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## ***EDITORIAL***

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The paper by Ketelaar et al is a generalization study which determines if open advertisements for brands differing in familiarity can be successfully used as a cross cultural advertising tool. Open ads do not guide consumers towards a ready-made interpretation and require more effort to decipher than closed ads. The study was performed in five European nationalities and the United States. A randomized 4-group design was used with ten advertisements, each in four different versions, with attitude toward the ad as the dependent variable. For each of the ads, we created an open (without slogan) version and a closed (with slogan) version, both in an unfamiliar and a familiar brand version.

The results, which are robust across different nationalities, show that the attitude towards closed ads with familiar brands is more positive than towards open advertisements with unfamiliar brands. The lack of text and the use of images is an effective way to advertise across borders as it gets around language barriers. The standardization of the advertisement lowers costs because only one, textless advertisement is needed for different nationalities. By using the same advertisement everywhere, there is a chance of achieving a uniform market image. The negative effect of openness and the positive effect of brand familiarity can be explained by ease of comprehension. When advertisers aim their campaigns at different nationalities, they might consider using open advertisements in combination with unfamiliar brands, but only if these ads are easy to understand. If not so, advertisers are better off using closed ads. Furthermore, the results suggest that making sure

that open ads will be easy to understand will be more difficult to accomplish for unfamiliar brands than for familiar brands. Considering its potential negative effects and the large amounts of money involved in the advertising business, we may conclude that the open ad-strategy seems a risky venture.

The purpose of the paper by Palegato et al. is to explore audience perceptions of brand dimensions of a cultural product - in this case the newly constructed, and widely commented on, Opera House in Oslo, Norway. In our research we wanted to uncover the nature of perceptions prior to attending a performance at the Opera House and whether those perceptions had changed as a result of what had been experienced. To undertake this research, we conducted 201 interviews prior to a performance and 111 interviews afterwards, followed by two focus groups.

People already had clear perceptions before the performance experience, but our research shows there were three significant brand dimensions that were positively affected by attending the Opera House: artistic innovation, pride, and for ordinary people/everyone. Of particular note is that pride featured highly in consumer associations both before and after consumption. We identified pride as a cultural brand dimension, which is a function of 'enthusiasm' and 'knowledge', which can be linked to the building and to the performance. Overall, the strength of the brand dimensions indicates that consumers can have strong associations (even a sense of closeness) with a cultural brand prior to experiencing it.

There are two key implications of our study. The first is that while cultural and brand

managers may assume that the marketing of a cultural brand begins when they decide to communicate, in fact, a brand may already have acquired brand dimensions. Observation of a building as it is constructed, word-of-mouth recommendation, and media commentary begin to create associations and perceptions of the brand. In our study, most of the brand dimensions aligned before and after the visit, but it is also possible that people may have confused or negative perceptions, which may be subsequently difficult to alter. This observation should remind managers (especially those involved in the construction of a new cultural venue) that the desired brand needs to be considered from the very outset.

The second key implication is that pride is an important brand dimension to foster. This dimension is elusive, but our qualitative research indicates that the more accessible the brand is (in the case of the Oslo Opera House people could walk on the roof of the building prior to its opening) and the more it connects with significant symbols (e.g., glacier, Norway, snow), the more likely pride will exist. Again, this has implications for brand thinking: fostering pride needs to be incorporated into the earliest stages of an initiative, and managers should be encouraged to make cultural venues and experiences as accessible as possible to avoid the temptations of elitism.

The growth of private label brands (also known as store brands or retailer brands) has intensified in recent years in most countries around the world and this can be seen as a threat to manufacturer brands. The increasing importance of private label brands as a permanent feature of grocery retail shelves has warranted an investigation into their relational coexistence with manufacturer brands since manufacturer brands have traditionally dominated the shelves. As private labels continue to make inroads into grocery retail product categories, an interesting question arises on the extent to which private label share can grow in relation to manufacturer brands; a

question that has never been answered conclusively.

The aim of the study by Chimhundu and Chadee is to gain insights into private label share trends with a view to better understand how share growth might stabilise. The study focused on the interplay between retail concentration and private label quality spectrum in the determination of private label share growth and stabilisation. Specifically, the study sought to answer the following questions: Do different levels of grocery retail concentration and private label quality spectrum result in different private label share patterns? What patterns of private label share trends are exhibited by different combinations of level of grocery retail concentration and degree of employment of private label quality spectrum?

The research employed the multiple-case study methodology and investigated aggregate share trends of private label brands in four countries; UK, USA, Australia and New Zealand, over a fourteen year period. The data collected and analysed included private label share trends, private label quality spectrum and grocery retail concentration levels. The major finding was that, when private label share finally reaches the state of stabilisation, there are two possible points of such equilibrium. The states of equilibrium have been termed mature and premature equilibrium in this research. One is a premature point in that there is still potential to go higher if the ideal conditions are made to prevail, and the other is mature in that there is limited scope to go beyond it. The resultant state of equilibrium is largely driven by the combination of the degree of exploitation of private label quality spectrum and the concentration level of the grocery retail industry. As a snapshot of the results of this research, a private label quality spectrum / grocery retail concentration matrix was created.

The research has managerial and business policy implications. Executives should bear in

mind that; to attain the state of mature equilibrium, full exploitation of the private label quality spectrum consisting of Tier 1, Tier 2 and Tier 3 private label brands is necessary in business environments of both high and low retail concentration. Actively seeking opportunities for retail consolidation would additionally be a mandatory route in environments of low retail concentration. This is because, neither high retail concentration alone nor full exploitation of the private label quality spectrum alone is sufficient to enable the attainment of mature equilibrium. Both conditions have to be existent for mature equilibrium to be attained. Furthermore, decisions on private label quality spectrum have a strong influence on the competitive progress of private labels against manufacturer brands. The strategic choices taken on the level of exploitation of private label quality spectrum have far reaching implications on the competitiveness of private labels against manufacturer brands on supermarket shelves.

The study by Aksoy and Basaran may help businesses which are willing to provide better quality services to their online consumers. Also, it is considered that it contributes to the theoretical development of literature by explaining customers' acceptance of the internet in purchasing products and services. Based on the study results, businesses which sell their products and services over the internet, must organize their web sites in such a manner that consumers can easily perform their operations. To this end, the prepared guidelines for purchase and payment procedures should be clear, and easily understandable to consumers. Also, businesses must consider the desires and needs of consumers for online shopping. Businesses which want to create more useful web layout within the scope of sales over the internet, should be more informative about the contents of products and services, should provide time savings to consumers by serving them quicker, and must establish more flexible return and exchange policies. Businesses have

to provide confidence to consumers to protect their personal information, and account or credit card information that are required during payment. Also, accurate, complete and timely delivery of the product or service is important to give confidence. It is determined that, the opinions of the communities such as family and friends that within the consumers' inner circle, affect their beliefs regarding online shopping usefulness and intentions of shopping online. Therefore, businesses must consider the thoughts, expressions and behaviours of their target group's inner circle. In addition, it should be noted that businesses should understand consumers' demand for their web sites and should offer more customized features on the basis of the specific needs of consumers such as providing online support to them when they need it during the process of online shopping.

The paper by Vargas-Hernandez and Burgos-Campero analyzes the theoretical and methodological approaches to the study of neuro-marketing for designing business strategies. The methods of "articulated answers" as market research, surveys and focus groups to name some of them, are not ideal to know the way a person feels about a product or service because it is difficult to describe in precise words the emotions experienced by a person to a stimulus such as a product. In the case of focus groups participants' responses may be influenced by the dominant group subjects, in addition to factors such as incentives, time and pressure that may have some interference in its report. Surveys in turn require substantial samples and design tools developed to be able to counter variables such as language, education and culture between subjects tested (Pradeep, 2010, 10). In contrast, Neuro-scientific methodologies provide insight through neuro-imaging, brain areas involved and subconscious processes without conscious effort of the participants. It offers the possibility to study in real time, allowing the viewer to understand the phenomena related to specific

times of the test. Most of these methods measure the physiological response noninvasively. However, each has certain limitations which are discussed through the paper. The main conclusion is that neuro-marketing allows us to know the customer's reactions in terms of brain activation without the need to appeal to the report of his conscious experience. In consequence the firms will be able to develop capacities and valuable resources to create focal strategies.

Nowadays, there is an increasing turn to purchasing private label products. A combination of good price and quality makes them attractive to consumers. Businesses spend a great amount of money on research in order to identify consumers' behavior. Cretans are becoming more demanding in order to satisfy their needs while they are looking for products that can combine high quality and low prices. Thus, Cretans are becoming familiar with private label products that are a good alternative choice to advertised brand labels. Retailers are pushed towards investing in the grocery market to maximize their profits. The aim of the study by Angelaki et al. is to demonstrate that applying consumer behavior theory to the growing and relevant area of brand stores can provide information for decisions that may not be typically reviewed. This survey was deployed within various population segments across Crete. A sample of 575 customers, aged over 18, was chosen and the survey was conducted both face to face and via the internet.

The research aim of this survey is to identify how Cretan consumers behave concerning private label products and their opinion of these products. Private label products present significant growth in the last few years. Due to their competitive prices and attractive offers, consumers have become familiar with these products. It is found that people believe that they have the same quality and packaging as national brand products while some people also note that some of these products are of better quality which makes them more competitive with national brand products. The only drawback noted was their bad reputation. The majority of people who purchase private labels prefer stationery products, household detergents and other detergent products. Nowadays, private label products offer an alternative choice for people and help them to reduce their monthly family expenditure. The lower costs associated with advertising, research and marketing makes them more competitive in the grocery market.

Enjoy reading the journal!

Erdener Kaynak  
Editor-in-Chief

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## ARTICLES

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# The Effectiveness of Openness in Advertising for Familiar and Unfamiliar Brands Across Different Nationalities

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**ABSTRACT.** This generalization study determines if open advertisements for brands differing in familiarity can be successfully used as a cross cultural advertising tool. Open ads do not guide consumers towards a ready-made interpretation and require more effort to decipher than closed ads. The study was performed in five European nationalities and the United States. A randomized 4-group design was used with ten advertisements, each in four different versions, with attitude towards the ad as the dependent variable. The results, which are robust across different nationalities, show that the attitude towards closed ads with familiar brands is more positive than towards open advertisements with unfamiliar brands. However, the negative effect of openness and the positive effect of brand familiarity can be explained by ease of comprehension. Controlled for ease of comprehension the open ads outperform the closed ads. When advertisers aim their campaigns at different nationalities, they might consider using open advertisements in combination with unfamiliar brands, but only if these ads are easy to understand.

