordant, the preferred dissonance reduction mechanism will be to reduce the importance of the cognitions and adjust endgoal commitment downward. Thus, we hypothesize:

H4: After failing a subgoal, self-concordance with the endgoal has a positive effect on commitment to the endgoal.

H5: After failing a subgoal, self-concordance with the endgoal has a positive indirect effect on subsequent subgoal setting through endgoal commitment.

METHOD

Our main objective when designing this experiment was to simulate a real subgoal failure in a realistic and ecologically valid context and to use a goal that is familiar to and actively pursued by the majority of our participants, as well as consumers in general. Based on the results of an exploratory survey conducted with participants drawn from the same college student population as our study, pro-environmental goals were selected as an appropriate context. To keep our study design close to typical goal performance

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3 An interaction between subgoal performance and self-concordance is not hypothesized. Overall, self-concordance of a goal is suggested to increase motivation and performance (Sheldon and Elliot 1999). The strength of the positive emotions arising in the success condition might mitigate or reinforce the positive main effect of self-concordance.

4 Participants in this survey indicated goals they pursue in their daily lives that are related to their own wellbeing or societal welfare. Out of 1,378 goals listed by 453 survey participants, 24.3% were related to pro-environmental behaviors, followed by exercise behaviors (22.6%), pro-social behaviors (22.3%), a variety of personal goals (17%), and other health-related activities (13.8%). 55.3% of all participants listed at least one pro-environmental goal.
studies, we decided to manipulate performance feedback on an environmental IQ test.

In the experiment, the subgoal of interest was “being knowledgeable about current environmental issues and practices.” This subgoal is operationalized as individual performance on the environmental IQ test. Subgoal performance was a manipulated variable where participants were assigned randomly to either success or failure condition. The endgoal served by this subgoal was conceptualized as “the goal of helping to create a healthy, clean, and sustainable environment.” This endgoal definition was used to assess our primary dependent variable, goal commitment.

The major challenge in designing this study was to create a credible environmental IQ test that provided an effective subgoal performance manipulation. Initially, we formed a question bank containing hundreds of questions regarding environmental issues and then reduced it to a set of 30 plausible questions. We ran two pretests to ensure the credibility and effectiveness of the stimulus. The first pretest ($N = 47$) was aimed at generating a final Environmental IQ Test (EIQT hereafter) with fewer items to be used in the main study. Based on this pretest, a credible EIQT consisting of 20 questions of moderate difficulty was formed.\(^5\) The second pretest ($N = 17$) checked the performance feedback manipulation. In this pretest, participants completed the 20-question final version of the EIQT and then received either success or failure feedback on their performance. Despite the small sample size, we found that the failure feedback resulted in significantly greater psychological discomfort, lower satisfaction with the EIQT performance, and lower evaluation of test scores than the success feedback (all $p$s < .05).

Measures

Pre-experimental attitudes toward the environment were measured by three 7-point items anchored at “bad/good,” “unfavorable/favorable,” and “negative/positive” ($\alpha = .952$). Self-esteem was measured by Rosenberg’s (1965) 10-item self-esteem scale ($\alpha = .897$). Self-concordance of the endgoal is operationally defined as the degree to which participants pursue the goal of creating a healthy, clean, and sustainable environment due to an intrinsic interest and identity congruence rather than feelings of guilt or shame and social pressures. Self-concordance was measured via Sheldon and Elliot’s (1999) four 9-point items assessing external, introjected, identified, and intrinsic reasons for pursuing the stated goal anchored at “Not at all for this reason” and “Completely for this reason”. A self-concordance index was calculated by summing the identified and intrinsic scores and subtracting the introjected and external scores.

Commitment concerns perceptions with regards to the strength of an endgoal (Fishbach and Dhar 2005). We define goal commitment as the degree to which a person is determined to pursue and willing to invest effort in an endgoal. For this experiment, the goal is helping to create a healthy, clean, and sustainable environment. Goal commitment

\(^5\) The final EIQT included questions such as “Which part of a typical American home has the highest water usage?” and “Which of the following does not increase greenhouse gases?” First pretest also confirmed the suitability of the EIQT for a feedback manipulation as participants’ actual EIQT scores did not correlate with the perceived difficulty or perceived reliability measures. This gave us extra confidence that our failure manipulation will not be confounded by participants’ actual performance.
was measured by six 7-point items (Tubbs 1993) tapping direct commitment, effort-based commitment, and valence sub-dimensions \((\alpha = .914)^6\). Psychological discomfort was also measured by Elliot and Devine’s (1994) classic 3-item discomfort scale \((\alpha = .772)\). Subsequent goal setting was operationalized in terms of total number of hours participants would be willing to allocate to recycling and volunteering activities to be organized during an upcoming “Environmental Awareness Week.”

Participants and Procedure

The sample \((N = 126)\) included undergraduate students enrolled in a marketing class who participated in return for course credit. Seventeen participants were dropped due to an incomplete EIQT or missing data; three others were dropped due to their suspicions about the accuracy of the feedback they received. The final sample included 106 participants.

Approximately 6 weeks before the experiment, self-concordance, self-esteem, attitudes toward the environment, and demographics were collected via an online survey. The main study took place in a computer lab in 30-minute sessions with groups of 10 participants maximum. At the start of each session, participants read a letter from the College of Business asking for their participation in an Environmental IQ Test. Afterwards, they received a package, containing introductory information on the test, the 20-question EIQT, and a regular scantron sheet to record responses.

Based on the pretest, participants were allowed 7 minutes to complete the test. At the end of the allotted time, participants’ scantron sheets were collected and they started an unrelated computer survey. Meanwhile, the experimenter left the room with the scantron sheets and came back in 5 minutes with the printed EIQT score cards. Participants were randomly assigned to success or failure feedback conditions. The success condition score card reported that the participant’s performance was “excellent” with 90% success (18 out of 20) and that it indicated a high propensity to positively impact the environment. In the failure condition, performance was characterized as “poor” with 15% success rate (3 out of 20) and an indication of marginal propensity to positively impact the environment. Participants were given one minute to view the results and then electronically completed the goal commitment and psychological discomfort measures. Following was a series of filler tasks and the subgoal setting measure which included a description of activities in an upcoming “Environmental Awareness Week”. Participants indicated the number of hours they would be willing to allocate to recycling and volunteering activities during that week. Lastly, they completed manipulation check measures and an open-ended demand-check.

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^6 Direct commitment was measured by “How committed are you to attaining this goal?” and “To what extent do you feel committed to this goal?”, effort-based commitment by “How likely is it that you will work your hardest for this goal?” and “How hard will you try to reach this goal?”, and valence by “How satisfied would you be if you reached your goal?” and “How attractive would it be to reach your goal?”

^7 Score cards had been prepared before the session and were designed in a format which closely resembled university information technology center’s regular scantron output and included each participant’s last name, ID number, raw and percent score, as well as a brief description for the meaning of the score.
RESULTS

Manipulation Check

All participants correctly identified their EIQT score as either excellent or poor in correspondence with actual conditions. Based a manipulation strength index (i.e., average of four items assessing participants’ overall evaluation of their EIQT performance and feelings about their EIQT scores, $\alpha = .982$,) participants in the success condition ($n = 46$) believed that they were significantly more successful ($M = 6.45$) on the EIQT than those in the failure condition ($n = 60$, $M = 1.89$; $t (104) = 26.488$, $p < .001$).

Primary Results

Direct effects of subgoal performance. There was a significant effect of subgoal performance feedback on goal commitment ($t (104) = 2.093$, $p = .039$). Consistent with H1, participants in the subgoal success condition were significantly more committed to the focal goal ($M = 5.10$) than those in the failure condition ($M = 4.66$). An ANCOVA with pre-experimental attitudes toward the environment as a covariate also yielded a significant main effect of manipulation ($F (1, 103) = 3.847$, $p = .053$). In support of H3, participants in the subgoal success condition ($M = 2.38$) reported significantly lower levels of discomfort than participants in the subgoal failure condition ($M = 3.09$; $t (104) = 2.734$, $p = .007$). A follow-up ANCOVA with self-esteem as a covariate shows that self-esteem had a significant negative effect on discomfort ($F (1, 103) = 13.422$, $p < .001$); however, the effect of performance feedback remained ($F (1, 103) = 6.363$, $p = .013$).

Indirect effects of subgoal performance. Subgoal performance is expected to have an indirect effect on subsequent subgoal setting through goal commitment (H2). This effect was not hypothesized in terms of a mediation effect since the proximity of this relationship depends on a number of factors such as the strength of the relationship between the initial subgoal and the endgoal as well as between the endgoal and the subsequent subgoal (Kruglanski et al. 2002). In this study, we expect this effect to be distal since taking the EIQT and participating in sustainability-related activities on campus were both removed in time during the study and are conceptually remote. In order to estimate the indirect effect and calculate a 95% confidence interval around the estimated mean, a bootstrap approach was employed. Based on 3,000 bootstrap samples, the estimate for the coefficient for the indirect effect was significant ($b = .5581$, with 95% confidence limits given by .0147 and 1.3448), in support for H2. As expected, the direct effect of subgoal performance on subsequent subgoal setting was not significant ($t < 1$).

Direct effects of self-concordance. Self-concordance with the endgoal was expected to have a positive effect on goal commitment for participants receiving failure feedback (H4). A regression model was fit for the failure condition only, wherein goal commitment was regressed on self-concordance. The effect of self-concordance on goal commitment was positive and significant in the failure condition ($b^9 = .451$, $F (1, 58) = 14.788$, $p < .001$, $R^2 = .203$), in support for H4. The effect of self-concordance on goal

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8 For a discussion on mediation and indirect effects as well as the details of the bootstrap estimation, see Shrout and Bolger (2002). Briefly, bootstrap estimation of the indirect effect is conceptually equivalent to Sobel’s large sample test but can be applied to small-to-moderate sample sizes.

9 Estimates of the standardized regression coefficients are reported.
commitment was not significant for the success group \((b = .219, F (1, 44) = 2.210, p > .1)\). Additional regression analyses were conducted to control for potential effects of attitudes toward the environment and self-esteem; these models all produced effects nearly identical to those reported above.

**Indirect effects of self-concordance.** H5 predicted an indirect effect of self-concordance on subsequent goal setting for participants who received failure feedback. Once again, 3,000 bootstrap samples were used to estimate the magnitude of the indirect effect and a 95% confidence interval. The estimated coefficient was .22 and the estimated lower and upper confidence limits were .0499 and .4199, respectively, indicating that the indirect effect is significant at \(a = .05\), in support of H5. Regressing the number of hours allocated to the next subgoal on self-concordance for failure condition resulted in a non-significant direct effect, as expected \((b = .207, F (1, 44) = 1.979, p > .1)\).

**GENERAL DISCUSSION AND CONCLUSIONS**

A considerable body of literature has documented the negative effect of subgoal failures (as compared to subgoal achievement) on subsequent goal pursuit. We show that this negative main effect is consistent with the cognitive dissonance framework and present supporting evidence in the context of environmental consumer goals. Participants receiving failure feedback in an environmental IQ test indicated lower levels of commitment to the environment and higher levels of psychological discomfort than did participants who received success feedback.

The majority of research on subgoal performance investigates the relationship between goal-related variables in the same level of the goal hierarchy. However, theory suggests that goals should be evaluated in a hierarchical manner, whereby higher-order goals signify endpoints people strive to attain through subgoals. We integrate this essential structure of goals in our work by focusing on the effects of subgoal performance on endgoal commitment. In our study, we expected the direct association between the EIQT performance and subsequent pro-environmental behaviors to be relatively weak. Accordingly, we hypothesized and found a distal indirect effect through goal commitment.

Other than the direct and indirect effects of subgoal performance, we propose an important individual determinant of the effects of subgoal failure, drawing on Aronson’s (1968) self-concept view of dissonance. Self-concordance signifies the extent to which an endgoal represents a person’s core values and enduring interests. We predicted that people failing toward a self-concordant endgoal would try to confirm their self-views and commit more to the endgoal as a means of dissonance reduction and self-enhancement. On the contrary, we expected that people having low self-concordance with a goal will view trivialization of the failure and the endgoal as the preferred means of relieving the discomfort, hence, adjusting their commitment to the endgoal downward. As we predict, self-concordance is found to increase people’s commitment to the environment in the subgoal failure condition. We further show that increased level of commitment, in turn, affects further pursuit of a self-concordant endgoal through other means.
Theoretical Contributions

Our dissonance-based framework appears to account for the conflicting findings reported in the literature and provides a meaningful structure to organize our knowledge of goals and goal failure. By adopting a dissonance perspective, we gain new and fresh insights into the outcomes and processes associated with failing a goal. For instance, the mixed results in the goal literature regarding the mediating role of negative affect in the relationship between subgoal failure and subsequent goal pursuit can be explained by the choice of different dissonance reduction mechanisms as well as by the inability of self-report affect measures of capturing multi-dimensional nature of the state of tension created by dissonance. Clearly, further re-evaluation of the goal literature from the perspective of cognitive dissonance is warranted.