**KEYWORDS.** Global advertising, Openness, Brand familiarity, Attitude towards the ad

## INTRODUCTION

The increasing globalization incites international firms to approach their communication from a global perspective. Since global advertising can offer enterprises substantial financial benefits, advertisers are eager to adapt standardized global communication techniques. In this context, we determine in our study if openness in advertising messages is an eligible means to deliver a standardized advertising message. We will use the term ad

openness to refer to the amount of guidance towards a certain interpretation; a high level of openness means there is little guidance towards an intended interpretation. Consumers experience ads with little guidance as more open than ads in which guidance toward a certain interpretation is high (Ketelaar, Van Gisbergen, Bosman, & Beentjes, 2008). Openness might be an advantageous strategy for global advertising because open ads are often highly visual and visuals are easier to standardize than text. A standardized advertising cam-

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paid is cost effective and enables brands to spread a consistent image throughout nationalities. Besides, an open ad without text may overcome the linguistic barrier in global advertising (Okazaki, Taylor & Zou, 2006; Sirisagul, 2000; Theodosiou & Leonidou, 2003; Hornikx, de Groot, Timmermans, Mariëns & Verckens, 2009, p. 2).

Some researchers believe open advertisements to be a successful global marketing tool (e.g. Chebat, Charlebois & G elinas-Chebat, 2001; McQuarrie & Mick, 1999), because of the tendency towards globalization in marketing communication. Multinationals are making increasingly more use of visuals for standardized print ads when advertising cross culturally (Bu, Kim, & Lee, 2009). Other researchers, however, do not believe in the effectiveness of open advertisements (e.g. Bulmer & Buchanan-Oliver, 2006; Philips, 1997), mainly because cultural differences will stimulate different interpretations. Despite the fact that there is disagreement about its effectiveness, there has been an increase in the use of open advertisements (Berger 2001, Pollay, 1985; Scott, 1994; Leiss, Kline and Jhalley, 1990; Van Gisbergen, Ketelaar & Beentjes, 2004; Callow & Schiffman, 2002; Warlaumont, 1995).

Contemporary research into the effectiveness of ad-openness seems to have neglected the importance of the advertised brand. The familiarity of the brand might influence the attitude towards advertisements (Dahl en & Lange, 2005). Ketelaar, van Gisbergen, Bosman and Beentjes (2008) have argued that the brand may anchor the intended message in an open ad, which makes open ads easier to interpret and therefore more liked. In their opinion brand familiarity should be an important part of research into the effectiveness of ad-openness. For this reason we incorporated familiar as well as unfamiliar brands in our study.

Although advertising with openness may offer global brands substantial advantages, the

question remains to what extent these advertisements are effective across different nationalities. In order to determine the effectiveness of advertisements that focus on the visual aspect of their ads to deliver the message, this study explores the effects of openness in advertising for familiar and unfamiliar brands.

This study can offer valuable insights in the role of the brand on the effectiveness of open advertisements. It investigates how openness and brand familiarity affect consumers attitudes towards advertisements and how both variables interact. This is done in a cross cultural setting. A more detailed understanding of the effectiveness of open advertisements can contribute to global marketing business practice, and may increase their global effectiveness while reducing costs at the same time.

To be able to generalize the results, we performed the research in five European nationalities and in the United States, using ten different products, and established the effects on the attitude towards the ad ( $A_{ad}$ ).

## THEORY

Several terms in advertising relate to openness. Therefore, the effects of openness have been studied under various names. Some researchers have used the label open-ended (e.g., Boutlis, 2000; Sawyer, 1988; Sawyer & Howard, 1991) while others have used the term open-conclusion ads (e.g., Chebat, Charlebois & G elinas-Chebat, 2001). Other terms relate to openness but do not include the word 'open': indirect advertising (e.g., Dingena, 1994; Kardes, 1988; McQuarrie & Phillips, 2005), implicit advertising (e.g., Dingena, 1994; Messaris, 1997), figurative advertising (e.g., Dingena, 1994; Martin, Lang & Wong, 2003; McGuire, 2000), ambiguous advertising (e.g., Perrachio & Meyers-Levy, 1994; Warlaumont, 1995; Young-Won Ha & Hoch, 1989), polysemic advertising (e.g., Warlaumont, 1995), unframed advertising (e.g., Edell

& Staelin, 1983), abstract advertising (e.g., Babin & Burns, 1997; Morgan & Reichert, 1999), and undercoded advertising (e.g., McQuarrie & Mick, 1996).

These terms are not always synonymous for openness, but they all refer to ads that provide less guidance towards a certain interpretation. The term openness represents a common dimension of the terms mentioned above. We regard the term openness as especially suited for advertising research because of its definition in terms of guidance towards an intended interpretation. There is less guidance in a more open ad, compared to a more closed ad.

Several factors influence the openness of an advertisement. The first factor is the absence or presence of the product in the advertisement. When the product is mentioned or depicted, it is likely to reduce the amount of possible interpretations. Reversely, the absence of the product increases the amount of possible interpretations. The second factor that influences openness is the presence of rhetorical figures. Readers need to 'solve' the meaning of these figures in order to figure out why they are depicted in the advertisement. The third factor is the absence of verbal anchoring. This means that no meaning of a rhetorical figure is stated in the headline or picture. The last factor is the level of brand familiarity. Although logo and brand name are displayed, open ads do not contain many references to the brand (Ketelaar, Van Gisbergen, Bosman & Beentjes, 2010).

Although some researchers believe consumers might experience pleasure in searching for and finding a plausible interpretation in an open advertisement (e.g. Eco, 1979; Phillips, 2000; McQuarrie & Mick, 2003; Perracchio & Meyers-Levy, 1994; Van Mulken, van Enschot & Hoeken, 2005; Sawyer & Howard, 1991; Tanaka, 1992; & Toncar & Munch, 2001), there is reason to cast doubt about the effectiveness of open advertisements as a global marketing tool. One of the reasons why

openness might negatively affect  $A_{ad}$  is the fact that images are not universal and that people from different nationalities might interpret an advertisement differently (Bulmer & Buchanan-Oliver, 2006, p. 66; Philips, 1997, p. 78). When visual metaphors do not have the same meaning in different nationalities, this might lead to different levels of ease of comprehension and a lower  $A_{ad}$ .

A second reason pertains to the effects of guidance. If the amount of guidance towards an interpretation is low, consumers may find it difficult to interpret an ad. Some scholars argue that consumers do not want, or like, to spend much time and effort in trying to understand what an advertiser wants to communicate (Franzen, 1997; Phillips, 2003; Phillips & McQuarrie, 2004; Toncar & Munch, 2001; Warlaumont, 1995). As a consequence, processing open ads might not cause the feelings of pleasure and excitement that are associated with activities people voluntarily engage in for pleasure, like chess games, cross-word puzzles and the interpretation of art works. Furthermore, consumers may not regard creating an interpretation as a reward if the text is an ad, because they are not really interested in the persuasive messages of ads and because they know that the ad's message, whether in open or in closed form, will always be the same ('buy this product, because...') (Phillips, 1997; Warlaumont, 1995). If consumers are confronted with an ad that is difficult to understand, they might become irritated because they do not want to spend time or energy in creating an interpretation (McQuarrie & Phillips, 2005; Perrachio & Meyers-Levy, 1994). Some researchers (e.g. Warlaumont, 1995); Phillips, 2000, and Ketelaar van Gisbergen, Bosman & Beentjes, 2010) found a negative effect of openness on  $A_{ad}$ . Incongruent ads due to nonsense humor (in which guidance is low because the slogan has no obvious relation to the visual part of the ad) strengthen  $A_{ad}$  and  $A_b$  across cultures (Muller, Hoffmann, Schwartz & Gelbrich, 2011). However, the

effect of type of humor on  $A_{ad}$  and  $A_{br}$  was almost fully mediated by perceived level of humor. Other researchers have shown that the effect of openness on  $A_{ad}$  (operationalized as absurdity in ads) depends on culture. When masculinity is high in cultures, absurd ads lead to more positive attitudes, whereas more feminine cultures prefer more closed ads that are less incongruent allowing less comprehensive cognitive effort to decipher them (Gelbrich, G athke & Westjohn (2012). In all, we expect that openness in advertising has a negative effect on  $A_{ad}$  and  $A_b$ .

**H1: The attitude of consumers will be more negative towards open advertisements than towards closed advertisements.**

In addition to the distinction of ads being more open or more closed, this study makes a distinction between familiar and unfamiliar brands. Consumers distinguish familiar brands relatively easy from unfamiliar brands because the former are dominant in their product category and because of the strong brand associations they evoke. Coca-Cola and Nike are typical examples of familiar brands (Keller, 2001). We expect a main effect of brand familiarity. Consumers have more and stronger developed brand schemes of familiar than of unfamiliar brands, as for low equity brands (Bu et al., 2009). This makes information for familiar brands both easier and more pleasant to process (Dahl n & Rosengren, 2005; Mikhailitchenko et al., 2009). In other words, the information that we already have about the brand influences the interpretation of the new information which is encoded, in for instance the ad's visual, a process that Ketelaar and Van Gisbergen (2006) refer to as brand anchoring. Information and advertising related to familiar brands are automatically better liked (Dahl n & Rosengren, 2005, p. 153). When consumers have a positive attitude towards the brand, they enjoy advertising more (Machleit & Wilson, 1988) and seek it out to reinforce their brand attitude (Dahl n & Bergendahl,

2001). In other words, consumers will find it easier to interpret ads for familiar brands than for unfamiliar brands which will result in a more positive  $A_{ad}$ .

**H2: The attitude of consumers will be more positive towards ads for familiar brands than towards ads for unfamiliar brands.**

A potential interaction effect between openness and brand familiarity is relevant for our study because openness might be a better strategy in combination with familiar instead of unfamiliar brands. In other words, the positive effects of openness might only materialize in combination with familiar brands. This may be explained by the concept of brand anchoring. Because there is a lack of references towards the brand in open ads which helps consumers to interpret them, open ads are characterized by a low level of brand anchoring. Consumers have to devote more cognitive energy to interpret open ads than closed ads. Therefore, the presence of a familiar brand might help consumers to interpret the hidden messages in open ads. The brand offers consumers a context which helps them to plausibly interpret the open ads' message. The more stronger the associations consumers have of a brand, the more these associations will guide consumers towards a plausible interpretation (Bu et al., 2009). The brand functions as a strong anchor for the open ad as it strongly suggests how the open ad should be interpreted. The idea of consumers that they have solved the puzzle by themselves might positively affect the attitude towards the open ad, but only if the rendered associations are meaningful in solving the puzzle (Ketelaar, et al, 2010; Ketelaar, Van Gisbergen, & Beentjes, 2012). Therefore the expected negative effects of open ads might be compensated for by using familiar instead of unfamiliar brands. We expect that the moderating effect of brand-familiarity on ad-openness will be more dominant for familiar than for unfamiliar brands.