Dissonance theory suggests an important boundary condition to explore in the context of the negative impact of goal failure. In particular, Cooper and Fazio (1984) identify the necessary and sufficient conditions for the production of dissonance and contend that dissonance does not arise in the absence of aversive consequences. Although some have argued to the contrary and shown that dissonance can also arise without the production of aversive consequences (Harmon-Jones et al. 1996), this moderator is worthy of future research and may moderate the effects of subgoal failure on endgoal commitment.

Lastly, our research also contributes to the cognitive dissonance literature by introducing a new experimental paradigm and suggesting an extension to the self-concept revision. As for the first issue, most dissonance studies have been limited to a few classic experimental paradigms, causing a faulty impression that the phenomenon itself is confined to a limited number of situations. Dissonance researchers may find new depths in the theory if they integrate the goal failure paradigm in their future studies. Second, the original self-concept revision of Aronson (1968) only applies to contexts where self-esteem is directly relevant and thus, provides a narrow perspective of dissonance. By acknowledging the multi-dimensionality of the self and, the theory can encompass a much larger set of dissonance-arising situations.

Limitations and Future Directions

Two major limitations of our research should be recognized. The first concern is that we only tested our hypotheses in the context of environmental goals. Although our results need to be replicated across different contexts to increase generalizability to other welfare-enhancing goals, we retain considerable confidence in our results due to two factors. First, a bulk of the extant goal research has used either experiment-specific tasks (which do not have a real-life counterpart) or examined academic goals within college student samples. Our research is a notable exception to this stream of research, since we use a realistic context applicable to all consumers. Second, it has been suggested that “do your best” type of goals are more complicated than “all-or-nothing” goals as they are more vaguely defined (Soman and Cheema 2004). Nonetheless, we found support for our hypotheses on a “do your best” goal where our predictive and manipulative ability was severely challenged due to the abstract definition of the endgoal.

The second major limitation of our work stems from the operationalization of the subgoal in terms of performance on an environmental IQ test. We chose not to work with
more prototypical behavioral subgoals (e.g., recycling) in order to have control over the manipulation and to resemble classic task performance studies from the literature. With a looser but more realistic manipulation, the study might have more power and capture stronger effect sizes while testing our theory. We encourage future researchers to search for different, realistic, and yet effective ways of manipulating and/or measuring subgoal failures as this appears to be a major challenge.

Future research should also address the necessity of aversive consequences in the arousal of dissonance after experiencing a subgoal failure. Particularly, whether the aversive consequences of violating a behavioral goal and those of failing to achieve an endgoal lead to similar outcomes should be studied. Another fruitful venue for both dissonance and goal researchers would be to study the interplay among the determinants of dissonance and the resultant choice of dissonance reduction mechanisms. Currently, the literature is silent about when and how people will prefer one strategy to another.

**CONCLUSION**

We believe that it is of utmost importance to investigate further the propositions deriving from the theoretical framework developed in this paper in order to develop efficient persuasive strategies that can make consumers more persistent in the face of failure. As suggested in the beginning of the paper, all consumers fail to recycle, conserve water, turn off the lights, eat healthy, or behave in a way consistent with their own or societal wellbeing. While it is almost impossible to entirely avoid such failures, it might be possible to minimize the undesirable effects of these incidences on future pursuit of these welfare-enhancing consumer goals. The implications of this research, if investigated further, might help identify ways to enhance consumers’ lives.
REFERENCES


RETHINKING READINESS: DEVELOPMENT AND VALIDATION OF A REDUCED FORM OF THE TECHNOLOGY READINESS INDEX (TRI)

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ABSTRACT
Offering a more parsimonious extension of Parasuraman’s 36-item Technology Readiness Index Scale (2000), the present study uses telephone survey data from the 2001 National Technology Readiness Survey to develop a reduced form of the Technology Readiness Index. We show that a consumer’s likelihood to embrace new technologies can reliably be measured by a 17-item index that combines both positive and negative feelings towards technology. Furthermore, we identify only three distinct dimensions of the technology readiness construct: optimism, innovativeness, and apprehension, in contrast to the four previously proposed by Parasuraman. Finally, a new scale used to measure the coping strategy of technology avoidance is introduced.

INTRODUCTION
The role that technology plays in consumers’ lives is rapidly expanding. Not only are consumers encountering a multitude of new products that employ sophisticated technology, but consumers are also interacting more with technologies used for service delivery (Parasuraman 2000). The Internet, automated telephone systems, and self-service supermarket check out lines are just a few examples of the many ways that companies now rely on technology to interface with their customers. While companies seem to be embracing technology at breakneck speed, research has shown that consumers often experience conflicting feelings about technology-based products and services. Mick and Fournier (1998) identified eight paradoxes that consumers face with regards to technology: control/chaos, freedom/enslavement, new/obsolete, competence/incompetence, efficiency/inefficiency, fulfills/creates needs, assimilation/isolation, and engaging/disengaging. These paradoxes can simultaneously trigger both positive and negative feelings towards technology.

Parasuraman (2000) captured consumers’ positive and negative feelings about technology in a multi-item scale that he called the Technology Readiness Index (TRI). He defines technology readiness as “a propensity to embrace and use new technologies for accomplishing goals in home life and at work” (p. 308). A consumer’s level of technology readiness is a combination of her positive feelings towards technology (contributors) and her negative feelings towards technology (inhibitors). Parasuraman’s TRI scale is composed of four dimensions: Optimism, Innovativeness, Discomfort, and Insecurity, which were defined as follows:

1) Optimism – a positive view of technology and a belief that it offers people increased control, flexibility, and efficiency in their lives.
2) Innovativeness – a tendency to be a technology pioneer and thought leader.
3) Discomfort – a perceived lack of control over technology and a feeling of being overwhelmed by it.
4) Insecurity – Distrust of technology and skepticism about its ability to work properly.
As a measure of consumers’ willingness to interact with technology, the TRI can serve as a useful tool for practitioners and academics alike. For example, it can be applied toward understanding the factors that drive the adoption of self-service technologies (Liljander 2006). It can also be used to investigate the influence of attitude on consumers’ satisfaction with Internet shopping (Yen 2005) or to derive a taxonomy of customer types based on technology readiness (Parasuraman and Colby 2001; Tsikriktsis 2004). However, widespread adoption of the TRI by academics and practitioners may be hindered by the large number of items in the current scale, which may present challenges in administration and to the accuracy of responses. Moreover, if the TRI is to be used to help advance theory by serving as a measurement tool in investigations of interrelationships with other constructs that are also measured with multi-item scales, response fatigue and acquiescence bias may become an issue.

The present study uses telephone survey data which includes responses to the 36 original TRI items to develop a more parsimonious form of the Technology Readiness Index. These data were collected from a different group of respondents than those used to develop the initial TRI scale, and the data were collected approximately two years after the collection of Parasuraman’s initial TRI dataset. The nationwide survey included 501 respondents over the age of 18 who were selected by random digit dialing. Men accounted for 48% of respondents and 52% were women. The average age of respondents was 44, with 32% between the ages of 18 and 34, 36% between 35 and 54, and 29% over the age of 55. Fifty-four percent of respondents were married and 46% were currently single or widowed. Thirty-nine percent indicated they had children living at home.

THE TECHNOLOGY READINESS INDEX

The TRI Scale was the result of a multi-year multiphase research program that included both qualitative and quantitative studies (Parasuraman 2000). Focus group interviews and preliminary surveys were used to develop 58 scale items which were each measured on a five point scale: strongly disagree (1), somewhat disagree (2), neutral (3), somewhat agree (4), and strongly agree (5).

Using data from a nationwide telephone survey (n=1000), the 58 items were factor analyzed using a varimax rotation, resulting in four factors. Items with factor loadings of less than .3 on each of the factors were dropped. Following the removal of those items, any items with factor loadings of greater than .5 on multiple factors were also eliminated. Coefficient alphas were then calculated, and any items that decreased the value of alpha were deleted. This process was repeated until no further improvement in alpha was possible. The final scale contained 36 items.

An examination by Parasuraman of the validity of the TRI was conducted by exploring the power of participants’ overall TRI score (the average of the scores on each dimension, with inhibitors reverse coded) to predict ownership, usage, and desire for

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1 The authors would like to thank Dr. A. Parasuraman, Charles Colby, Dr. Judy Frels, and Rockbridge Associates for generously providing us with the TRI dataset used in the present analysis.
various technologies. Results indicated that the TRI scores predicted attitudes reasonably well, suggesting that the TRI is truly a measure of technology readiness.

**REFINING THE TECHNOLOGY READINESS INDEX**

While the TRI presents a useful measure of consumers’ readiness to embrace new technologies, the length of the scale may make it difficult to administer in practice. Parasuraman (p. 317) states that “companies can use (the scale) to gain an in-depth understanding of the readiness of their customers to embrace and interact with technology, especially computer/Internet-based technology.” Accordingly, our main objective was to devise a more parsimonious yet equally predictive scale to measure consumers’ technology readiness.

The present research uses the scale development approach of exploratory factor analysis (EFA). We chose to perform an exploratory rather than a confirmatory analysis (CFA) for two reasons. First, some researchers consider EFA to be more appropriate than CFA in the early stages of scale development because CFA does not show how well items load on the non-hypothesized factors (Kelloway, 1995). Because one shortcoming of the original TRI scale is high factor cross-loadings, the present research is particularly concerned with creating a reduced scale that exhibits lower cross-loadings than the original scale. Second, the reduced scale is being developed in conjunction with a new scale of a distinct construct that we call technology avoidance. By introducing a newly developed six-item scale of this distinct construct, we seek to show that a more parsimonious TRI scale is comprised of discrete sub-components, each affecting technology avoidance as one might predict. A CFA approach may be more appropriate for specific hypothesis testing (Hurley et al. 1997) and could be used with future data sets to confirm the scale’s reliability.

We proceeded with EFA in three separate stages:

1. Starting with Parasuraman’s original 36-item TRI scale, we conducted an EFA using principal components extraction with a Promax (oblique) rotation. Although Parasuraman used a varimax (orthogonal) rotation, recent arguments indicate that an oblique rotation is often preferred to orthogonal rotation in factor analysis (Iacobucci, 2001). Moreover, we employed slightly different decision rules for item selection than those used for the original scale. We chose more stringent item selection standards in order to obtain a more parsimonious and nomologically sound scale. First, we used an iterative process to eliminate items with lower than .5 loadings on any factor, consistently eliminating the item with the single lowest loading. The criterion of .5 was selected because this is the level at which loadings are generally considered to be practically significant (Hair et al 1998). Next, we removed items that loaded highly onto two factors, eliminating those with a difference between

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2 After establishing our RTRI scale through exploratory factor analysis, ideally we would like to collect or have access to subsequent data to confirm the factor structure and assess the scale’s reliability using confirmatory factor analysis. However, we do not currently have access to additional data, and the relatively small number of respondents in this sample (n=501) may not be conducive to split-sample testing.
loadings of less than .2. We first attempted to find a four factor solution in accordance with the original TRI scale; however we were unable to find an acceptable solution for the discomfort and insecurity factors using the above criteria. This was not surprising given that Parasuraman’s original insecurity and discomfort TRI scale factors were highly correlated (r = .81). We suspect that these may be essentially the same construct, and our analysis accordingly resulted in a three factor solution. Six of the optimism items from the original TRI scale loaded cleanly onto one factor, five of the innovativeness items loaded cleanly onto a second factor, and a combination of 10 items from the original discomfort and insecurity sub-scales loaded cleanly onto the third factor.

2. In addition to the 36 items from the TRI, 17 new items were included in our dataset. These items had not been available during the construction of the original TRI scale. The 17 new items measure consumers’ behavior regarding technology usage, whereas the 36 TRI items are more attitude or affect-oriented. We conducted an EFA using the same procedures outlined above to separately examine these 17 new items. A seven item scale emerged that measures technology avoidance behaviors.

3. A final EFA was conducted that combined the technology readiness items (#1 above) and the technology avoidance items (#2 above) to assess discrimination between these factors. Using the same criteria outlined above, four additional items were eliminated from the combined discomfort and insecurity factor, and this factor was renamed apprehension to reflect the six remaining items (see Table 1). We define apprehension as distrust of technology and anxiety regarding its ability to perform properly. To reiterate, this EFA resulted in only six avoidance items that loaded at .5 or higher with low cross-factor loadings, thus six avoidance items were retained and this scale was named avoidance. The three sub-constructs of Technology Readiness that we identified through EFA represent first order reflective constructs. Accordingly, Cronbach’s alphas were calculated across the items of each of the three scales and were all found to be above .7, providing further evidence that the items selected for each sub-scale are indeed measuring the same sub-construct. These first-order reflective constructs combine to produce the second-order formative construct of Technology Readiness. As formative indicators of the construct of Technology Readiness, these sub-constructs are not highly correlated with one another (Jarvis, Mackenzie, and Podsakoff 2003).

Statistics for the sub-scales included in the Reduced Technology Readiness Index (RTRI) and the avoidance scale are outlined below:

**Innovativeness Sub-scale**

All scale items had loadings over .63 with more than a .2 difference between all cross-factor loadings in the final EFA. The five item scale produced Chi-square = 10.6 (5 df), p=.061, with all loadings significant at p < .05; Model fit: GFI = .991, RMSEA = .047. Cronbach’s alpha for this scale = .757. The five items retained are shown in Table 2 (INN1, 3, 4, 5, 7).

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3 In one case an item with a cross-loading of .174 was retained for theoretical reasons.

4 The 17 additional items were written by Dr. Judy Frels, University of Maryland.
Optimism Sub-scale

All scale items had loadings over .56 with more than a .2 difference between all cross-factor loadings in the final EFA. The six item scale produced Chi-square = 19.6 (9 df), p=.021. Of note is that our significant Chi-square value (p < .05) may be due to a large sample size (n = 501), as it has been shown that Chi-square tests are highly sensitive to large sample sizes (Bagozzi and Yi 1988). In addition, in accordance with Parasuraman’s original theory, we believe that optimism is a broad construct and that some diversity among the items is required in order to measure it across a range of technologies and situations. All factor loadings are significant at p<.05: Model fit: GFI=.987, RMSEA = .048. Cronbach’s alpha for this scale = .720. The six items retained are shown in Table 2 (OPT1, 2, 6, 8, 9, and 10).

Apprehension Sub-scale

All scale items had loadings over .57 with more than a .173 difference between all cross-factor loadings in the final EFA. The six item scale produced Chi-square = 21.2 (9 df), p=.012. We again note that our significant Chi-square value is likely due to the sensitivity of the Chi-square test to large sample sizes. We believe that our apprehension scale performs better than Parasuraman’s separate insecurity and discomfort scales in that it better addresses low primary loadings and high cross-factor loading. All factor loadings are significant at p<.05: Model fit: GFI=.986, RMSEA = .052. Cronbach’s alpha for this scale = .701. The six retained items are shown in Table 2 (INS1, 3, 5, 9, DIS7, 9).

Avoidance Scale

EFA results show that the avoidance behavior construct is distinct from our three TRI sub-scale constructs. The six item scale produced Chi-square of 10.7 (9 df), p = .297. All factor loadings were significant at p<.05. Squared multiple correlations were all above .4; Model Fit: GFI = .993, RMSEA = .019. Cronbach’s alpha for this scale = .816. The six retained items are shown in Table 3 (AVOID1-6).

TESTS OF DISCRIMINANT AND CONSTRUCT VALIDITY OF SUB-SCALES

The first and most obvious test of scale validity is an examination of the EFA factor loadings and cross-loadings for face validity. The loadings for the 3-component RTRI scale show an improvement over those in the original 4-factor TRI scale. The original TRI contained many items that loaded onto a secondary factor almost as highly as they loaded onto the primary factor (difference of less than .2). Additionally, the original scale contained a number of items that loaded on a primary factor at less than .5. All of the loadings in the proposed RTRI scale are above .565, with only one item showing loadings on two factors with a loading difference of less than .2.

A Chi Square difference test was conducted, as recommended by Chin, Salisbury and Gopal (1996), to test for discriminant validity between the TRI sub-scales. The fit of a model containing two correlated sub-scales can be compared to the fit of an alternative model with only a single construct. A single construct implies that the sub-scales are perfectly (positively or negatively) correlated. If the difference in the Chi-square values for the two-construct model and the alternate single construct model is
greater than the critical value of Chi-square, then the two subscales “retain a significant amount of variance that is unique” (Hull, Tedlie and Lehn 1995, p. 219) and thus should be viewed as distinct yet related constructs. This was done pair-wise for the three subscales:

1. Innovativeness and Optimism are expected to be positively correlated. Chi-square for the two sub-scale model in which correlation is freely estimated is 106.2 (43 df). The estimated correlation between the two scales is .57. Chi-square for the single scale model is 281.1 (44 df). The difference of 174.9 (1 df) is much larger than the critical value of 3.84 (1 df, p<.05), suggesting that the two sub-scales are distinct.

2. Innovativeness and Apprehension are expected to be negatively correlated. Chi-square for the two sub-scale model is 76.4 (43 df), with an estimated correlation of -.32. Chi-square for single scale is 383.3 (44 df). The difference is 306.9 (1 df), much greater than critical value, suggesting that the two sub-scales are distinct.

3. Optimism and Apprehension are expected to be negatively correlated. Chi-square for the two sub-scale model is 113.4 (53 df), with an estimated correlation of -.38. Chi-square for single scale is 357.6 (54 df). The difference is 244.2 (1 df), much greater than critical value, again suggesting that the two sub-scales are distinct constructs.

As a further test of discriminant validity between the sub-scales, a regression was conducted to investigate the ability of each construct to predict consumer behavior over and above the other two constructs (as in Lastovicka et al 1999). We used our six item avoidance scale as a measure of consumers’ technology avoidance behavior. Assuming our RTRI sub-scales are each measuring the intended construct, we expected innovation and optimism to be negatively correlated with avoidance behaviors, and apprehension to be positively correlated with avoidance behaviors. Regression analysis with avoidance as the dependent variable and all RTRI factors included as independent variables in the model shows that each of the three independent variables, optimism, innovativeness, and apprehension, is a significant predictor of avoidance (p<.05) when controlling for the other two. Standardized regression (beta) weights for each of the predictors were: Optimism, -.146; Innovativeness, -.117; and Apprehension, .411. All coefficient signs were in the expected directions, lending support to the construct validity of each individual sub-scale.

**TEST OF OVERALL CONSTRUCT VALIDITY: REDUCED TRI SCALE**

For a scale to exhibit construct validity, the measure must empirically demonstrate findings that are consistent with conceptual expectations (Cronbach and Meehl 1955). If the reduced form of the scale retains construct validity when compared to the full form of the scale, then subjects with low total scores on the RTRI (average of the three components with apprehension reverse coded) should avoid technology more than people with high scores. Additionally, it should be found that the more parsimonious RTRI predicts as well (or almost as well) as the full TRI.

Separate regression analyses were run to test whether the TRI and RTRI scales predict consumer avoidance behavior. The full TRI scale was found to significantly predict avoidance (p<.001, F(1,500) = 201.4). The reduced TRI scale also significantly
predicted avoidance (p<.001, F(1,500) = 126.24). In both cases, as TRI (or RTRI) goes up, avoidance goes down as expected. We note that the larger F-statistic for the full TRI model is expected since the full TRI contains an additional 19 items over the RTRI. However, the RTRI still performs very well as a predictor of technology avoidance.

As an additional test of construct validity and in accordance with empirical evaluations conducted during the development of the original TRI, we sought to show that an individual’s score on the RTRI scale would predict her usage, ownership, and desire to own technology products and services. If the RTRI is indeed measuring a consumer’s propensity to embrace new technologies, then RTRI scores should be related to these consumer behaviors and desires. Our survey data included answers to a series of 24 yes/no technology usage questions, as well as two computer ownership questions. For each question, respondents were placed into either the “yes” group or the “no” group, and mean RTRI scores were compared for the two different response groups (see Table 5). We found significant differences between the group means adding additional support for the construct validity of the RTRI.

**CONCLUSION**

The primary purpose of this research was to develop a more parsimonious form of the original 36-item Technology Readiness Index scale. The results of this investigation suggest that a consumer’s technology readiness can be measured effectively using a 17-item scale, and that the reduced form can be used to predict consumers’ technology usage propensities. Reducing the scale from 36 to 17 items is a significant reduction, which may lead to more reliable and valid measurement of technology readiness by limiting respondent fatigue and acquiescence bias. In addition, the new reduced form of the scale measures three distinct sub-constructs with a high degree of discriminant validity. Measures of these individual constructs may be used in investigations aimed at advancing marketing theory. We hope that this new RTRI scale will prove to be a robust and useful scale for academics and practitioners alike.
### TABLE 1

Final 17-Item Reduced Technology Readiness Scale with 6-Item Avoidance Scale

**Structure Matrix**

<table>
<thead>
<tr>
<th></th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVOID1</td>
<td>.744</td>
<td>-.078</td>
<td>-.166</td>
<td>.330</td>
</tr>
<tr>
<td>AVOID2</td>
<td>.734</td>
<td>-.090</td>
<td>-.278</td>
<td>.385</td>
</tr>
<tr>
<td>AVOID4</td>
<td>.730</td>
<td>-.203</td>
<td>-.178</td>
<td>.293</td>
</tr>
<tr>
<td>AVOID3</td>
<td>.707</td>
<td>-.073</td>
<td>-.177</td>
<td>.333</td>
</tr>
<tr>
<td>AVOID6</td>
<td>.705</td>
<td>-.161</td>
<td>-.097</td>
<td>.338</td>
</tr>
<tr>
<td>AVOID5</td>
<td>.686</td>
<td>-.170</td>
<td>-.129</td>
<td>.444</td>
</tr>
<tr>
<td>OPT8</td>
<td>-.176</td>
<td>.701</td>
<td>.279</td>
<td>-.097</td>
</tr>
<tr>
<td>OPT2</td>
<td>-.147</td>
<td>.701</td>
<td>.237</td>
<td>-.057</td>
</tr>
<tr>
<td>OPT1</td>
<td>-.097</td>
<td>.678</td>
<td>.211</td>
<td>-.063</td>
</tr>
<tr>
<td>OPT10</td>
<td>-.057</td>
<td>.593</td>
<td>.307</td>
<td>-.206</td>
</tr>
<tr>
<td>OPT6</td>
<td>-.154</td>
<td>.582</td>
<td>.363</td>
<td>-.162</td>
</tr>
<tr>
<td>OPT9</td>
<td>-.102</td>
<td>.569</td>
<td>.339</td>
<td>.093</td>
</tr>
<tr>
<td>INN1</td>
<td>-.238</td>
<td>.236</td>
<td>.827</td>
<td>-.151</td>
</tr>
<tr>
<td>INN4</td>
<td>-.193</td>
<td>.312</td>
<td>.738</td>
<td>-.165</td>
</tr>
<tr>
<td>INN3</td>
<td>-.043</td>
<td>.427</td>
<td>.665</td>
<td>-.055</td>
</tr>
<tr>
<td>INN7</td>
<td>-.062</td>
<td>.254</td>
<td>.659</td>
<td>-.032</td>
</tr>
<tr>
<td>INN5</td>
<td>-.292</td>
<td>.351</td>
<td>.630</td>
<td>-.120</td>
</tr>
<tr>
<td>INS3*</td>
<td>.328</td>
<td>-.066</td>
<td>-.070</td>
<td>.684</td>
</tr>
<tr>
<td>DIS7*</td>
<td>.262</td>
<td>-.103</td>
<td>-.057</td>
<td>.644</td>
</tr>
<tr>
<td>INS9*</td>
<td>.462</td>
<td>-.018</td>
<td>-.196</td>
<td>.636</td>
</tr>
<tr>
<td>INS1*</td>
<td>.347</td>
<td>-.158</td>
<td>-.234</td>
<td>.626</td>
</tr>
<tr>
<td>INS5*</td>
<td>.248</td>
<td>.047</td>
<td>-.066</td>
<td>.601</td>
</tr>
<tr>
<td>DIS9*</td>
<td>.276</td>
<td>-.129</td>
<td>-.041</td>
<td>.572</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

*Note: The 6-item Avoidance scale is separate from the Reduced Technology Readiness Scale and was shown on the same structure matrix to show discrimination from the Reduced Technology Readiness Scale.*