The interaction effect between openness and brand familiarity is hypothesized as follows:

**H3: The negative attitude towards open advertisements will be stronger in ads for unfamiliar brands than for familiar brands.**

Several studies have shown that ease of comprehension mediates the effect of openness on  $A_{ad}$  (McQuarrie & Mick, 1992; Phillips, 2000; Van Mulken, van Enschoot and Hoeken, 2005; Phillips, 2000, p. 22; Ketelaar, van Gisbergen, Bosman & Beentjes, 2010). These studies have determined that the attitude towards open ads is less favorable than the attitude towards closed ads, because closed ads are easier to interpret. However, these studies have not incorporated brand familiarity in their design. As familiar brands appeal to better developed brand schemes and are therefore easier to process than unfamiliar brands (Dahlen & Rosengren, 2005), we also expect that ease of comprehension mediates the effect of brand familiarity on  $A_{ad}$ .

**H4: Ease of comprehension mediates the effect of ad openness on the attitude towards the ad.**

**H5: Ease of comprehension mediates the effect of brand familiarity on the attitude towards the ad.**

According to practitioners as well as scholars, consumers are becoming more similar in attitudes and behaviors due to globalization. This also contains increasingly shared sets of consumption-related symbols as product categories, brand preferences and consumption activities (Archpu & Alden, 2010).

Using this globally standardized approach to advertising however requires a similar effectiveness of advertisements between nationalities. The use and need for visualization also differs culturally which might limit the cross-cultural use of image (Mikhailitchenko, Javalgi, Mikhailitchenko, & Laroche, 2009). Recent studies continue to indicate that global advertising campaigns might fail if they are not congruent with local values (Torelle,

Ozsomer, Carvalho, Tat Keh, & Maehle, 2012) or be less effective compared with (sub)culturally targeted advertising appeals (Torres & Luna-Nevarez, 2012). We formulated the following research question:

**RQ1: Are there any differences in the effects of openness and brand familiarity on attitude towards the ad between people of different nationalities.**

## METHOD

In order to determine the effectiveness of open advertisements in combination with brand familiarity in a cross-Atlantic setting, we performed our research in five European nationalities and the USA. These nationalities entertain strong economic ties. The consumers in these nationalities have great purchasing power which makes it interesting to know for companies what the possibilities are for global advertising campaigns. Besides, the chosen European countries are highly relevant markets for business practice, not only because of the purchasing power of their consumers, but also in terms of their geographical proximity. An effective standardized advertising strategy in this region would entail substantial cost cuts and would open the door for more research of the surrounding countries. The global products selected for the researched advertisements are present in these markets which is important with regard to the role of brand familiarity in this research. The chosen European nationalities are also known as investors in US economy ([www.bea.gov](http://www.bea.gov)), and this tie clearly showed when the economic crisis hit the United States: the European nationalities were dragged into the crisis as well. To test our hypotheses we used a randomized 4-group design in which we used ten advertisements, each having four different versions. The questions in the questionnaire were presented in a fixed order in the mother tongue of the participant.

### Material

The advertisements were created by master students of the University of Leuven. This rules out the possibility of previous exposure, as the ads have never been used in real campaigns. In creating these advertisements, the students took several criteria into account: the advertisements should contain a plausible interpretation; they had to be applicable to different nationalities; they had to be of a good quality; the visuals should be prominent; the ads should contain an undercoded visual rhetorical figure and little or no verbal copy and the product should be absent. Based on these criteria and the presence of the product in our selected nationalities, ten advertisements were chosen.

To be able to generalize results, we selected ads for different products (Table 1). Furthermore, the selected advertisements complied with the requirements of Perceived Brand Globalness (PGB) emphasizing the international character of the products. Being positively associated with brand quality and prestige, PGB influences the likelihood that consumers will purchase the product (Steenkamp, Batra, & Alden, 2003, p. 61).

Each ad was created in four versions. For each of the ads, we created an open (without slogan) version and a closed (with slogan)

version, both in an unfamiliar and a familiar brand version. The familiar brands are strong global brands. In line with several researchers (e.g. Martin, Lang, & Wong 2003; McQuarrie & Mick 1999; McQuarrie & Phillips 2005; Peracchio & Meyers-Levy 1994; Phillips 1997, 2000; Toncar & Munch 2001), the unfamiliar brands are fictitious (Figure 1). The invented names mostly contain a reference to the product and the logos are similar in size and position within the ad.

We assumed that respondents are less certain of their interpretation of ads for open than for closed advertisements. Therefore, we performed a manipulation check on openness and brand familiarity among a group of 20 people from different nationalities (Belgium, Australia, Germany, France, Indonesia, and Turkey). The results of the manipulation check confirmed our assumption. For open ads in combination with a familiar brand, 44% of the respondents were "certain" of their interpretation. For open advertisements in combination with an unfamiliar brand, 35% were certain. For closed ads however, respondents are more certain of their interpretation, both for familiar (46%) as for unfamiliar (41%) brands. For all ten advertisements they were able to formulate a plausible interpretation and judged that the message fitted the brand (Figure 2).

Table 1. Overview of the Advertisements

Number	Familiar Brand	Unfamiliar Brand	Product
1	Blackberry	Phonos	Mobile phone
2	Durex	Pleazure	Condom
3	Panasonic	Megapower	Battery
4	Tom Tom	A+ Ride	GPS
5	Volkswagen	Elgey	Car
6	Lancôme	Deraviza	Anti wrinkle cream
7	Dash	Wash It	Detergent
8	Whiskas	Lucky Cat	Cat food
9	Colgate	Shine	Toothpaste
10	Jeep	Geop	Offroad Car

Figure 1. Examples of Fake Brands and Logos: Lucky Cat, Shine, Elgey, Deraviza



Figure 2. Ten Advertisements in Four Versions

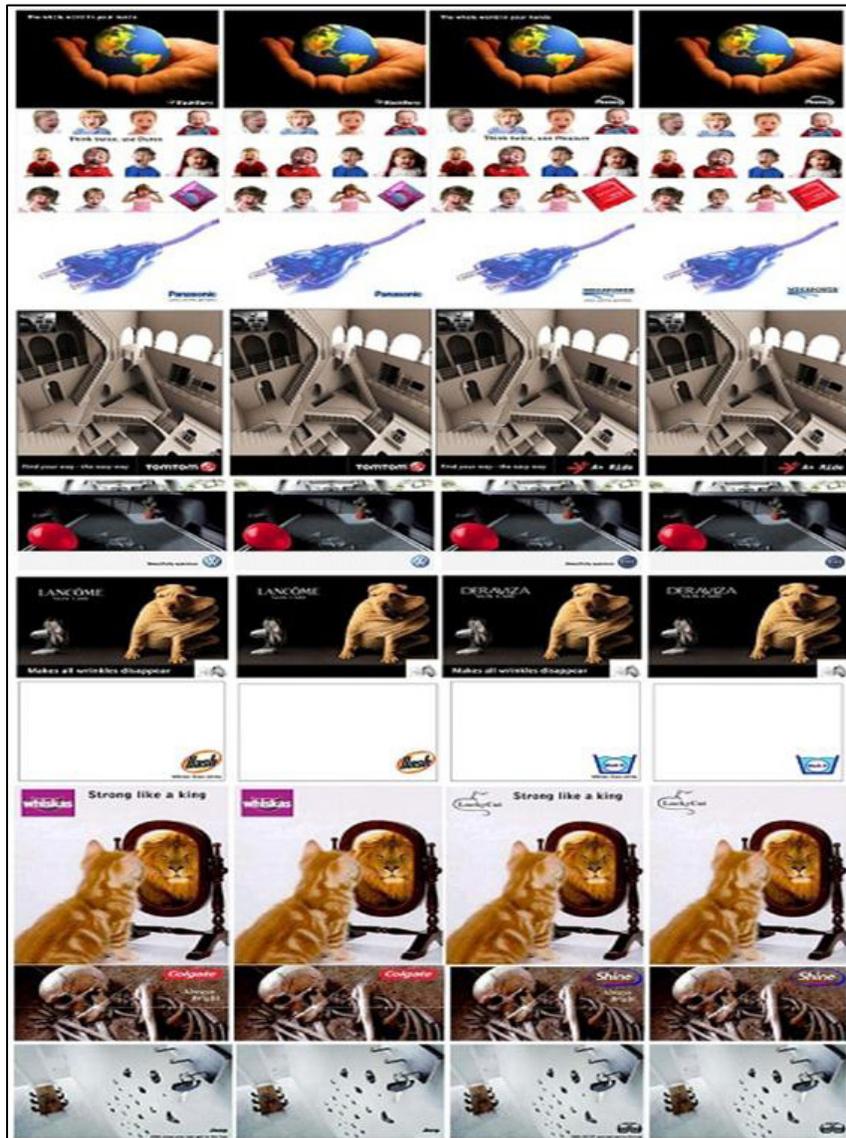


Table 2. Manipulation Check for Openness by Country

Brand Country	Closed		Open		t (df)	p
	M	SD	M	SD		
Belgium	2,08	1,06	2,76	1,30	-7,35 (633,230)	<.001
The Netherlands	2,37	1,13	2,87	1,30	-8,92 (1855,253)	<.001
United Kingdom	2,35	1,24	2,99	1,39	-13,94 (3238,489)	<.001
Germany	2,45	1,27	2,90	1,34	-8,78 (2603,758)	<.001
Poland	2,17	1,14	2,66	1,32	-5,28 (686,046)	<.001
United States	2,03	1,13	2,73	1,38	-6,60 (545,179)	<.001

Table 3. Manipulation Check for Brand Familiarity by Country

Openness Country	Unfamiliar		Familiar		t (df)	p
	M	SD	M	SD		
Belgium	2,20	0,67	3,04	0,78	-14,80 (666)	<.001
The Netherlands	2,16	0,69	2,85	0,75	-20,85 (1893)	<.001
United Kingdom	2,25	0,90	3,09	0,91	-26,49 (3306)	<.001
Germany	2,12	0,82	3,06	0,81	-29,39 (2610,840)	<.001
Poland	2,18	0,75	3,11	0,84	-15,91 (731)	<.001
United States	1,96	0,66	3,03	0,80	-17,24 (547,171)	<.001

We also incorporated questions in our main research, which showed that the open versions were, as expected, more difficult to understand than the closed versions ('not obvious / obvious'; 'confusing / clear'; 'hard to understand / easy to understand'; 'complicated / simple') and that brands, as intended, differed in familiarity ('high knowledge about the brand / low knowledge about the brand', 'high interest in the brand / 'low interest in the brand', high knowledge about the brand compared to others' / 'low knowledge about the brand compared to others').