*Apprehension sub-scale comprised on insecurity and discomfort measures*
**TABLE 2**

*Item Pool Included in the Reduced Technology Readiness Index (RTRI)*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INS1</strong></td>
<td>You do not consider it safe giving out a credit card number over a computer.</td>
</tr>
<tr>
<td><strong>INS3</strong></td>
<td>You worry that information you send over the Internet will be seen by other people.</td>
</tr>
<tr>
<td><strong>INS5</strong></td>
<td>Any business transaction you do electronically should be confirmed later with something in writing.</td>
</tr>
<tr>
<td><strong>INS9</strong></td>
<td>If you provide information to a machine or over the Internet, you can never be sure it really gets to the right place.</td>
</tr>
<tr>
<td><strong>DIS7</strong></td>
<td>There should be caution in replacing important people tasks with technology because new technology can break down or get disconnected.</td>
</tr>
<tr>
<td><strong>DIS9</strong></td>
<td>New technology makes it too easy for Governments and companies to spy on people.</td>
</tr>
<tr>
<td><strong>INN1</strong></td>
<td>Other people come to you for advice on new technologies.</td>
</tr>
<tr>
<td><strong>INN3</strong></td>
<td>In general you are among the first in your circle of friends to acquire new technology when it appears.</td>
</tr>
<tr>
<td><strong>INN4</strong></td>
<td>You can usually figure out new high tech products and services without help from other.</td>
</tr>
<tr>
<td><strong>INN5</strong></td>
<td>You keep up with the latest technological developments in your areas of interest.</td>
</tr>
<tr>
<td><strong>INN7</strong></td>
<td>You find you have fewer problems than other people in making technology work for you.</td>
</tr>
<tr>
<td><strong>OPT1</strong></td>
<td>Technology gives people more control over their daily lives.</td>
</tr>
<tr>
<td><strong>OPT2</strong></td>
<td>Products and services that use the newest technologies are much more convenient to use.</td>
</tr>
<tr>
<td><strong>OPT6</strong></td>
<td>Technology makes you more efficient in your occupation.</td>
</tr>
<tr>
<td><strong>OPT8</strong></td>
<td>Technology gives you more freedom of mobility.</td>
</tr>
<tr>
<td><strong>OPT9</strong></td>
<td>Learning about technology can be as rewarding as the technology itself.</td>
</tr>
<tr>
<td><strong>OPT10</strong></td>
<td>You feel confident that machines will follow through with what you instructed them to do.</td>
</tr>
</tbody>
</table>

Note: Item names from the original Technology Readiness Scale were intentionally kept for the optimism (OPT), innovativeness (INN), discomfort (DIS), and insecurity (INS) scales to facilitate ease of comparison of the two scales.
TABLE 3
Item Pool Included in the Avoidance Scale

<table>
<thead>
<tr>
<th>AVOID1</th>
<th>You avoid information about new technology products and services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVOID2</td>
<td>In your daily life, you try not to pay attention to information regarding technological innovations.</td>
</tr>
<tr>
<td>AVOID3</td>
<td>You generally avoid sections of retail stores where high-tech products are displayed.</td>
</tr>
<tr>
<td>AVOID4</td>
<td>You avoid looking at ads that describe technology products or services.</td>
</tr>
<tr>
<td>AVOID5</td>
<td>You avoid letting new technologies become a part of your personal every day life.</td>
</tr>
<tr>
<td>AVOID6</td>
<td>You might return, refuse or simply not use a gift just because it is high-tech.</td>
</tr>
</tbody>
</table>

TABLE 4
Summary Statistics for the Reduced Technology Readiness Index (RTRI)

<table>
<thead>
<tr>
<th>TR Components</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Correlation Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OPT  INN  APP</td>
</tr>
<tr>
<td>Optimism</td>
<td>3.86</td>
<td>.746</td>
<td>-.836</td>
<td>.508</td>
<td>1.00</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>3.23</td>
<td>.972</td>
<td>-.189</td>
<td>-.766</td>
<td>.57  1.00</td>
</tr>
<tr>
<td>Apprehension</td>
<td>3.76</td>
<td>.817</td>
<td>-.430</td>
<td>-.453</td>
<td>-.38  -.32  1.00</td>
</tr>
<tr>
<td>Overall TRI</td>
<td>2.80</td>
<td>.617</td>
<td>-.087</td>
<td>-.009</td>
<td>.743  .795  -.663</td>
</tr>
</tbody>
</table>

Note: All mean values are on a 5-point scale. The overall RTRI score was calculated by averaging the scores on the three components after reverse coding the Apprehension score.
<table>
<thead>
<tr>
<th>Have you ever done any of the following:</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Booked travel arrangements online</td>
<td>3.0506</td>
<td>2.6948*</td>
</tr>
<tr>
<td>2. Purchased an item costing less than $10 online</td>
<td>3.1380</td>
<td>2.7279*</td>
</tr>
<tr>
<td>3. Purchased an item costing between $10 and $100 online</td>
<td>3.0523</td>
<td>2.5755*</td>
</tr>
<tr>
<td>4. Purchased an item costing over $100 online</td>
<td>3.2054</td>
<td>2.6293*</td>
</tr>
<tr>
<td>5. Applied for a home mortgage online</td>
<td>3.0733</td>
<td>2.8405</td>
</tr>
<tr>
<td>6. Bought or sold stock or securities online</td>
<td>3.1991</td>
<td>2.8029*</td>
</tr>
<tr>
<td>7. Checked information on your bank account online</td>
<td>3.0537</td>
<td>2.6834*</td>
</tr>
<tr>
<td>8. Moved money between bank accounts, made deposits, or made withdrawals online</td>
<td>3.1777</td>
<td>2.7517*</td>
</tr>
<tr>
<td>9. Applied for a credit card online</td>
<td>3.1667</td>
<td>2.8419</td>
</tr>
<tr>
<td>10. Paid a credit card bill online</td>
<td>3.1123</td>
<td>2.7986*</td>
</tr>
<tr>
<td>11. Signed up for any type of insurance online</td>
<td>3.2665</td>
<td>2.7534*</td>
</tr>
<tr>
<td>12. Managed a credit card account online</td>
<td>3.1645</td>
<td>2.7797*</td>
</tr>
<tr>
<td>13. Signed up for a telecommunications service online</td>
<td>3.3393</td>
<td>2.8184*</td>
</tr>
<tr>
<td>14. Signed up for any household utility, such as gas, electric or cable services, online</td>
<td>3.1285</td>
<td>2.8391</td>
</tr>
<tr>
<td>15. Checked account information with a phone, gas or electric company online</td>
<td>3.1411</td>
<td>2.7942*</td>
</tr>
<tr>
<td>16. Paid a bill other than a credit card online</td>
<td>3.2231</td>
<td>2.7602*</td>
</tr>
<tr>
<td>17. Taken a course taught online</td>
<td>3.2325</td>
<td>2.7952*</td>
</tr>
<tr>
<td>18. Visited a web site for a membership organization you belong to</td>
<td>3.0714</td>
<td>2.6880*</td>
</tr>
<tr>
<td>19. Researched health information online</td>
<td>2.9403</td>
<td>2.6732*</td>
</tr>
<tr>
<td>20. Visited a website for a local or state government online</td>
<td>3.0072</td>
<td>2.6610*</td>
</tr>
<tr>
<td>21. Conducted business with a local or state government online</td>
<td>3.0726</td>
<td>2.6979*</td>
</tr>
<tr>
<td>22. Visited a website for a federal government office online</td>
<td>3.0678</td>
<td>2.8108*</td>
</tr>
<tr>
<td>23. Conducted business with the federal government online</td>
<td>3.1285</td>
<td>2.8391</td>
</tr>
<tr>
<td>24. Read a newspaper or magazine online</td>
<td>2.9915</td>
<td>2.6386*</td>
</tr>
<tr>
<td>25. Do you currently own a home computer?</td>
<td>2.7483</td>
<td>2.3508*</td>
</tr>
<tr>
<td>26. If no, are you planning on purchasing a home computer in the next 12 months?</td>
<td>2.8651</td>
<td>2.5394*</td>
</tr>
</tbody>
</table>

* Difference between means is significant at p<.05
REFERENCES


DO DIET FOODS MAKE CONSUMERS HEAVIER? THE EFFECT OF REDUCED CALORIE PACKAGES ON THE CONSUMPTION BEHAVIOR OF DIETERS AND NON-DIETERS

Maura L. Scott, Arizona State University

ABSTRACT

This research examines the moderating role of dieting on the amount of food consumed while eating either diet food or regular food configurations. Drawing upon research on self-regulation and perception, we present a model which predicts that dieters may consume more calories from a diet configuration than a regular configuration, while non-dieters consume fewer calories from diet food than regular food. Further, we demonstrate that although dieters know they will overeat the diet food, they are unable to prevent the over-consumption without the assistance of external influences. We provide preliminary support for the model.

Society is burdened with staggering rates of obesity and obesity-related diseases. For example, in 2004, 42 of the 50 U.S. states reported obesity prevalence rates at 20 percent or more (Centers for Disease Control and Prevention). Many consumers are fighting this epidemic by going on diets and buying diet foods in different sizes and configurations to help them increase their self-control and manage their consumption (Hoch and Lowenstein 1991, Stunkard 1980). From food to cigarettes and alcohol, consumers are attempting to ration their consumption quantities to increase their self-control (Wertenbroch 1998). We investigate whether this strategy works in the context of diets and if not, what is causing it to fail.

Companies at the same time are developing products around consumers’ dieting demands. There are numerous diet foods on the market of varying sizes, calories, and package designs. For instance, in 2004, Kraft Foods established the 100-Calorie Pack snack category by creating miniature versions of snacks, such as small versions of Chips Ahoy cookies, and enclosing them in small packages which hold 100 calories of the mini-cookies (Horovitz 2006). In 2005, Kraft sold over $100 million in 100-calorie food products alone (Thompson 2006). In response, numerous other firms are now offering similar products.

From a transformative consumer research perspective, we explore how different food product and package configurations influence consumers’ perceptions, self-control, and consumption patterns, particularly among consumers who are attempting to manage their weight. Extending Wertenbroch’s (1998) paper on consumer strategies to manage consumption of vices, we investigate whether consuming smaller food morsels in smaller packages is an effective strategy to consume fewer calories, particularly for consumers attempting to manage their weight. Our research questions are: 1) Do dieters consume fewer calories from a configuration of smaller food morsels in smaller packages or from a typical configuration of larger food morsels in a larger package?, and 2) How do perception and self-control influence the amount of calories dieters and non-dieters consume?
Existing research suggests that diet snacks, which offer smaller food in smaller packages may help people consume less calories. For example, when an individual, purchases a 100-calorie package of cookies, we would expect that person to consume less calories than when they are given a regular box of standard-sized cookies. This should be especially true for dieters, who are actively thinking about food and caloric consumption—after all, products like these are designed to help dieters curb their appetite for a snack without consuming an excessive amount of calories. However, we demonstrate that dieters and non-dieters behave differently in response to such food configurations. In some cases, dieters actually eat more calories of the diet food than regular food, due to perceptual distortions and self-control lapses. In the best case, these diet products may be a factor which hinders the weight loss of dieters, in a worst case, these generally premium-priced products may be designed to encourage a faster consumption and repurchase cycle.

This paper explores the underlying mechanisms that drive the amount of calories consumed when individuals eat different food configurations, and identifies which factors stimulate a greater consumption of calories when dieters eat certain foods. To the extent that dieters tend to purchase diet and diet-related products, we are interested in the influence of dieting behavior on food product consumption.

We compare the amount of calories eaten of small foods in small packages versus large food in a large package, while examining the moderating role of dieting on the consumption of these food products. We demonstrate that, consistent with extant theory, non-dieters tend to consume fewer calories when eating small foods in small packages; however, counter to existing theory, dieters consume fewer calories when eating larger food from a large package. Moreover, we identify two distinct processes, perception and self-control, to explain the differences in consumption between dieters and non-dieters.

CONSUMERS’ CONSUMPTION PATTERNS OF DIET AND REGULAR FOODS
The goal of this research is to examine whether dieters consume more of a diet configuration than a regular configuration, and how distorted perceptions and self-control lapses induce dieters’ over-consumption. Our research makes predictions that contradict what we know about how people consume food in varying package and morsel sizes, and moreover, identifies whether perceptual distortions, self-control lapses, or a combination of the two, best explains why dieters may behave differently than non-dieters. Next we discuss the theoretical building blocks which enrich our understanding of these practical and theoretical questions.

Perceptions of Food and Packaging
Existing theory on how individuals perceive products and containers of varying sizes and quantities provides some direction regarding how consumers might respond to varying product configurations, such as regular sized foods or miniature sized foods (e.g. Regular Chip’s Ahoy brand cookies or Mini Chip’s Ahoy brand cookies), and package configurations, such as one large package or multiple individual sized packages, of the same caloric content. Based upon this, we make some predictions regarding the combination of these elements.
**Product Size.** Wansink, Painter, and North (2005) provided participants with either unlimited refills of soup that were replenished by a server when the bowls were empty or participants ate from a bowl which was imperceptibly refilling at all times; they found that people eat more when there is no visual cue (i.e. no empty bowl) to serve as a reminder to stop eating. According to these prior findings, we might expect our participants to eat less from smaller packages than from large packages, since finishing a package can serve as a cue that one is finished eating. Furthermore, there are more hand-to-mouth motions required with eating a smaller-sized food such as a mini-cookie, compared to eating a larger-sized snack such as a standard sized cookie; therefore, there are more reminder cues that enough food has been eaten. The relationship between effort and consumption further supports this idea; Wansink (2004) underlines that increased effort tends to reduce consumption, for example, opening container would yield decreased consumption relative to versus having it already opened, and walking further to get to obtain a snack would yield lower consumption rates compared to having it in close proximity. In addition, Geier, Rozin, and Doros (2006) find that people tend to consume more total calories when eating larger-sized food morsels (e.g. large Tootsie Rolls) than smaller-sized food morsels (e.g. small Tootsie Rolls) when food was left out for people to freely take, due to a heuristic they term unit bias. They define unit bias as “a sense that a single entity (within a reasonable range of sizes) is the appropriate amount to engage, consume, or consider,” (Geier et al. 521). A synthesis of the above findings suggests that consumers tend consume more total calories when eating a larger sized food than a smaller sized food. Our paper will demonstrate why this may not be true for dieters.

**Package Size.** Consistent with the logic of the preceding discussion on product size, previous work on behavioral cues (Wansink et al. 2005, Wansink and Van Ittersum 2003) suggests that in the case of multiple smaller containers or one larger container, the effort involved in opening each individual package might be a cue that the customer should stop eating (Wansink 2004). Therefore, consumers would eat more from one larger package than they would of the equivalent caloric amount of food in multiple smaller packages. In Geier et al.’s (2006) study, M&Ms were left out for people to eat in passing, and were dispensed using either a large-sized scoop or a small-sized scoop on alternating days. More food was consumed using the large scoop than the small scoop. Taken together, existing theory implies that, when consuming equal caloric amounts from one large package or multiple individual packages, consumers will eat more from the one large package.

In our research, we combine the two factors of food size and package size to understand how the combination influences perception, self-control, and consumption. Though there has not been extensive research beyond this work of Geier et al. (2006) which examines the combination of package size and food size together, the literature on perceptual distortions and consumption might lead us to predict that consumers would indeed eat less from a smaller package with smaller food morsels and eat more from a larger package with larger food morsels.
**Dieters and Non-Dieters**

Restraint eating or dieting is defined as “the deliberate effort to combat the physiologically-based urge to eat in order to lose weight or maintain a reduced weight,” (p. 34, Fedoroff, Polivy, and Hermann 1997). Non-dieters typically have a more balanced response to internal and external stimuli (Nisbett, 1968; Schachter, Goldman, & Gordon, 1968). In particular, non-dieters tend to focus on internal cues as an indicator that they have eaten enough (Tom and Rucker 1975), and are able to balance factors like satiety against how appetizing a snack food appears to be. In contrast, dieters place considerably more emphasis on factors beyond their biological need for food, and may be hyper-sensitive to external food cues because they have chronically suppressed their internal physiological hunger indicators in order to lose weight (Schachter 1968, Tom and Rucker 1975).

Herman and Polivy (1975) demonstrate that dieters possess eating patterns consistent with obese individuals and non-dieters display eating patterns consistent with individuals falling in the normal range. Among normal weight subjects, non-dieters tend to decrease consumption when faced with anxiety, while dieters tend to increase consumption. Fedoroff et al. (1997) find that dieters are more responsive to external food cues than non-dieters. These findings are driven by dieters’ focus on external cues, response to feelings of chronic deprivation. Furthermore, dieters are preoccupied with food and the various choices and decisions they make relating to food. We focus our discussion on the role of dieting behavior as a moderating factor in consumption quantity of varying food products and packages.

**Dieters, Perceptual Distortions, and Self-Control**

We investigate whether perceptual distortion or a lapse in self-control is the primary influencer of the amount of diet food and regular food consumed by dieters. On the one hand, when encountering diet and regular food configurations, dieters may experience perceptual distortions which are unique to their experience of struggling to prevent or manage being overweight or obese. On the other hand, dieters may experience self-control lapses more often with diet food configurations relative to regular food configurations due to their distinct responses to food-related stressors.

**Dieters and Perceptual Distortions.** While non-dieters tend to perceive food based upon the biases discussed earlier (e.g. Wansink et al. 2005), dieters distinguishing characteristic of being preoccupied with food and diet related thoughts may cause them to evaluate and perceive the food they encounter on various levels and with greater complexity. Consequently, dieters may perceive food products and packages through a dieter’s lens, such that consumption of food is moderated by an assessment of how it might fit within their diet (Carels, Harper, and Konrad 2006, Fedoroff, Polivy and Herman 1997). An accurate assessment of smaller food morsels across multiple packages may be more difficult to realize due to the larger quantity of morsels, so dieters may rely on their judgment of how the combination of food and packaging is configured. Since dieters are focused on what is paramount to them: their diet, they may have been trained to perceive smaller food portions, rationed in smaller packages as diet food. Certainly, the frozen diet food dinner category, as well as numerous diet plans such as
Jenny Craig and others may have trained such perception over time. Furthermore, serving sizes have steadily increased since the 1970s (Young and Nestle 2002), which has shaped consumers’ expectation for increasing larger serving sizes. In contrast to such norms, seeing small food in small packages may reinforce the idea that such a configuration is a diet food version. Food alternatives that are perceived as relatively “healthy” or consistent with a diet have been shown to be under-estimated in perceived caloric content (Carels, Harper, and Konrad 2006). Products such as low-fat or regular cookies have been shown to be perceived as relative virtues and vices (Wertenbroch 1998), so it is reasonable to assume that having foods in varying morsel size and configuration may also lead to comparable conclusions. In the case of restrained eaters, this can result in over-consumption of such alternatives, because it is perceived that these alternatives are less harmful (Chandon and Wansink 2007). These perceptions may override other perceptual distortions, and in the case of dieters, may result in self-control lapses. We elaborate on this proposal in the following section.

**Dieters and Self-Control.** The purchase and consumption of diet products is a common strategy to increase self-control, particularly among dieters. Wertenbroch (1998) demonstrated that even with a price discount, consumers avoid products that are considered relative vices (e.g. regular Oreo cookies) compared to relative virtues (e.g. reduced-fat Oreo cookies) in order to increase self-control.

By definition, dieters employ different methods of self-control, have different food related goals, and have additional challenges when managing food and consumption when they encounter food products, compared to non-dieters (Herman and Polivy 1980). When dieters encounter what they perceive to be relatively higher calories in a food configuration, there are a variety of forces that may cause the dieter to over-consume the focal configuration, including stress and anxiety, self-control strategy failure, and response to dietary violations.

Prior research has shown that dieters tend to eat more in high stress circumstances, relative to low stress circumstances (Herman and Polivy 1975, Heatherton and Baumeister 1991). It is therefore plausible that to the extent that certain configurations appear to contain a greater number of calories, dieters may experience higher levels of stress and anxiety, causing them to eat more.

In addition, dieters employ a variety of self-regulatory strategies to increase will-power and reduce desire (Hoch and Lowenstein 1991), including rationing foods (Wertenbroch 1998) which are often linked to goals such as limiting total caloric intake in a given time period or having allowed and forbidden foods (Herman and Polivy 2004). To the extent that certain food and package configurations may be perceived as more or less harmful to their diet goals, we may see corresponding higher or lower levels of consumption. For instance, a package which appears to have relatively lower calories may trigger a response in dieters which makes them unwilling to waste an indulgence on a particular food, (i.e., it is not worth it). On the other hand, there could be a point of perceived high caloric content where dieters know they will hurt their diet by triggering a
self-control failure called the “what the hell” effect (Cochran and Tesser 1996) in which the dieter may eat the entire package of the harmful product.

Dieters may be hyper-sensitive to external food cues because they have chronically suppressed their internal physiological hunger indicators in order to lose weight (Schachter 1968, Herman and Polivy 1975). Dieters may be less likely to turn off their consumption because they do not have an internal cue which tells them to stop eating (Fedoroff, Polivy and Herman 1997). Furthermore, dieters exhibit disinhibited eating as a result of perceived dietary violations, such as eating or anticipating eating a forbidden food (Herman & Polivy 1980, Polivy, 1976, Spencer and Fremouw, 1979, Ruderman, Belzer, and Halperin, 1985, Tomarken and Kirschenbaum 1984), in this case, the violation would be commencing to eat the perceived higher calorie food. The forbidden food can be perceived as dietary forbidden due to perceived caloric content or food type. In addition, Muraven and Baumeister (2000) suggest that dieters are always executing a high level of self-control making them more susceptible to self-control breakdowns.

To the extent that consumers perceive smaller food morsels in smaller packages to have relatively higher calories than larger food morsels in a larger package, for dieters, encountering this food will cause a self-control lapse, resulting in greater caloric consumption of the focal food configuration.

**HYPOTHESES**

We predict that non-dieters will behave in a manner consistent with extant theory, consuming more food when eating large food morsels from a large package, but in contrast to existing theory, we predict that dieters will consume more calories when eating small food morsels from a small package, either due to perceptual biases or self-control lapses. We therefore hypothesize:

**H1:** Dieters will consume more calories when eating small food from small packages than when eating large food from a large package; but non-dieters will consume more calories when eating large food from a large package than when eating small food from small packages.

There are at least two explanations for why dieters over-consume a diet configuration: unique perceptual distortion of dieters or self-control lapse. One prediction is that dieters, due to their unique experiences with food and food-related challenges, have learned over time what a diet configuration looks like. When they see smaller food morsels in smaller packages, it may be difficult for them to assess exactly what the caloric content, and hence the implications to their diet will be. Instead, they rely on their knowledge of food configurations and conclude that the smaller food in a smaller package constitutes a diet configuration. Dieters often underestimate the caloric content in the perceived healthier alternative, resulting in over-consumption. We therefore hypothesize:
H2a: Dieters will experience unique perceptual distortions which cause them to consume more calories when eating small food from small packages than when eating large food from a large package.

An alternate prediction is that dieters will consume a greater amount of calories from a smaller food in smaller packages configuration due to a self-control lapse. In this stream of logic, dieters and non-dieters share the same distorted perception of the diet configuration, which has been widely demonstrated in the literature. However, unlike non-dieters, when dieters encounter the perceived high calorie configuration, dieters lose control once they start eating and are unable to stop. We therefore hypothesize:

H2b: Dieters will experience self-control lapses which cause them to consume more calories when eating small food from small packages than when eating large food from a large package.

As highlighted in figure 1, the types of perceptual biases and the degree to which an individual experiences self control breakdowns when encountering varying food and package configurations is moderated by whether the consumer is a dieter or non-dieter. We predict that dieters will consume more calories from the dieter-targeted small food morsels in multiple small packages configuration, which most resembles diet foods like the 100-Calorie Pack, than from the large food in a large package. In other words, some diet food packages may be hurting the people they are designed to help. Our research begins to explain the differences between the consumption patterns of dieters and non-dieters when they are presented with various product and container configurations and the factors that drive these consumption behaviors.

**FIGURE 1: CONCEPTUAL FRAMEWORK OF CONSUMPTION PATTERNS OF DIET AND REGULAR FOODS**

![Conceptual Framework Diagram]

**METHODOLOGY**

Three studies tested our hypotheses, and a fourth study is currently underway. Study 1 tested hypothesis 1 which proposed that non-dieters would consume more calories when eating large food from a large package, but dieters would consume more calories when eating small food in small packages. Study 2 tested hypothesis 2b which
predicts dieters will consume more calories from a diet food configuration due to self-control lapses. Study 3 examined the types of perceptual distortions experienced by dieters and non-dieters and tests hypothesis 2a.