### Participants

An online questionnaire was distributed among respondents (N= 2329) from the United States (N=177), the United Kingdom (N= 740), Germany (N=589), the Netherlands (N=412), Belgium (N=176) and Poland (N=235). An international market research agency contacted the participants from the UK and Germany by email. The participants from the Netherlands are contacted by a Dutch re-

search agency in the same way. The other respondents (Americans, Belgians and Poles) are collected with a snowball sample by email. Unfortunately there was no check for sample bias. The respondents within each group are between 18 and 39 years old (M=28, SD=5.7), both males (39,6%) and females (60,4%). This age group has a great purchasing power. This makes them most likely to use and purchase the products which are shown in the advertisements. It is also likely that they are 'in the market' for the advertised products in our study. To prevent fatigue, each respondent randomly saw five different ads. Within each nationality all conditions were equally divided among participants.

### Measures

*Attitude towards the ad (A<sub>ad</sub>)*. We measured A<sub>ad</sub> by using five 5-point semantic differential scale with five items: 'not nice / nice'; 'not good / good', 'not appealing / appealing'; 'ugly / pretty'; and 'irritating / not irritating' ( $\alpha = .894$ , M=3.24, SD=1.01). The first and

second items were used in previous experiments measuring  $A_{ad}$  with ads that can be considered as open (e.g. McQuarrie & Mick, 1992, 1999; Warlaumont, 1995; Phillips, 2000). Item three was taken from the study of Mitchell and Olson (1981). In addition we asked the participants to express their appreciation of the advertisements on a 10-point scale (1=*low appreciation*, 10=*high appreciation*). This scale validates the  $A_{ad}$  scale (pearson  $r$ -square=0,76).

*Attitude towards the brand ( $A_b$ ).* We measured  $A_b$  by asking ‘What is your attitude towards the advertised brand?’. The item was followed by a 5-point scale ( $M=3.28$ ,  $SD=0.80$ , 1=*very negative*, 5=*very positive*) (Ketelaar, van Gisbergen, Bosman & Beentjes, 2010).

*Ease of comprehension.* To determine the ease of comprehension of the ad, we used a 5-point semantic differential scale. Participants indicated the appropriate response for four items: ‘not obvious / obvious’; ‘confusing / clear’; ‘hard to understand / easy to understand’; ‘complicated / simple’ ( $\alpha = .959$ ,  $M=3.40$ ,  $SD=1.31$ ). Two items (‘confusing / clear’, and ‘hard to understand / easy to understand’) were adopted from a scale used by McQuarrie and Mick (1992, 1999) and Phillips (2000).

*Attitude towards advertising.* Participants’ attitude towards advertising in general has been hypothesized to affect the attitude towards specific ads (Mehta, 2000; Smit & Neijens, 2000). We assessed the attitude towards advertising by means of a 5-point semantic scale-item “what is your opinion about advertising in general?” ( $M=3.39$ ,  $SD=.85$ , 1=*very negative*, 5=*very positive*).

### **Procedure**

The forty ads in the survey, i.e. four versions of each ad for ten products, were assigned to the respondents at random. First, the participants answered questions about their

background (nationality, age and gender). In the second part, participants were exposed to 5 ads whereafter their attitude towards the ads was measured. Third, each advertisement was shown again and questions were answered about the attitude towards the brand, ease of comprehension and their their attitude towards advertising in general. All the advertisements could be watched as long as preferred. Not all respondents completed the whole questionnaire. Therefore, as much as 9791 ads could be used for all analyses.

## **RESULTS**

In order to test H1, H2 and H3 an analysis of covariance (ANCOVA) is performed on  $A_{ad}$ . The results as presented in Table 4 and 5 show that open ads and ads for unfamiliar brands are significantly less appreciated. Furthermore, there turns out to be no significant interaction between openness and brand familiarity. Thus, H1 and H2 are confirmed and H3 is rejected.

The analysis also shows that the way in which openness and brand familiarity influenced  $A_{ad}$  cannot be generalized for all ten products: there is a significant interaction between product and openness and between product and brand familiarity. In fact, in contrast to the average, both familiar versions of the Anti Wrinkle Cream do not outperform the unfamiliar versions and both closed versions of the offroad Car advertisements do not outperform their open counterparts.

Testing for interactions of nationality with openness and brand familiarity revealed no significant first or second order interactions (RQ 1). Thus, the way in which openness and brand familiarity influences the attitude towards the ad, given the product, is roughly the same across the six nationalities. The results also show that there is no significant effect of sex and age.

Table 4. Analysis of Variance of Attitude towards the Ad

	df	F	p
Intercept	1	2012,60	,000
Country	5	10,75	,000
Gender	1	,01	,926
Open	1	27,78	,000
Familiarity	1	57,92	,000
Product	9	95,86	,000
Age	1	1,11	,292
General attitude	1	278,91	,000
Open* familiarity	1	,35	,553
Open*product	9	5,01	,000
Familiarity*product	9	4,55	,000
Country * product	45	3,42	,000
Error	9707		

$R^2 = .174$

Table 5. Predicted Means of Attitude towards the Ad

Openness	Familiarity	Mobile phone	Condom	Battery	Gps	Car	Cream	Detergent	Cat food	Toothpaste	Offroad car
Open	Unfamiliar	3.43	3,13	2,75	3,41	3,13	3,56	2,39	3,84	2,82	3,23
	Familiar	3.48	3,30	2,91	3,67	3,17	3,50	2,63	3,90	3,14	3,52
Closed	Unfamiliar	3.59	3,17	2,90	3,56	3,34	3,63	2,76	3,90	2,83	3,12
	Familiar	3.62	3,31	3,04	3,80	3,36	3,55	2,98	3,93	3,13	3,38

Evaluated at the mean values of covariates

Table 6. Analysis of Variance of Attitude towards the Ad, Controlling for Ease of Comprehension

	df	F	p
Intercept	1	925,45	,000
Nationality	5	5,00	,000
Gender	1	,00	,961
Open	1	8,70	,003
Familiarity	1	1,02	,314
Product	9	114,36	,000
Age	1	,28	,598
General attitude	1	170,08	,000
Ease of comprehension	1	1219,68	,000
Open*familiarity	1	1,83	,177
Open*product	9	1,73	,076
Familiarity*product	9	6,62	,000
Nationality*product	45	3,84	,000
Error	9706		

$R^2 = .266$

Table 7. Predicted Means of Attitude towards the Ad, Controlling for Ease of Comprehension

Openness	Familiarity	Mobile phone	Condom	Battery	GPS	Car	Cream	Detergent	Cat food	Toothpaste	Offroad car
Open	Unfamiliar	3.61	3,02	3,08	3,73	3,31	3,57	2,63	3,93	2,72	3,59
	Familiar	3.33	3,01	3,20	3,65	3,18	3,45	2,75	3,73	2,87	3,62
Closed	Unfamiliar	3.66	2,95	3,00	3,63	3,29	3,46	2,57	3,85	2,65	3,34
	Familiar	3.42	2,99	3,17	3,59	3,21	3,39	2,73	3,71	2,84	3,42

Evaluated at the mean values of covariates

Table 8. Analysis of Variance of Ease of Comprehension

	df	F	p
Intercept	1	1700,36	,000
Country	5	18,84	,000
Gender	1	,17	,679
Open	1	592,74	,000
Familiarity	1	661,27	,000
Product	9	137,70	,000
Age	1	2,77	,096
General attitude	1	165,89	,000
Open*familiarity	1	31,28	,000
Open*product	9	27,97	,000
Familiarity*product	9	25,90	,000
Country*product	45	3,69	,000
Error	9707		

$R^2 = .288$

In order to test H4 and H5 a second analysis of covariance is conducted on  $A_{ad}$ , now with ease of comprehension added to the model as independent variable. The results are shown in Table 6 and 7.

Ease of comprehension has a significant, positive effect on  $A_{ad}$  ( $b=0,278$ ,  $p=0,000$ ). Furthermore, if controlled for ease of comprehension, there is no significant direct effect for brand familiarity on  $A_{ad}$ , whereas the direct effect of openness turns out to be positive. Only the ads for the mobile phone (BlackBerry and Phonos) and offroad car (Jeep and Geop) do not show higher appreciation for the open versions, if controlled for by ease of comprehension.

An analysis of covariance on ease of comprehension is performed to further investigate its mediating role in the effect of openness and brand familiarity on  $A_{ad}$ . The results as pre-

sented in Table 8 and 9 show that open ads and ads for unfamiliar brands are indeed significantly less easily interpreted.

The mediating role of ease of comprehension as hypothesized in H4 can therefore be described as follow: there is a negative effect of openness on ease of comprehension, which in turn affects  $A_{ad}$  in a negative way: open ads are less easily understood which in turn makes them less appreciated. Moreover, in contrast to what one might expect from H1, there even turns out to be a positive direct effect of openness on  $A_{ad}$ .

Also, there is a positive effect of brand familiarity on ease of comprehension (H5) which in turn affects  $A_{ad}$  in a positive way: ads for familiar brands are more easily understood which in turn makes them more appreciated. The mediating role of ease of comprehension is visualized in Figure 3.

Table 9. Predicted Means of Ease of Comprehension

Openness	Familiarity	Mobile phone	Condom	Battery	GPS	Car	Cream	Detergent	Cat food	Toothpaste	Offroad car
Open	Unfamiliar	2.73	3.80	2.19	2.22	2.75	3.36	2.51	3.09	3.75	2.13
	Familiar	3.95	4.44	2.37	3.47	3.39	3.59	2.96	3.99	4.39	3.04
Closed	Unfamiliar	3.16	4.17	3.03	3.12	3.55	3.99	4.08	3.55	4.05	2.59
	Familiar	4.12	4.56	2.96	4.12	3.94	3.97	4.28	4.19	4.43	3.25

Evaluated at the mean values of covariates

Figure 3. The Mediating Role of Ease of Comprehension in the Effects of Openness and Brand Familiarity on Attitude towards the Ad

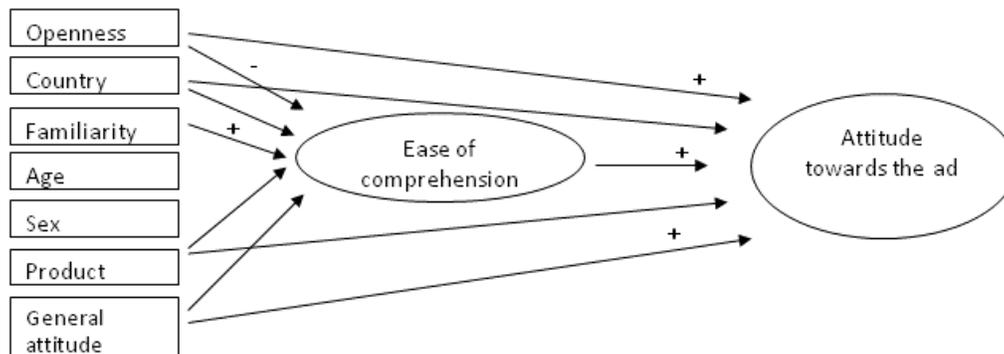


Table 10. Correlation Matrix of all the Variables Involved in the Model. N =9791

	Country	Product	Age	Gender	Open	Familiarity	Attitude towards brand	Attitude towards ads in general	Ease of comprehension
Product	,019 <sup>a</sup>								
	,999								
Age	,408 <sup>b</sup>	,019 <sup>b</sup>							
	,000	,948							
Gender	,115 <sup>a</sup>	,021 <sup>a</sup>	-,045						
	,000	,874	,000						
Open	,012 <sup>a</sup>	,020 <sup>a</sup>	-,002	,003					
	,929	,909	,829	,774					
Familiarity	,009 <sup>a</sup>	,029 <sup>a</sup>	,004	,013	,002				
	,972	,536	,710	,189	,881				
Attitude towards brand	,076 <sup>b</sup>	,166 <sup>b</sup>	-,009	,005	-,044	,323			
	,000	,000	,376	,588	,000	,000			
Attitude towards ads in general	,187 <sup>b</sup>	,015 <sup>b</sup>	,090	,001	-,004	,011	,210		
	,000	,987	,000	,926	,704	,272	,000		
Ease of comprehension	,081 <sup>b</sup>	,355 <sup>b</sup>	-,033	,006	-,213	,220	,409	,103	
	,000	,000	,001	,582	,000	,000	,000	,000	
Attitude towards ad	,056 <sup>b</sup>	,344 <sup>b</sup>	-,022	,007	-,050	,073	,420	,148	,327
	,000	,000	,027	,513	,000	,000	,000	,000	,000

<sup>a</sup> Cramer's V, <sup>b</sup> eta, pearson correlation otherwise.

In addition to the hypotheses we analyzed the bivariate relations between the variables involved in the model (Table 10).

Between the six nationalities there is a difference in  $A_{ad}$  ( $F(5,9785)=6.21$ ,  $p=0.000$ ), in perceived ease of comprehension of the ads ( $F(5,9785)=12.84$ ,  $p=0.000$ ) and in attitude towards advertisements in general ( $F(5,9785)=71.28$ ,  $p=0.000$ ). Table 11 shows that the Dutch are in general the least positive in their attitude towards the ads, shown in our study ( $M=3.19$ ,  $SD=1.04$ ) and the Poles the most positive ( $M=3.37$ ,  $SD=0.84$ ). The ease of comprehension of the ads shown is the lowest in Germany ( $M=3.32$ ,  $SD=1.33$ ) and the highest in the USA ( $M=3.62$ ,  $SD=1.31$ ). The attitude towards advertisements in general turns out to be the lowest in Poland ( $M=3.08$ ,  $SD=.88$ ) and the highest in the United Kingdom ( $M=3.59$ ,  $SD=.87$ ).

As shown in Table 12, there is a significant difference in attitude towards the ads ( $F(9,9781)=145.99$ ,  $p=0.000$ ) and in perceived ease of interpretation of the ads ( $F(9,9781)=156.58$ ,  $p=0.000$ ) between the ten products. The ads concerning the detergent are the least appreciated ( $M=2.70$ ,  $SD=.98$ ) and those concerning the Cat Food the most ( $M=3.87$ ,  $SD=.88$ ). Whereas the advertisements of the Battery are the least understood

( $M=2.61$ ,  $SD=1.22$ ) and those of the Toothpaste the best ( $M=3.96$ ,  $SD=1.11$ ).

## DISCUSSION

The aim of this generalization study was to determine the effectiveness of open versus closed advertisements for familiar and unfamiliar brands and to establish if these differences are generalizable to different nationalities. More precise, we established whether differences exist in consumers' attitude towards ads that differ in openness as well as in the familiarity of the advertised brands. In addition, we explored if ease of comprehension mediates the effect of openness and brand familiarity on  $A_{ad}$ . All results are controlled for the effect of age, sex, nationality, attitude towards advertisements in general and product.

Consistent with past research of Phillips (2000) and Warlaumont (1995) we found that the attitude of consumers is more negative towards open advertisements than towards closed advertisements (**H1**). We also found a negative effect of open ads on  $A_b$ , which should not come as a surprise, as it is consistent with the strong correlation between  $A_{ad}$  and  $A_b$  shown in several studies (e.g., Heath & Gaeth, 1994). Confirming the findings of Dahlén & Rosengren (2005) and

Table 11. The Mean Attitude towards the Ad, Ease of Comprehension and General Attitude towards Ads Scores for Six Countries

	Belgium	Netherlands	UK	Germany	Poland	US
Attitude towards ad	3.33	3.19	3.21	3.24	3.37	3.34
Ease of comprehension	3.58	3.38	3.34	3.32	3.61	3.62
Attitude toward ads in general	3.38	3.30	3.59	3.33	3.08	3.20

Table 12. The Mean Attitude towards the Ad and Ease of Comprehension Scores for the Ten Product Categories

	Mobile phone	Condom	Battery	GPS	Car	Cream	Detergent	Cat food	Toothpaste	Offroad car
Attitude towards ad	3.49	3,16	2,88	3,54	3,22	3,52	2,70	3,87	2,82	3,27
Ease of comprehension	3.39	4,11	2,61	3,22	3,33	3,75	3,28	3,57	3,96	2,71

Phillips (2000) the attitude of consumers towards ads for familiar brands is more positive than towards ads for unfamiliar brands (**H2**). Not confirming our notions, we did not find an interaction effect between openness and brand familiarity. More precise, we did not find that the negative effect of openness is smaller in familiar brands than in unfamiliar brands (**H3**). This might be due to the fact that although familiar brands make an ad more easy to comprehend (see H5) it does not reduce the amount of openness. A familiar brand might even enhance openness due to the fact that consumers have more associations with the brand which opens up the possibilities for interpretation (of the visual in the ad). We investigated if ease of comprehension mediates the effect of openness on  $A_{ad}$  and brand familiarity. First, confirming the notions of several researchers (McQuarrie & Mick, 1992; Phillips, 2000; Van Mulken, van Enschoot and Hoeken, 2005; Phillips, 2000; Ketelaar, van Gisbergen, Bosman & Beentjes, 2010), ease of comprehension mediates the effects of ad openness on  $A_{ad}$  (**H4**) There is a negative effect of openness on ease of comprehension and a positive effect of ease of comprehension on  $A_{ad}$ . The negative effect of openness on  $A_{ad}$  as described in H1 can be explained by the ease of comprehension: open ads are less easy understood which in turn makes them less appreciated. Moreover, the direct effect of openness on  $A_{ad}$  when controlled for ease of comprehension even turns out to be positive. An explanation for this finding might be that the reward, the pleasure in solving the riddle, compensates for the cognitive effort to decipher the ad. This finding contradicts the argument of several authors that consumers do not want, or like, to spend much time and effort in trying to understand what an advertiser wants to communicate (Franzen, 1997; Phillips, 2003; Phillips & McQuarrie, 2004; Toncar & Munch, 2001; Warlaumont, 1995). Second, confirming our notions, ease of comprehension mediates the effects of brand familiarity

on  $A_{ad}$ . (**H5**). There is a positive effect of brand familiarity on ease of comprehension and a positive effect of ease of comprehension on  $A_{ad}$ . The positive effect of brand familiarity on  $A_{ad}$  as described in H2 can be completely explained by the easiness of interpretation of familiar brands: ads for familiar brands are more easily understood which in turn makes them more appreciated.

An interesting finding is that differences do exist between nationalities in the attitude towards advertising in general. Some nationalities are more positive in a general sense about advertising than other nationalities. More specific, they have a more positive attitude towards the ads shown in this study. On average open ads are less liked than closed ones and the magnitude of this difference in  $A_{ad}$  depends on the advertised product (= interaction openness x product, if not controlled for ease of comprehension). The same holds for ads for familiar brands. The attitude towards these ads is more positive than for ads advertising unfamiliar brands and the difference in  $A_{ad}$  also depends on the advertised product (= interaction brand familiarity x product). Therefore, advertisers should realize that before they device campaigns which they want to disseminate globally, the attitude towards advertising in general differs substantially between nationalities.

## LIMITATIONS

Our experiment has three limitations that warrant attention. First, the predispositions towards the product could have influenced  $A_{ad}$ , a possible effect which has not been taken into account in this research. This makes that the outcome of this research, the fact that open advertisements can be used as a global marketing tool just as well as closed conclusion advertisements, is only applicable to certain products, and not to open advertisements in general.

Second, the high degree of task involvement might have influenced the results of our experiment. Although participants filled in the questionnaire at home at their own pace, at a moment that suited them best, the ads were processed with a high degree of task involvement due to the forced-exposure of respondents to ads. This approach is typical for experiments in the field of advertising (McQuarrie & Mick, 1992), and it leads to a high degree of internal validity. However, in normal viewing conditions consumers might not devote any attention at all to advertising messages, because they might not bother to interpret open ads thus rendering no effect of openness on  $A_{ad}$ .