**Study 1**

**Method.** Study 1 was a 2 (food configuration) x 2 (dietary restraint) between subjects design experiment designed to examine how consumers’ consumption patterns vary across different food size and package configurations. The food configuration factor contained two levels: diet food (operationalized as eight mini-cookies equally distributed across four small bags) and regular food (four large cookies in one bag), with each configuration totaling 240 calories. We measured dieting behavior using an abridged version of Herman and Polivy’s (1980) restrained eating scale. We randomly assigned 95 participants to either diet food or regular food conditions. The key dependent variable was the experimenter’s count of how much was actually eaten. From the time participants were given the food, they had 40 minutes to eat while completing other unrelated tasks.

**Results.** A two-way analysis of variance (food configuration x dieting behavior) revealed marginal support for hypothesis 1, as illustrated in figure 2. Dieters consume more diet food ($M = 106.36$) than regular food ($M = 55.64$), $F (1, 32) = 3.37, p = .08$. Furthermore, consistent with extant theory, non-dieters directionally consumed more regular food ($M = 119.17$) and diet food ($M = 99.23$), though the difference is not significant. The two-way interaction of food configuration and dieting behavior is marginally significant ($F (3, 92) = 3.35, p = .07$).

**FIGURE 2: STUDY 1 - CONSUMPTION PATTERN OF NON-DIETERS AND DIETERS EATING DIET AND REGULAR FOOD CONFIGURATIONS**
We next examined the percentage of people eating the entire 240 calories, as shown in figure 3. We found that dieters were more likely to eat everything when eating the diet food (18.18%) compared to the regular food (4.35%), while non-dieters did the opposite (11.54% versus 30.56%); this significant interaction ($\chi^2 (1, N = 96) = 4.63, p < .05$) supports the idea that, counter to existing theory, dieters experience self-control lapses with diet food. In other words, dieters seem to have a harder time stopping when they are eating the diet food. Non-dieters on the other hand, behave in a manner consistent with what extant theory predicts, eating more of the large food in the large package, presumably due to lack of reminder cues to stop eating. This provides some support for the idea that dieters experience self-control lapses when faced with the diet configuration.

**FIGURE 3: STUDY 1 - SELF-CONTROL LAPSE OF DIETERS WHEN EATING THE DIET CONFIGURATION**

![Figure 3](image-url)

**Discussion.** Study 1 demonstrates consumer behavior consistent with hypothesis 1, that dieters consume more calories from diet food than regular food and that non-dieters consume more calories from regular food than diet food. Furthermore, study 1 supports the prediction that dieters’ over-consumption may be explained by a self-control lapse as they are less likely to stop eating the diet configuration once they have started. Study 2 examines these effects using a different type of food.

**Study 2**

**Method.** Study 2 was a 2 (diet food, regular food) x 2 (dieter, non-dieter) between subjects experiment with 340 participants. In study 2, the diet configuration was operationalized as 200 calories of mini-M&Ms evenly distributed across four small bags, while the regular configuration was 200 calories of regular-M&Ms in one large bag. As in study 1, the dependent variable was the experimenters’ manual count of how much
was actually eaten by each participant. Dieting behavior was measured using Herman and Polivy’s (1980) restrained eating scale.

**Results.** Consistent with study 1, dieters consume more of the diet configuration ($M = 97.43$) versus the regular configuration ($M = 87.70$), while non-dieters consume more of the regular configuration ($M = 127.73$) versus the diet configuration ($M = 77.06$), ($p < .005$), see figure 4.

**FIGURE 4: STUDY 2 - CONSUMPTION PATTERN OF NON-DIETERS AND DIETERS EATING DIET AND REGULAR FOOD CONFIGURATIONS**

Also consistent with study 1, dieters more often eat all of the food provided when they encounter the diet configuration (18.82%) compared to the regular configuration (10.61%) but non-dieters more often eat all of the food provided when they are given the regular configuration (27.96%) compared to the diet configuration (13.54%); this significant interaction, $\chi^2 (3, N = 340) = 9.91, p < .05$, supports the idea that dieters experience self-control lapses when eating the diet configurations, see figure 5.
Discussion. Studies 1 and 2 provide consistent results supporting the predicted outcome in hypothesis 1, along with a preliminary support for the self-control lapse component of the dieters’ consumption of the diet configuration, as predicted in hypothesis 2b. Study 3 examines the perceptual distortions that may be at the heart of the dieters’ self-control lapse.

Study 3

Method. Study 3 was run to test the hypothesis that dieters and non-dieters have different types of perceptual biases which would cause non-dieters to over-estimate the caloric content of the diet configuration and would cause dieters to under-estimate the caloric content of the diet configuration. A 2 (food configuration) x 2 (dieting behavior) within subjects experiment was administered to 92 undergraduate marketing students. We operationalized food configuration in a manner consistent with study 2, consisting of 200 calories of mini M&Ms distributed evenly across four snack sized plastic bags for diet food, and 200 calories of regular sized M&Ms in one larger plastic bag for regular food. As in study 2, we measured dietary restraint status (dieter or non-dieter) using Herman and Polivy’s (1980) ten-item restrained eating scale. Participants were presented with one food configuration at a time (either the diet or the regular) and asked to estimate the caloric content of each configuration. The presentation of the stimuli was counterbalanced and short-term memory was cleared between viewings using a word scramble activity.

Results. An analysis of variance illustrates that among both dieters and non-dieters, the diet configuration is perceived to have significantly more calories than the regular food configuration; dieters ($M_{Diet} = 320.27 > M_{Regular} = 259.25$), $F(1, 43) = 6.55, p < .05$, and non-dieters ($M_{Diet} = 285.21 > M_{Regular} = 227.61$), $F(1, 37) = 8.19, p < .01$, see figure 6. This finding supports the idea that non-dieters will over-estimate the caloric
content of the diet food, however, it does not provide support for hypothesis 2a. This lack of support for hypothesis 2a coupled with the previous support for hypothesis 2b may imply that dieters are in fact experiencing self-control lapses.

FIGURE 6: STUDY 3 - CALORIC CONTENT ESTIMATES OF DIATE AND REGULAR FOOD

![Perceived Caloric Content of 200 Calorie Configurations]

Discussion. Study 3 provides some evidence that dieters, like non-dieters, perceive the diet configuration to contain significantly more calories than the regular configuration. This distorted perception of higher calories in diet configurations is consistent with extant theory, and helps non-dieters consume less calories overall; but for dieters, it is a trigger for self-control failure, causing greater caloric intake. Additional studies are underway to better understand the perception and self-control mechanisms experienced by dieters.

GENERAL DISCUSSION

It is ironic that dieters eat the most from the small food / multiple small bags combination, which is the version most closely mirroring rationed food configurations like the 100-calorie pack. This result is especially surprising against the background of such products being positioned to consumers as a food and package combination which is designed to help support dieting behavior. Furthermore, these results cannot be fully explained with extant theory.

A theory which helps better understand what makes dieters respond differently to various food configurations at the point of consumption could be another tool to help fight the obesity epidemic plaguing many parts of the modern world. These insights could support marketers in developing products that successfully help dieters reach their goals. This transformative research has the potential to positively impact marketing theory and practice, and most importantly the consumers we ultimately serve.
Many diet plans encourage configurations of smaller food morsels in small packages to help dieters reduce their overall caloric intake. Our research provides some evidence that dieters over-consume these configurations and often experience self-control lapses with them – which may explain why these products are profitable for firms. Dieters may be better served by avoiding such diet configurations to lose weight.
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ADVERTISING AUTHENTICITY: RESONATING REPLICATIONS OF REAL LIFE

Tandy D. Chalmers, University of Arizona

This study explores how consumers perceive advertisements designed to be authentic. Utilizing Stern’s (1994) conceptualization of authentic advertisements as creating an illusion of everyday life, I empirically show through a series of stimuli-based depth interviews that consumers rely upon perceptions of authenticity when evaluating advertising. Specifically, they draw upon notions of indexical as well as iconic authenticity. These perceptions are filtered through a self-referent lens through which consumers relate the advertisement back to their own experiences, presenting a view of authenticity that is not objective but rather based on consumers’ production of a perceived authenticity.

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Advertising authenticity is an important appeal in marketing. In 1995, Coke proclaimed a return to their roots and implemented an authentic marketing strategy (Taylor 1995). In 1998, Advertising Age declared the key to marketing success is communicating brand authenticity (Jensen 1998). In 2002, Jeep struggled to expand their product line without compromising brand authenticity (Muller 2002) and Coke pursued a new authenticity-based advertising campaign (Sampey 2002). In 2004, Reebok declared authenticity to be the secret to marketing prowess (Williams 2004) while, in 2005, Coke once again focused on an authenticity driven brand strategy (Hein 2005). Despite this almost perpetual use of ‘authentic advertising,’ consumer and marketing researchers have limited understanding of what authenticity means in general, and authentic advertisements in particular. The purpose of this study is to explore factors that contribute to consumers’ perceptions of and responses to advertisement authenticity.

LITERATURE REVIEW

A variety of academic disciplines use the term authenticity to describe things such as historical artifacts (Grayson and Martinec 2004), art work (Roskill and Carrier 1983), people (Guthey and Jackson 2005), ideals (Taylor 1992), and advertising (Holt 2004). Understanding authenticity and its use in, and relation to, advertising and marketing rests upon understanding: (1) how authenticity is understood in general, (2) how marketing’s understanding of authenticity is situated within this larger authenticity discourse, (3) how authenticity is specifically manifested in relation to advertisements, and (4) how authenticity is assessed. The following literature review outlines these key issues.

The Authenticity Concept:

Authenticity has proven a challenging concept to understand, with academic researchers grappling with what is meant by authenticity. One reason for these challenges is that authenticity is most often only considered when called into question (Trilling 1972). Thus, the focus of much work on authenticity is on what is or is not authentic and not what authenticity means in a more general sense. The list of ‘things’ that are authentic
is vastly eclectic, applying claims of authenticity (and inauthenticity) to tangible objects and intangible characteristics, experiences, and ideals.

When dealing with tangible objects, authenticity usually refers to the historical originality of the object (Peterson 2005). Objects referred to as authentic are those considered to be either historically grounded or set apart from the commercial landscape of modernity and post-modernity (Fine 2004). Thus, a piece of art is considered authentic if it was produced during a particular historical point in time by an historical artist, or if it was produced during modern times by someone outside the commercial sphere, such as an untrained artist living a bohemian lifestyle (Fine 2004).

For things that are intangible, such as individuals (Guthey and Jackson 2005), organizations (Jones, Anand, and Alvarez 2005), and experiences (Arnould and Price 1993; Fine 2004), assessing authenticity is more difficult. Authenticity is thought to arise when individuals are being true to themselves and presenting an image of themselves that is consistent with who they really are (Goffman 1959; Handler 1986; Taylor 1992; Trilling 1972). This conceptualization of authenticity has been applied to numerous contexts including music (Arthur 2006), engagement with a particular lifestyle (Haenfler 2004), and cultures (Handler 1986).

In summary, while a concise and broadly accepted definition of authenticity is not readily accessible, authenticity is conceptualized in fairly consistent ways: authenticity is usually based on: (1) being historically grounded and/or rooted in traditional modes of production, (2) being separate from the commercial sphere, or (3) being true to the self.

Marketing and Authenticity:

While marketing and consumer researchers, consistent with other academic areas, have not agreed upon a definition of authenticity (Grayson and Martinec 2004), they tend to draw upon the aforementioned conceptualizations of authenticity. For example, Beverland (2005) finds that luxury wine brands are considered authentic if they are produced using traditional methods in historically significant wine regions and Cohen (1988) finds that travel and souvenirs are considered authentic if they remain true to historical origins. Grayson and Martinec (2004) build upon this base of authenticity and conceptualize two types of authenticity: indexical authenticity and iconic authenticity. Indexical authenticity refers to something that is believed to be the ‘the original’ or ‘the real thing.’ Iconic authenticity refers to something “whose physical manifestation resembles something that is indexically authentic” (Grayson and Martinec 2004, p. 298), thereby capturing the essence of something that is indexically authentic. For example, a replica of a Rodin statue, while not being ‘the real thing,’ has iconic authenticity as it still ‘captures the essence’ of the original statue.