Third, the single-exposure design might have influenced the results of our experiment. In real life consumers are exposed to ads more than once in different editions of the same magazine or in different magazines within a certain time period. Repetition of open ads might facilitate processing and subsequently ad-liking, because it provides more opportunities to learn the ad's intended messages (Anand & Sternthal, 1990; Cox & Cox, 1988; MacInnis & Jaworski, 1989). Multiple exposures might lead to more positive effects of openness than found in the single exposure setting of our study.

### THEORETICAL AND PRACTICAL IMPLICATIONS

This study is important for theoretical and practical reasons. Confirming the results found by Phillips (2000) our experiment showed that subtle alterations in openness do have a measurable impact on  $A_{ad}$ . The headlines explaining the ad's message increased  $A_{ad}$  for the majority of the ads. On average we may conclude that open ads are likely to benefit from verbal anchoring, because verbal anchoring renders ads less difficult to interpret. This finding confirms the argument of Messaris (1997) who argues that whereas verbal lan-

guage contains words that can be used to make explicit connections or causalities (e.g., 'because of' or 'due to'), visual images lack such an explicit syntax, rendering the task of processing them more difficult. On the other hand, when open ads are just as easy to understand in comparison with the closed counterparts, they even outperform closed ads.

For the first time, an important structural element of an ad is studied that may contribute to the outcome of openness: brand familiarity. Consumers with well developed schemata for brands evaluate open ads higher than average consumers. We also found that ease of comprehension mediates the effects of brand familiarity on  $A_{ad}$ .

An important practical implication of this study is that ad-makers should not rely exclusively on (open) pictures to convey commercial messages. In order to diminish the possible negative effects of open advertisements, researchers should select test ads that should not be too hard to decipher. Perhaps they can increase the amount of guidance by repeating open ads, and by embedding open ads in ad campaigns and sometimes replace them by closed ads. Different ads within the same campaign often aim to communicate the same message by using different executional elements. The use of open ads in the context of an advertising campaign might increase the level of guidance, even without adding verbal information. Just as with an increase in the number of ad exposures, confronting consumers with ads that belong to the same campaign increases repetition of the ad's intended message, which consequently may increase the amount of guidance.

When open advertisements are used, especially for unfamiliar brands, they should be easy to understand to benefit from them. If not so, advertisers are better off using closed ones. Lastly, to guaranty that open ads will be easy to understand will be more difficult to accomplish for unfamiliar brands than for familiar brands.

## FUTURE RESEARCH

This exploratory study has shown that nationality and product both have moderating effects on openness and brand familiarity. However, we did not formulate an expectation about the direction of these effects. Future research should hypothesize about how cultural differences and the product relate to differences in attitude towards open ads. It should also take other nationalities into account in order to conform whether our findings stand in a non European context and hold for more distinctive cultures and as well.

On the positive side, we may cautiously conclude that open advertisements are suitable for communicating with consumers from different nationalities, but only if they are easy to understand. The lack of text and the use of images is an effective way to advertise across borders as it gets around language barriers. The standardisation of the advertisement lowers costs because only one, textless advertisement is needed for different nationalities. By using the same advertisement everywhere, there is a chance of achieving a uniform market image. However, on the negative side, openness is not such an effective strategy as ad-makers might think because images always seem more difficult to interpret than text. Considering its potential negative effects and the large amounts of money involved in the advertising business, we may conclude that the open ad-strategy seems a risky venture.

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## The Before and After: Audience Perceptions of Brand Dimensions of Cultural Products

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**ABSTRACT.** The purpose of this paper is to explore whether audience perceptions of brand dimensions of a cultural product differ *a priori* and *a posteriori* a performing arts experience. The arts discipline setting is ballet and opera performance at the newly constructed (2008) Opera House in Oslo, Norway. The findings, based on quantitative and qualitative data, suggest what arguably are three of the most important (or desirable) brand dimensions of a wide range of cultural products: *artistic innovation*, *pride*, and *for ordinary people/everyone*. Notably, pride featured very highly in consumer associations. Overall, the findings challenge conventional thinking about brand dimensions.

**KEYWORDS.** Cultural products, brand dimensions, attendee perceptions

### INTRODUCTION

Marketers have a default tendency to refer to individuals as consumers – as if consumers were solely created through the act of consumption. However, individuals have a relationship with organizations and brands, whether they consume them or not (Brakus, Schmitt & Zarantonello, 2009; Ind, 2009). In fact, individuals can sometimes have quite strong views on an organization or a brand, based largely on mediated information derived from culture, aesthetics, and history (Schroeder, 2009), rather than from direct experience. Further, views on a brand that can only be described in words, and qualities describing a brand, similar to describing a personality, are referred to as brand personalities in the brand management literature (Aaker & Joachim-

sthaler, 2000; Ind & Bjerke, 2007; Kapferer, 1997; Keller, 2005).

The purpose of this paper is to explore audience perceptions of brand dimensions of cultural products. The specific research question is, “Do audience perceptions of brand dimensions of a cultural product differ *a priori* and *a posteriori* a performing arts experience?” The arts discipline setting is ballet and opera performance at the newly constructed (2008) Opera House in Oslo, Norway.

### RELATIONSHIP BETWEEN *A PRIORI* AND *A POSTERIORI* EXPECTATIONS AND EXPERIENCES

Klein (1999) observed that expectations act as a frame of reference for making judgments about a future event and act as a powerful interpreter of the world. Similarly, Geers

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and Lassiter (2003) noted that a number of research studies have suggested that expectations about what individuals will like or dislike can “significantly alter their affective experience;” in other words, expectations and experience are intertwined (Dewey, 1925). An expectation is based at least in part on the experience of previous events, and actual experiences are influenced by expectations. Therefore, even an individual who has never been to the opera will use the experience of other cultural involvements and perhaps reading about opera to define an anticipation of a future cultural experience (Caru & Cova, 2006; Geers & Lassiter, 2005).

The connection of experience with expectations is aptly illustrated in the 2001 film, *Memento*, directed by Christopher Nolan, in which the main character, Leonard, suffers from a type of amnesia. To try and maintain his grip on reality, Leonard tattoos his body with notes and takes instant photos of his experiences. However, the lack of contextualization of the notes and tattoos means that whenever he approaches a new event, he cannot frame his expectations correctly – something that others consistently take advantage of. One of the interesting aspects of *Memento* is that the narrative is told backwards, which in itself confounds the value of memory, because our remembrance of things is partly a means of creating a sense of narrative continuity in our lives (Anker, 2009). Berry, Carbone and Haeckel (2002) developed a forward looking narrative approach that uses the idea of clues in understanding expectations. They argue that organizations should think about the whole of a customer's journey from initial expectations through to post-experience assessment.

An experience relates to the idea of sense, that is, sensing something in the world and making sense of it. Lest this idea suggests a purely intellectual response, Merleau-Ponty (1945, 2002, p. 16) pointed out that sensing is something we take part in bodily: “the body is not an object of the world, but our means of

communication with it – the world no longer as a collection of determinate objects, but as the horizon latent in all our experience and itself ever present and anterior to every determining thought.” Brakus *et al.* (2009) echo this idea when they talk about brand experiences as encompassing sensations, feelings, cognitions, and behavioural responses. However, we might judge that these experiences are only relevant if they are encoded. In other words, we might sense something in the world, but fail to make sense of it. Indeed, we ignore what goes on around us all the time, for thought is only possible if we choose to focus. We filter out the seemingly unimportant or irrelevant. We are limited in that which we sense by cultural precedent and by the assumptions we make. We plunge into the things that do seem important to us, but as we plunge, we exclude, because we cannot see one thing without concealing the other things around it (Merleau-Ponty, 1945).

Another challenge is that experience is a highly subjective concept (Belfiore & Bennett, 2007), which taps into deep-rooted and always individual experiences. There is no pre-ordained value to experience (Dewey, 1925). Thus, even if we use the same terms as another person to describe an experience, the meaning is always singular. Take, for example, James Joyce's (1916, Ch. 4) description in *Portrait of the Artist as a Young Man* as the young man of the title watches a girl wade into the sea, confirming his future resolve to be an artist rather than a priest: “her image had passed into his soul forever and no word had broken the holy silence of his ecstasy. Her eyes had called him and his soul had leaped at the call. To live, to err, to fall, to triumph, to recreate life out of life.” The experience as described is unique to the young man. It is a highly emotional immersion in a moment that extends back into the past and projects into the future. It would seem inappropriate to label Joyce's description as a brand experience, but it does encompass the specific (not general)

sensation, feeling, cognition, and response triggered by an interaction, described by Brakus *et al.* (2009).

Schmitt (1999) distinguished between individual and shared experiences. Individual experience is: think, sense, and feel experience, which is about inner feelings and emotions. Holbrook and Hirschman (1982) refer to the feel experience as affect experience (feelings). It should be emphasized here that experience is both a rational and emotional sensing. As Frow and Payne (2007) suggest, customer experience should be seen in terms of both everyday routine actions, as well as emotional involvement. For example, a visit to an opera house would include the practicalities of getting to and from the venue, the use of the cloakroom, lining up for tickets and understanding the signage. It would also include the potentially emotional architecture of the opera house, the space inside the building, and the experience of the performance itself – the totality of aesthetic experience, which Kornberger (2009) links to Richard Wagner's idea of the *Gesamtkunstwerk*.

Caru and Cova (2005) note in their study of audiences attending a classical music performance that the experience is affected by the architecture of the auditorium, the seating and the behaviour of others, which are brand elements providing the experience (de Chernatony & Dall'Olmo Riley, 1998). This list, however, does not include what would seem to be a vital ingredient in the experience: the service encounter. As Gummesson (1996) notes with reference to the Swedish Folkoperan, among others, it is the interaction between the customer and front-line personnel that jointly produces the event. He notes that Folkoperan's audience contributes to the quality of the experience and the atmosphere of the theatre by laughing, crying, and applauding. This is akin to the immersion process that Caru and Cova (2005) describe when the space between the individual and the event is eliminated and the individual becomes part of

the event, and Derbaix and Decrop's (2007) idea of *communitas* – the forming of a collective identity through the performance.

The challenge for an organization is managing the balance between expectations and experience, and avoiding too great a dissonance (Ind, 1990). If expectations, which determine how an individual approaches an event, are determined, at least in part, by the communicative acts of the organization, then it is possible for managers to influence how an event is approached. However, in the case of a building, such as the Oslo Opera House, which generated extensive media commentary due to its perceived importance in the cultural life of the nation, the transmission of an image lies largely beyond the organization itself (Debray, 1997; Schroeder, 2009). Nevertheless, it is inconclusive whether organizations benefit from generating positive expectations; indeed, Klein's (1999) research into assimilation and contrast effects shows that both can occur in the same judgment.

### **Brand Dimensions of Cultural Products**

In the cultural arena, Bennett (1997) refers to a study by Anne-Marie Gourdon of the determinants of audience expectations for French theatre, which are clearly rooted in individual experience. They include place of performance; history of the institution, company or director; stage environment; and the play. These sources of expectations are similar to the storytelling sources of a branded organization identified by Ind and Bjerke (2007), which contribute to the creation of brand personality or image (i.e., qualities associated with the brand). The dimensions of French theatre are the same as the brand elements defined by de Chernatony and Dall'Olmo Riley (1998). Brand elements are sources of brand stories that accumulate over time and lead to the formation of brand quality or brand personality in consumers' minds. The descriptive words associated with the brand shape future expectations. If expectations are not met,

brand gaps will occur, that is, gaps between expectations and actual experience, which are dependent upon the brand elements' ability to deliver (Ind & Bjerke, 2007; Keller, 2005).

Azoulay and Kapferer (2003, p. 151) defined brand personality as "the unique set of human personality traits both applicable and relevant to brands;" Keller (2008, p. 369) similarly described brand personality as "the human characteristics or traits that consumers can attribute to a brand." Keller (1993) defined three categories of brand associations (informational nodes linked to the brand in memory containing meanings): attributes, benefits, and attitudes. The category of benefit associations contains three groups according to Keller (2008): functional, experiential, and symbolic. A cultural brand serves as a means of individual and collective expression and represents symbols of a particular cultural identity (Holt, 2004; O'Reilly, 2005), which may be socially constructed to become a cultural phenomenon (O'Reilly, 2005). The brand elements of a cultural icon, such as the building and the performances, are the sources of experiential associations and the brand personality that are shaped through expectations and experience over time.

Previous research on brand dimensions of cultural products is sparse. However, Caprara, Barbaranelli and Guido (2001) and Milas and Mlacic (2007) are two of several research teams who are skeptical of Aaker's (1997) contention that there are only five relevant dimensions of brand personality: sincerity, excitement, competence, sophistication, and ruggedness. For instance, Madrigal and Boush (2008) found that *social responsibility* is a unique brand personality dimension that is not in Aaker's (1997) set; indeed these researchers pointed out that the vast majority of the brand names used in Aaker's study were for branded products and only nine of the fifty brands were for services. Further, no cultural products (or brands) were included.

## METHODOLOGY

To address the research question of whether audience perceptions of brand dimensions differ *a priori* and *a posteriori* a performing arts experience, a longitudinal design (Churchill, 1987) was used to study brand dimensions of a specific cultural product - the new (2008) Opera House in Oslo, Norway. Using Schein's (1985) long-established levels of culture, we can say that the Opera House is an artifact that is based on a desired set of dimensions (e.g., great art – enthusiasm – access). Studying a new cultural product provides the opportunity for an *a priori* and *a posteriori* research design, with minimal interference of long-standing influences on perceptions. There was up to a two-week time span between the *before*-performance data collection and the *after*-performance data collection. The same questions were asked of the respondents before and after a performance experience.

### *Sample.*

Potential respondents were approached in the foyer during four evening performances. Both ballet and classical opera were on the program over these four evenings. Respondents who completed the questionnaire *before* the performance experience identified whether they could be contacted after the performance to answer follow-up questions about the actual performance experience. They noted their e-mail address and mobile phone numbers at the bottom of the questionnaire. The *after*-performance data collection was conducted by sending the questionnaire via e-mail. The sample sizes were  $n = 201$  (*before* performance) and  $n = 111$  (*after* performance). The *before*-performance responses of those who dropped out in the second (web-based) stage did not differ significantly from the responses of those who participated in both stages. The typical respondent was a male or female between 35 and 55 years old with various socio-

economic backgrounds, who consumed cultural products a few times a month. Education level, interest in cultural products, and socioeconomic backgrounds were similar for both groups allowing for statistical comparisons between groups. Thus, it was possible to measure potential differences in perceptions of brand dimensions before and after the performance experience per individual *and* for the whole sample.

In addition, interviews with two focus groups (7 and 8 persons) were conducted with middle-aged females and males with strong interest in cultural products. The quantitative data were collected by a professional research firm and the focus group interviews were conducted in professional focus group rooms with a professional moderator. The groups were filmed and recorded and the material was transcribed and analyzed.

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1. Nice experience overall
  2. High artistic quality in general
  3. Ballet for many types of audiences
  4. Nice building
  5. Artistic innovation
  6. Ballet for the cultural elite
  7. Great art – increased enthusiasm – bigger audience
  8. For many types of audiences
  9. Performances for children
  10. Opera for the cultural elite
  11. Exclusive
  12. Knowledge
  13. Pride
  14. Broad-minded/Open
  15. Feminine
  16. Tourist attraction
  17. Enthusiasm
  18. For ordinary people/everyone
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### ***Development of the Questionnaire.***

Perceptions of brand dimensions *before* and *after* performance experiences were measured. The brand dimensions were drawn from the strategy document, a previous brand personality study, and an in-depth interview

with the director of marketing communications (as per Aaker, 1997 and Alexandris *et al.*, 2008), as well as from the review of the literature. Likert-type items similar to those used by Petty, Cacioppo and Schumann (1983) were developed. Subjects responded to a seven-point Likert scale (ranging from 1 = To a very little extent to 7 = To a very great extent) to report to what extent they associated 18 qualities (i.e., brand dimensions) with the Norwegian Opera and Ballet, *a priori* a performing arts experience, and to what extent they associated the same 18 brand dimensions, *a posteriori* a performing arts experience. The brand dimensions included in the study were as given above.

### ***Results***

Paired-samples t-tests were used to analyze whether audience perceptions of the brand dimensions differed *a priori* and *a posteriori* a performing arts experience. More specifically, the objective was to test whether there were statistically significant differences between perceived brand dimensions *before* the audience watched an opera (or ballet) performance and in the next days (up to two weeks) *after* the actual performance experience. The variables included in this analysis were only those which qualified and were accepted based on the requirements of validity and reliability tests. The original 18 brand dimensions in the two sets of questionnaires (*before* and *after*) were reduced to 12 and 16, respectively; the unaccepted variables either did not load on any factors in the validity test or the Cronbach alpha scores were too low. The final selection of brand dimensions, for *before* and *after* the performance experience, achieved acceptable Cronbach alpha scores of .82 and .88 (Nunnally, 1978; Peterson, 1994), respectively (Table 1).

The range of the means of the perceptions for the matched set of 12 brand dimensions for the *a priori* and *a posteriori* conditions varied considerably (Table 2). On the seven-point

scale, *before* seeing a performance, the Opera House was associated to a lesser extent with opera and ballet for the cultural elite (means = ~4.00, or a neutral position), and associated to a greater extent with a nice experience, high artistic quality, enthusiasm, and a great building (means = 6.03 to 6.42), while the means for the remaining six brand dimensions hovered roughly between 4.5 and 5.5.

The results of the paired samples t-tests confirmed the *a priori* associations for nine of the 12 brand dimensions. In particular, there was confirmation that the new Opera House is not perceived as offering performances for the cultural elite, although there were perceptions of high artistic quality, a great building, and enthusiasm. Interestingly, statistically significant differences were found between the *before-* and *after-*performance experiences for three of the 12 brand dimensions: *artistic in-*

*novation* (means = 5.33 & 5.68, respectively), *pride* (means = 5.56 & 5.86, respectively), and *for ordinary people/everyone* (means = 5.21 & 5.54, respectively) – all with stronger, more positive associations *after* the performance experience (Table 2).

This study of a cultural product (the Oslo Opera House) produced one brand personality factor (i.e., competence) similar to one of Aaker's (1997) Big Five: competence, sincerity, excitement, sophistication, and ruggedness. Aaker's (1997) *competence* factor is comprised of nine traits: reliable, hard-working, secure, intelligent, technical, corporate, successful, leader, and confident. In this study, the set of qualities in the questionnaires were different from Aaker's study except for a few words. However, the *competence* factor (identified through common, significant factor

Table 1. Cronbach's Alpha Scores

Brand dimensions	n	Number of variables	Cronbach's alpha
Before performance experience	201	12	.82
After performance experience	111	16	.88

Table 2. Gap ( $\Delta$ ) Between Brand Dimensions *Before* and *After* the Performance Experience

Brand Dimensions	n	Before Performance Experience (mean)	After Performance Experience (mean)	Gap $\Delta$	p
A nice experience in total	110	6.03	6.15	.12	.33
High artistic quality in general	110	6.03	6.09	.07	.50
A great building	111	6.42	6.40	.03	.74
<b>Artistic innovation</b>	98	<b>5.33</b>	<b>5.68</b>	<b>.34</b>	<b>.01</b>
Ballet for the cultural elite	89	3.97	3.64	-.33	.10
Great art – increased enthusiasm, bigger audience	105	5.53	5.70	.17	.26
Opera for the cultural elite	105	4.01	3.74	-.27	.17
Knowledge	99	5.22	5.34	.13	.43
<b>Pride</b>	106	<b>5.56</b>	<b>5.86</b>	<b>.30</b>	<b>.03</b>
Exclusive	107	4.80	4.71	-.09	.62
Enthusiasm	108	6.07	6.10	.03	.77
<b>For ordinary people/everyone</b>	106	<b>5.21</b>	<b>5.54</b>	<b>.32</b>	<b>.00</b>

Scale: 1= To a very little extent; 7 = To a very great extent)

loadings in the two sets of data, higher than .5, with both varimax and direct oblimin rotation) contains “pride,” “knowledge,” “broad-minded/open,” “exclusive,” and “great art-increased enthusiasm-bigger audience.” This factor is claimed to be similar to Aaker’s competence factor due primarily to the assumed relationship between the words “intelligent” and “knowledge,” and “technical” and “great art.” However, the competence factor for cultural products needs to be investigated further.

The brand dimensions identified in the quantitative analysis were supported by words mentioned by participants in the two focus groups, such as “pride,” “new thinking,” “accessible to everyone,” “inspiring,” “enthusiasm,” and “elegant.” One participant said: “*The interest in opera and ballet for most people starts with a walk on the roof; they become curious, then they walk inside, and suddenly they will be among the audience to watch an opera or a ballet performance.*” Another participant added: “*The building triggers curiosity, and I want to get more knowledge about what all these people are watching and listening to inside the building. How will I feel being inside?*” Based on the quantitative and qualitative data, *pride*, which surfaced as a significant emotive brand dimension that increased after seeing a performance, requires further analysis.