Further, Kozinets (2002) finds that consumers create what they consider to be an authentic experience by distancing themselves from the marketplace. Holt (2004) applies the notion of authenticity resulting from separation from commercial space to the cultural level, asserting that authentic cultures are those that are separated from everyday life as well as “the realms of commerce and elite control” (p. 9). Notions of being true to the
self, drawing upon the conceptualizations of Trilling (1972), are the foundation of authenticating acts (Arnould and Price 1999) in which consumers seek out experiences and objects that allow them to express their true selves.

Consumer researchers have also started to blur the boundaries between what is considered an authentic object or person and experiencing or consuming authenticity. Specifically, some consumer research shows that experiences of authenticity are co-created through the interaction of an authentic object and the person experiencing that object. For example, Arnould and Price (1993) find individuals having authentic experiences that are grounded in interacting with an environment and individuals who are deemed authentic. Further, Rose and Wood (2005) show that reality television viewers are only able to enjoy an authentic experience after engaging in a detailed discourse assessing the authenticity of the television show. Specifically, viewers engage in a self-referential process whereby they find ways to relate what they are viewing to their own lives in order to make positive authenticity assessments. Grayson and Martinec (2004) also discuss the interaction between authentic objects and those consuming them, noting that perceptions of authenticity rely on perceivers having some preexisting knowledge or expectations upon which they draw to make decisions about an object’s authenticity.

**Authenticity in Advertising:**

Authenticity is also interestingly applied to advertising. Stern (1994) posits that, even though advertisements are representations of reality, they are still considered authentic if they “convey the illusion of the reality of ordinary life in reference to a consumption situation.” This would be comparable to the notion of “iconic authenticity,” (Grayson and Martinec 2004). Holt (2004) presents an alternative notion as he claims that iconic brands are built upon advertising that draws upon the experiences of authentic groups within society. In this case, authenticity is linked to the authenticity of the user. Both views, however, rely heavily on the third base of authenticity identified above: being true to the self. Specifically, authentic advertisements are conceptualized as those that accurately reflect the everyday life experiences of individuals who are true to themselves and not hiding behind pretenses (i.e. are authentic).

**Assessing Authenticity:**

A final important issue relating to authenticity is how it is assessed. Authenticity is traditionally assessed in one of two ways. The first way is through a determination of whether a particular object is real and original (Geary 1986). This type of assessment adopts a production focus and considers the source of the object. The second way in which authenticity is assessed is from a consumption perspective: whether or not an object deemed authentic is perceived as such (Peterson 2005). These different approaches to assessing authenticity beg the question of who decides whether or not something is authentic? Does the answer rest with experts who conduct an historical analysis to determine origin, or is it based on the perceptions of those who experience the object (Ellison 1995)? To resolve this question, Peterson (2005) proposes that authenticity is socially constructed and based on the interplay between the producer of the authentic object and the consumer of that object. Grayson and Martinec (2004) also assert that
Much of the authenticity work in marketing and consumer research to date has focused on the production view of assessing authenticity: determining if the product or brand origins are authentic. Authenticity assessments for brands and advertising in particular tend to focus on the company that sponsored the advertisement (e.g. Kates 2004) or the spokesperson featured in the advertisement (e.g. Till and Shimp 1998). Consumer researchers have spent less time exploring advertisement authenticity from the perspective of the advertisement viewer.

In summary, authenticity is important in several marketing domains including service delivery (Arnould and Price 1993), consumer rituals (Wallendorf and Arnould 1991), consumer possessions (Grayson and Shulman 2000), advertising (Stern 1994), and servicescapes (Arnould, Price, and Tierney 1998). However, we still have little empirical support for its importance and only limited theoretical understanding of what is meant by authenticity and its relationship to consumer responses. The purpose of this research is to examine consumer perceptions of and reactions to authentic advertisements.

**METHODOLOGY**

To understand perceptions of authentic advertisements, it was methodologically important to accomplish two things. First, I needed to utilize advertisements that depicted something grounded in the everyday lives of individuals. Second, I needed to use a sample that shared similar everyday life experiences so that some consistency in advertisements and lifestyles could be incorporated into the study design. To meet these criteria, I adopted an existential phenomenological approach (Thompson, Locander, and Pollio 1989) to understand how perceptions of authentic advertisements related to the lives of individuals. I conducted stimuli-based depth interviews (Mick and Buhl 1992) with a set of informants, all of whom were engaged in a consumption oriented subculture (the organized distance running subculture), who were asked to discuss a set of print advertisements.

A subculture was chosen for this study for several important reasons. For those involved in a subculture, the focal activity becomes an important part of their lifestyle, with commitment to the activity defined in terms of its dominance over lifestyle (Donnelly 1981). The distance running subculture is particularly well suited to this study because running, a routine activity, has been shown to become a very important aspect of everyday life for those who run (Chalmers 2006). This combination of salience and ordinariness provides an opportunity to explore interesting aspects of everyday life experience reflected in both lived experience and advertisements.

I conducted interviews with 28 members of the distance running subculture (described in Appendix A) during April and May 2006. Purposive sampling techniques were used to recruit members of the distance running subculture in two Arizona cities. I specifically sought out runners with varying degrees and types of involvement with the subculture. For example, I interviewed runners who were new to the subculture as well as
Olympic athletes. Informants represented both genders (16 male and 12 female) and varied in age (from 21 to 68) and level of involvement with the subculture.

The interviews were divided into two stages and lasted from 60-120 minutes. First, I showed the informants 16 running themed print advertisements (described in Appendix B) and asked them to tell me what they thought about the advertisements (Mick and Buhl 1992). The 16 advertisements were a range of typical running advertisements, including advertisements depicting common everyday experiences of running, authentic runners and activities of authentic runners, and advertisements that promoted benefits of running. They also represented a range of authenticities: common everyday experiences of running (similar to iconic authenticity), historical running images (indexical authenticity), and advertisements focusing on product attributes (not authentic). The authenticity of the advertisements was assessed by a panel of four running experts as well as four non-experts who run. As a group, the advertisements depict males and females as well as a variety of brands. The second stage of the interview was dedicated to learning about each informant’s experiences with running and how running fits into their lives. Interviews were first transcribed, resulting in approximately 600 pages of data, and then coded, first using free coding and then using QSR NVivo and standard data analysis and interpretation procedures (Glaser and Strauss 1967; Spiggle 1994; Thompson 1997). Important themes were uncovered using an iterative ‘back and forth’ reading process to uncover patterns both within and between informants (Thompson 1997).

FINDINGS

Three primary themes emerged in this study. First, without any probing regarding authenticity, narratives surrounding the advertisements centered on discussions of authenticity. Specifically, informants frequently discussed their perceptions in terms of authenticity with comments relating to indexical authenticity, iconic authenticity, and a lack of authenticity. Second, self-referencing emerged repeatedly as an important factor in the evaluations of advertisements, serving as a link between assessing authenticity and liking the advertisement. Third, the importance of authentic advertisements being firmly rooted in everyday experience emerged as informants often differed in their authenticity perceptions of the same advertisement.

Authenticity Perceptions:

Informants often described advertisements in terms of being something that is real: indexically authentic. There was a strong emphasis placed on the people in the advertisements being runners as opposed to models, as well as a focus on the form and function of running as opposed to superfluous images. Evan [M45] discusses ‘Test Run’:

“I just looked at her legs to make sure she is actually a runner. You want to make sure that the people that [the advertisement] is portraying are actually runners and they are not models” [Evan M45].

Brayden’s [M21] discussion about the advertisement ‘Band-Aids’ also provides support for perceptions of indexical authenticity being important:
“I like race settings, genre settings, instead of fake photo shoots in running ads. [This ad is cool] because they’ve got the elite athlete there, the midpacker, the guy putting band-aids on this nipples, the woman who’s probably going to walk the marathon. It’s pretty cool. I like this one” [Brayden M21].

Thus, informants tried to ascertain whether the advertisement showed something real.

In addition to comments relating to indexical authenticity, narratives reflecting perceived iconic authenticity are also revealed in informant comments. Lauren [F32] described the advertisement ‘Two Strides’ stating: “It’s more interesting and captures a bit more of the running experience.” Further, consider the following comments about the advertisement ‘Pre’ featuring Steve Prefontaine (a famous runner from the 1970’s):

“Any running ad that has Steve Prefontaine is good…its not so much because he was a good runner, because he was a very good runner, but because he embodied a lot of the insanity that goes along with being a runner” [Megan F24].

“It shows the spirit of running and competitive running…There is definitely an emotional appeal for that” [Brayden M21].

The responses to this particular advertisement are fascinating as the informants were less concerned about this being a real image of Steve Prefontaine (which would indicate an indexical perception) than they were about the essence of Steve Prefontaine.

Finally, narratives about the advertisements also depicted some advertisements as inauthentic. These comments usually involved statements about the advertisement not being indicative of running or runners in general (e.g. “A runner would not do that”). These sentiments are expressed by Megan [F24] when discussing ‘Thunder Thighs.’ She states, “That’s not really the way that I see runners, just running around in skimpy little Nike clothes. [Running] is not to be sexy or something, and I think a lot of [the ads in this campaign] are trying to portray that.” Daniel [M41], commenting on ‘Test Run’ asserts:

“At first it kind of grabs your attention, but when you read all [the daily comments], they are unrealistic. Every one of them is really positive, like the person who [wrote these] felt great every single day and it’s not always like that” [Daniel M41].

These examples centre on advertisements not depicting iconic authenticity. Evan [M45] discusses the lack of indexical authenticity in ‘Pre’:

“I wouldn’t normally expect Pre to be looking up like this...It’s kind of unusual because there wouldn’t be a reason why he would be looking up. There must be something else going on, like he just got hit by a shot-put or something” [Evan M45].

Thus, assessments of inauthenticity were also prevalent and applied to advertisements that lacked indexical and/or iconic authenticity. Interestingly, informants did not discuss
the advertisements in terms of how well they communicated brand or running benefits. In fact, all assessments of the ‘information quality’ were linked back to the advertisement’s authenticity. For example, when discussing ‘Woman on Couch’ Logan [M30] states:

“I don’t understand what the reading of the book means. The only thing I really see about running is the shoes and the foil wrap…At some point some of these ads are kind of dangerous just coming from the standpoint of knowledge…I don’t think it’s fair because it makes it sound good, but shoes are so specialized that it might not be the right thing” [Logan M30].

Logan’s reaction to this advertisement is closely tied to his view of running products as being complex and highly specialized, and extremely important to a runners’ safety. In his interpretation of this advertisement, he is offended by the ignorance of advertisement, as it is not authentic, and then expresses similar disdain for the value of the information about the product. Thus, assessments of authenticity serve as a filter through which product and brand information is evaluated: without a positive authenticity assessment, the informational benefits of the advertisement are not successfully communicated.

Self-Referencing:

The second emergent theme is informants engaging in self-referent behaviors when evaluating advertisements. Relating the advertisement to personal experiences emerged as a crucial step in advertisement evaluations. Consider this ‘Queue’ quote:

“It’s true. You’ll see runners out doing stuff you’d never expect. How many times have I been standing in a line and I’m stretching or my pelvis hurts and I’m rubbing my pelvis, and sometimes I step away from myself and [think,] ‘I wonder what the people in the area are thinking of me?’” [Paige F32].

A similar pattern emerged in the manner in which Brayden [M21] responded to the advertisement ‘Keep Running.’ He states:

“It doesn’t show running at all. I definitively do not look in my neighbor's windows when I run. I don’t run with music. I don’t run with a hood on. It just doesn’t appeal to me at all” [Brayden M21].

Paige’s narrative begins with a positive assessment of the indexical authenticity of the advertisement. Paige explaining how she personally experiences the image depicted in the advertisement follows this. Brayden, on the other hand, begins his narrative with a negative assessment of the advertisement’s authenticity. He subsequently relates this to his own experiences as a runner. An interesting deviation from this pattern is evidenced in Daniel’s [M41] narrative about ‘Keep Running’:

“I guess everybody has their own reason for running and I can sort of see [looking in neighbor’s windows] being one. It wouldn’t be one for me, but I can see it being one for someone” [Daniel M41].
Daniel’s narrative starts with a hesitant assessment of authenticity, eventually concluding that this advertisement is iconically authentic, but not personally relevant. Even though he views the advertisement as authentic, he does not relate to it and ultimately does not respond favorably to the advertisement. Thus, self-referencing plays an important role, in addition to assessments of authenticity, in the advertisement evaluation process.

Differences in Authenticity Perceptions:

The final finding from this study is that informants, despite sharing a multitude of common lifestyle factors and experiences, often differed in their authenticity perceptions. Some advertisements were viewed as both indexical and iconic by different informants as well as some advertisements being viewed as authentic and inauthentic by different informants.

Some advertisements were viewed by some informants as being iconically authentic, while others viewed the advertisement as indexically authentic. Consider the following quotes relating to ‘Pre’:

“I like this one. He’s my hero. I was in high school when he was doing interstate running and here was this college guy just tearing up the world. I was like, ‘Yeah, I want to run like him’” [James M50].

James focuses on the advertisement’s iconic authenticity: the manner in which it captures the essence of running. Conversely, other informants view this advertisement as being more indexically authentic. Victoria [F53] and Trista [F25] comment:

“Well, I appreciate the history of it, but it doesn’t do anything for me” [Victoria F53].

“It looks like it’s an old school picture” [Trista F25].

Another example of how runners differed in their perceptions of advertisement authenticity emerged during discussions about ‘Car Sale.’ Kerry [F30] states, “That’s just ridiculous. I don’t like this one at all. This one totally bothers me. All I see is a girl doing a bad stretch on a dirty car” [Kerry F30]. In contrast, Allison [F30] comments more on the iconic authenticity of the advertisement: “Well, it’s kind of funny because you know her car is sort of sitting there for so long, it’s kind of impressive. Running is everything in her life” [Allison F30]. Kerry and Allison view this advertisement in very different ways. Kerry immediately focuses on the realism and determines that it is not authentic whereas Allison looks at the underlying ‘message’ being communicated by the advertisement: that running is a lifestyle. This assessment centers on themes of iconic authenticity. Thus, even though runners use authenticity as a tool for developing their assessment of advertisements, these perceptions are sometimes varied and inconsistent.

In summary, this study reveals three important things about advertisement assessments. First, perceptions of authenticity, both iconic and indexical, characterize narratives about advertisements. Second, self-referencing plays an important role in
advertisement evaluations. Third, informants differ in their authenticity perceptions, but still utilize these perceptions in building their judgments of the advertisements.

**DISCUSSION**

This study makes several important contributions to consumer research. First, it demonstrates the usefulness of the authentic advertisements concept in advertisement evaluations. While extant research demonstrates individuals like advertisements relating to their lives, this study extends this by showing assessments of an advertisement’s indexical and iconic authenticity play a major role in advertisement evaluations. Further, authenticity assessments seem to be primary filters for any brand or product information conveyed in the advertisement. That is, we might speculate that it is unlikely brand benefits would be evaluated if the advertisement did not first past the authenticity test.

Second, this study extends recent work on authenticity by showing that authenticity assessments, in the context of advertisements, are not objective judgments but are co-produced meanings: the combination of the advertisement’s content as well as the consumers’ experiences produces assessments of authenticity. Furthermore, it is the alignment of these two elements that impacts advertisement evaluation. While the role of self-referencing in this process is clearly important, the order in which self-referencing, authenticity assessments, and advertisement evaluations takes place is unclear. Future research should tease apart these three aspects of the process to determine the appropriate casual ordering (or orderings). An especially important issue is the independent and combined effects of authenticity and self-referencing on ad liking.

Third, the importance of authenticity in advertisement assessments is demonstrated in the differences in authenticity perceptions, despite all informants sharing common experiences and lifestyles. These differences show authenticity assessments are strongly tied to the nuance of experience and provide support for the subjective view of authenticity: the construct of interest really becomes ‘perceived authenticity’ as objective views of what is or is not an authentic advertisement did not emerge in this study. What is clear, however, is that perceived authenticity of advertisements plays a large role in advertisement assessments and evaluations.

**CONCLUSION**

In conclusion, the study presents an empirical examination of the concept of advertising authenticity. While consumer researchers have long proclaimed the importance of authenticity in marketing communications, little empirical work has examined what is meant by authenticity and how this is assessed by consumers. This work demonstrates that advertisement authenticity lies in creating a self-referencing link with the consumer that relates to both iconic and indexical authenticities.
## APPENDIX A: INFORMANT DESCRIPTIONS

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Age</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aidan</td>
<td>M</td>
<td>25</td>
<td>Professional Triathlete</td>
</tr>
<tr>
<td>Alexis</td>
<td>F</td>
<td>N/A</td>
<td>Recreational runner who competes occasionally and owns a running store</td>
</tr>
<tr>
<td>Andrew</td>
<td>M</td>
<td>58</td>
<td>Recreational runner who does the occasional race and is involved with a local running organization</td>
</tr>
<tr>
<td>Anthony</td>
<td>M</td>
<td>45</td>
<td>Competitive runner who, with his family, is actively engaged in the local running community.</td>
</tr>
<tr>
<td>Ashley</td>
<td>F</td>
<td>32</td>
<td>Recreational runner for charity organization; mentors other new runners; participates in races fairly regularly</td>
</tr>
<tr>
<td>Barb</td>
<td>F</td>
<td>N/A</td>
<td>Former high school competitive runner who runs recreationally; runs a professional running training organization</td>
</tr>
<tr>
<td>Brayden</td>
<td>M</td>
<td>21</td>
<td>Very competitive collegiate runner; races frequently; employed at a running store</td>
</tr>
<tr>
<td>Brighton</td>
<td>M</td>
<td>29</td>
<td>Former competitive runner; runs recreationally and competes occasionally; involved with a local running organization and works as a race director</td>
</tr>
<tr>
<td>Charles</td>
<td>M</td>
<td>44</td>
<td>Former international level competitive runner who now competes locally and is actively engaged in his local running community</td>
</tr>
<tr>
<td>Daniel</td>
<td>M</td>
<td>41</td>
<td>Recreational runner; trains and competes often</td>
</tr>
<tr>
<td>Emma</td>
<td>F</td>
<td>28</td>
<td>Former high school competitive runner, competes recreationally, coaches for a local charity running organization</td>
</tr>
<tr>
<td>Ethan</td>
<td>M</td>
<td>65</td>
<td>Recreational runner; rarely participates in races</td>
</tr>
<tr>
<td>Evan</td>
<td>M</td>
<td>45</td>
<td>Recreational runner; trains seriously with a training group; participates in races often</td>
</tr>
<tr>
<td>Hayden</td>
<td>M</td>
<td>50</td>
<td>Recreational runner; trains with a group but does not race often</td>
</tr>
<tr>
<td>Jacob</td>
<td>M</td>
<td>34</td>
<td>Former NCAA runner who, since being injured, focuses competing at a sub-elite level and coaching elite and youth athletes.</td>
</tr>
<tr>
<td>James</td>
<td>M</td>
<td>50</td>
<td>Recreational runner who competes very often and is actively involved with a local running organization.</td>
</tr>
<tr>
<td>Kayla</td>
<td>F</td>
<td>34</td>
<td>Professional runner, American record holder, and international competitor</td>
</tr>
<tr>
<td>Kerry</td>
<td>F</td>
<td>30</td>
<td>Former NCAA runner who runs competitively and is involved in the administration of a local running organization.</td>
</tr>
<tr>
<td>Lauren</td>
<td>F</td>
<td>32</td>
<td>Recreational runner; participates in races fairly often; Regional Director of charity running organization</td>
</tr>
<tr>
<td>Logan</td>
<td>M</td>
<td>30</td>
<td>Very competitive; Involved in some community running association administration</td>
</tr>
<tr>
<td>Megan</td>
<td>F</td>
<td>24</td>
<td>Competitive Triathlete; Former collegiate and high-school competitive runner; races regularly</td>
</tr>
<tr>
<td>Noah</td>
<td>M</td>
<td>68</td>
<td>Former competitive runner and race-walker who now coaches with a charity running organization</td>
</tr>
<tr>
<td>Olivia</td>
<td>F</td>
<td>45</td>
<td>Recreational runner who competes very often and is actively involved with a local running organization.</td>
</tr>
<tr>
<td>Paige</td>
<td>F</td>
<td>32</td>
<td>Extremely competitive; Trains full-time</td>
</tr>
<tr>
<td>Paul</td>
<td>M</td>
<td>29</td>
<td>Former NCAA runner who still runs competitively and manages a local running store</td>
</tr>
<tr>
<td>Ross</td>
<td>M</td>
<td>24</td>
<td>Former NCAA runner who still runs competitively and works in a local running store</td>
</tr>
<tr>
<td>Trista</td>
<td>F</td>
<td>25</td>
<td>Recreational runner who competes fairly regularly; runs a local charity running organization</td>
</tr>
<tr>
<td>Victoria</td>
<td>F</td>
<td>53</td>
<td>Participates in marathons and coordinates a local charity running organization</td>
</tr>
</tbody>
</table>
## APPENDIX B: ADVERTISEMENT DESCRIPTIONS

<table>
<thead>
<tr>
<th>Advertisement Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Run</td>
<td>Woman running upstairs on left hand side with the slogan “Day 5 of 28. 100 steps felt like 10.” Right hand sides shoes 28 shoes, each depicting a different day of running.</td>
</tr>
<tr>
<td>Pre</td>
<td>A black and white image of Steve Prefontaine running in a University of Oregon singlet. The copy on the advertisement reads: “Steve Prefontaine is the insatiable spirit of Nike Running. We made our first pair of shoes for him, we’ll make our last pair of shoes for him....”</td>
</tr>
<tr>
<td>Two Strides</td>
<td>Image of the mid-pack at the start of a race with hundreds of runners crowded together. The slogan says, “Where your world becomes the next two strides.”</td>
</tr>
<tr>
<td>Ran Today</td>
<td>Image of a man in running clothes, presumably after a run, accompanied by the slogan, “You either ran today or you didn’t”</td>
</tr>
<tr>
<td>Queue</td>
<td>Man in a suit stretching in line at a bank. Slogan reads, “Runners. Yeah, we’re different”</td>
</tr>
<tr>
<td>Thunder Thighs</td>
<td>Image of a woman’s muscular legs wearing running shorts. The copy reads, “I have thunder thighs. And that’s a compliment because they are strong, toned, and muscular...”</td>
</tr>
<tr>
<td>Band-Aids</td>
<td>Image of a male runner at a race placing band-aids over his nipples. The setting is a race scene with other runners standing around and a passerby giving the man an incredulous look. The slogan on the advertisement says, “Runners. Yeah, we’re different.”</td>
</tr>
<tr>
<td>Women on Couch</td>
<td>A woman sits curled up on a couch, wrapped in a foil blanket, reading a book. Next to her is a framed race number on the side table and a running shoe on the floor. The copy reads, “Your passion is our obsession” and describes the technical details of a running shoe.</td>
</tr>
<tr>
<td>Track School</td>
<td>Image of professional runner Michael Johnson accompanied by the slogan, “If you’re on the track team, high school will be the best four years of your life. Football players get to enjoy five.”</td>
</tr>
<tr>
<td>Roadside Equipment</td>
<td>Image of a woman running alone along a stretch of desert road. She passes a roadside speed measurement machine that measures her speed as 10 miles per hour.</td>
</tr>
<tr>
<td>Faith</td>
<td>Silhouette of a man running in front of a dark cloudy sky with the slogan, “Test your faith daily.”</td>
</tr>
<tr>
<td>Car Sale</td>
<td>Image of a woman in running clothes stretching against a car that is covered in dirt and displaying a ‘for sale’ sign. The slogan says, “Inner Drive.”</td>
</tr>
<tr>
<td>Johnson on Track</td>
<td>Black and white image of professional runner Michael Johnson squatting down in the middle of a track. Text reads, “Michael Johnson, Austin Texas 6/4/92.”</td>
</tr>
<tr>
<td>Keep Running</td>
<td>The left hand side shows a woman in a hooded sweatshirt holding an MP3 player. This is accompanied by the slogan, “I’ll keep running because it gives me a legitimate excuse for looking in the neighbor’s windows at night. Nice sofa.”</td>
</tr>
<tr>
<td>Leap Year</td>
<td>Two scenic images of runners along the ocean shoreline and past a rustic church are accompanied by the slogan, “Good news: It’s a leap year. You can run 366 days.”</td>
</tr>
<tr>
<td>Naked Man</td>
<td>A muddied naked man is standing at the back of his truck changing out of his running clothes while passersby give him a strange look. The slogan reads, “Runners. Yeah, we’re different.”</td>
</tr>
</tbody>
</table>
REFERENCES


Muller, Joann (2002), "Jeep's Identity Crisis: Can it Retain a Tough Image as it Expands to a Cushier Line?," *Business Week*, August 12 (3795), 70.


Taylor, James (1995), "Retrobranding: It's Got to be the Real Thing, and Work Right, Like it Used to," *Brandweek*, 36 (18), 16.