A regression analysis was conducted to determine what best explained *pride* as a brand dimension among the other 11 brand dimensions in both sets of data (*before* the performance experience and *after* the performance experience). As shown in Table 3, *pride* was explained significantly and positively by *knowledge* and *enthusiasm* in both regression models ( $R^2 = .61$  and  $R^2 = .68$ , respectively). The beta weights, for *before* and *after* the performance experience, were .52 and .24, respectively, for *knowledge*, and .51 and .57, respectively, for *enthusiasm*. Interestingly, words about *knowledge* and *enthusiasm*

also were evident during the two focus groups, as indicated in the statements above. However, one cannot ignore the *a priori* link between the perception of *exclusiveness* (but not elitism) and *pride*, and the *a posteriori* link between the perception of the *great building* and *pride*. Interestingly, the building is by far the most tangible of the 12 brand dimensions studied.

The focus group participants, in both groups, mentioned that the feeling of pride was derived in particular from the architecture of the building. The building gave strong associations to a glacier coming out the sea. Further, it was revealed that the architecture triggered thoughts about linking the building to Norway, white snow, and popularity. The sense of pride is reinforced by the opportunity to be able to walk on the enormous building and by the fact that the building can be used by everyone. It was mentioned that opera and ballet are associated with fine art for the cultural elite, but now, the practicality of the building signifies that opera is for everyone, which in this instance, was one of the strategic aims of the structure. As mentioned earlier, the significant associated qualities found in the quantitative analysis are supported by words from the focus groups: “pride,” “knowledge,” “broad-minded/open,” “exclusive,” and “great art-increased enthusiasm-bigger audience.”

### A CLOSER LOOK AT PRIDE

In *A Treatise on Human Nature* (1739-1740), Hume describes pride as good, a pleasurable sensation, and necessary for human endeavor. “The object or cause of this pleasure is, by supposition, related to self, or the object of pride” (Hume, in 1969, p. 357). Pride may be seen as an intellectual emotion (Averill, 1991) and is most often regarded as a positive emotion (Lawler, 1992). Pride can also be viewed as a response to an evaluation of one’s

Table 3. Determinants of Pride as a Brand Dimension

Independent Variables	Before performance experience		After performance experience	
	Beta Weight	p-value	Beta Weight	p-value
Knowledge	.52	.00	.24	.01
Enthusiasm	.51	.00	.57	.00
Exclusive	.16	.00	-	-
Great building	-	-	.32	.04
Multiple regression results	$R^2 = .61$ $F = 41.3; p = .00$		$R^2 = .68$ $F = 29.3; p = .00$	

competence and achievement (Harter, 1985; Lewis, 2000). Pride is linked to activating self-representation and constitutes success and achievement (Tracy & Robins, 2007). Further, a consequence of identifying with “the other” is pride in another person’s achievements (Rosenblatt, 1988). Thus, pride itself is associated with identification with, and internalization of, a given entity. Internalization suggests not only identification, but the incorporation into selfhood of the values and attitudes of an entity (Ashforth & Mael, 1989). National pride, for example, has to do both with admiration and stake holding – the feeling that one has a share in an achievement or an admirable quality (Evans & Kelly, 2002).

Soscia (2007) notes that pride implies personal involvement from the consumer, and emotions are not elicited by events *per se*, but through the interpretation of events; emotional reactions are driven by cognitive appraisals that lead to an individual sense of involvement. Thus, it is not the Opera House *per se* that creates pride, but rather the effect of the Opera House and the way it is appraised by people *before* and *after* attendance at a performance. While the artifact (aka brand element) of the Opera House and the underlying values and basic assumptions it represents are appraised individually, Soscia (2007) also suggests that it is reasonable to assume that

common backgrounds and experiences will lead to similar perceptions among consumers.

Alexandris *et al.* (2008) found that *pride* was one of several associations with a fitness club (“proud of community, elevates the image of my community, and brings prestige to my community”). Thus, based on the discussion above, we can argue that the Opera House adds to the perceived brand dimensions of the city and the nation that are, in turn, reflected back on the self-image of the Opera consumer as a member of society. Pride may be a brand dimension of a cultural product, such as the Opera House, and be constituted from values or traits similar to those identified by Aaker (1997) whose research, incidentally, eliminated “proud” from the dimensions of brand personality (p. 351). In other words, pride has the nature and capacity to create audience identification because it may be based on the recognized achievements of the “close other” (here, the Opera House). In addition, a performance experience may trigger experiential associations and thus, the internalization of the Opera House’s values may take place. Over time, the Opera House’s brand elements, such as the building, the seating, the play, the cast, and the directors, may become sources of storytelling, experiential associations, and a brand personality that are shaped through expectations and experience.

## CONCLUSIONS

In this study of whether audience perceptions of brand dimensions of a cultural product differ *a priori* and *a posteriori* a performing arts experience, the findings suggest what arguably are three of the most important (or desirable) brand dimensions of a wide range of cultural products: *artistic innovation*, *pride*, and *for ordinary people/everyone* – all of which garnered even stronger, more positive perceptions *after* a performance experience. The findings also imply that performing arts attendees do perceive, and are willing to identify, dimensions of cultural brands, and that the set of brand dimensions challenge Aaker's (1997) list; interestingly, Aaker (1997, p. 351) eliminated "proud" as a dimension of brand personality.

Notably, pride featured very highly in consumer associations – particularly *before* they had consumed (i.e., before they attended a performance), but also *afterwards*. Pride was also discussed extensively in the qualitative work, which suggests that the strong, positive associations may have been derived from either media views or from simply seeing the Opera House with no real dissonance occurring. It was anticipated, on the basis of some media observations, that there might be some criticism of the practical aspects of the building, particularly in the foyer area, but there was no strong evidence of negative associations in this research. Whether the nature of pride tempers critical reactions is difficult to ascertain here, but it could be a factor in attendees' perceptions of their experience.

*Pride* was identified in this study as a cultural brand dimension which is a function of "enthusiasm" and "knowledge," and linked to the building and to the art that is performed in it. The Opera House seems to reaffirm a sense of national identity. This identification process may be explained by in-group upgrading and self-categorization (Muller-Peters, 1998) in terms of attachment to a cultural brand, which represents a national collective, that is, a na-

tional symbol of success (here, the building and the artistic performance). A question is whether the association of pride would apply to other Norwegian cultural institutions, and to cultural institutions in other countries. Do Londoners feel "pride" in Tate Modern, or Copenhagensers, in their new opera house, or the Basques, in the Guggenheim Bilbao? This is a question for further research.

The overall conclusions from this study are twofold: Firstly, consumers may have strong associations with a cultural brand prior to consumption. This is not simply a case of being aware of a brand or interested in it based on hearsay or communication, but feeling already a sense of closeness to it. Secondly, pride was a powerful dimension of the cultural product studied, which raises the issue of whether pride could also be a dimension of other cultural brands. On a more practical note, the Opera House in Oslo is a success based on ticket sales which may, in turn, be linked to the strong, positive association of this cultural brand with "pride." For the marketing manager of cultural products, an objective might be to achieve "pride" as a brand dimension through the creation and on-going cultivation of "enthusiasm" and "knowledge" for the cultural brand.

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## Private Label Brand Trends in the Grocery Retail Industry

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**ABSTRACT** . This article investigates aggregate share trends of private label brands in four countries over a fourteen year period, employing the multiple-case study research methodology. The results show two states of equilibrium; termed in this article, mature and premature equilibrium. The state of equilibrium is found to be largely driven by the combination of the degree of exploitation of private label quality spectrum and the concentration level of the grocery retail environment. These results indicate that decisions on private label quality spectrum have a strong influence on the competitive progress of private labels against manufacturer brands.

**KEYWORDS.** private label brands; store brands; manufacturer brands; grocery retail; share trends; multiple-case study.

### INTRODUCTION

The growth of private label brands (also commonly referred to as store brands or retailer brands) has intensified in recent years in most countries around the world (Baltas & Argouslidis, 2007; Hyman, Kopf & Lee, 2010), and this poses a threat to manufacturer brands (Nenycz-Thiel, 2011). Private labels are brands sponsored or owned by retailers and are sold exclusively in the respective retailers' stores (Bushman, 1993; De Wulf et al., 2005). While grocery retail chains that market private labels do so for a number of reasons that include increasing profit, branding their own stores (Dhar & Hoch, 1997; Luijten & Reijnders, 2008; Verhoef et al., 2002) and seeking to gain leverage with their suppliers, there is no doubt that pitting private label brands and manufacturer brands side-by-side on the shelves creates competition between the two types of brands. This competitive situ-

ation has been acknowledged by a number of authors (e.g. Anselmsson, Johansson & Persson, 2008; Beckeman & Olsson, 2010). The increasing importance of private label brands as a permanent feature of grocery retail shelves warrants an investigation into their relational coexistence with manufacturer brands since manufacturer brands have traditionally dominated the shelves. Grocery retailers are increasingly managing their private labels strategically to compete successfully with manufacturer brands (Beckeman & Olsson, 2010), and private labels do play an important role in retail chain strategy (Dolekoglu, Albayrak, Kara & Keskin, 2008). As private labels continue to gain inroads into grocery retail product categories, an interesting question arises regarding the extent to which private label share can grow in relation to manufacturer brands. It is interesting to note that "how far private label[s] will grow is yet to be determined" (ACNielsen, 2005, p. 27). Thus to the extent that the emergence of

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private labels has intensified in recent years; that in a way they represent a threat to manufacturer brands (Nenycz, 2011), and that little is known of the patterns and trends of private labels, an opportunity exists to add to the literature on private label brands through seeking to better understand these aspects.

This paper postulates that private labels may grow, but because of the competitiveness of manufacturer brands, the share growth will stabilise at some point. In this regard, the aim of the paper is to gain insights into private label share trends with a view to better understand how share growth might stabilise. The research is largely a study of the interplay between retail concentration and private label quality spectrum in the determination of private label share growth and stabilisation. Specifically the article seeks to establish whether different levels of grocery retail concentration and private label quality spectrum result in different private label share trends, and also to establish the patterns of private label share trends that are exhibited by different combinations of level of grocery retail concentration and degree of employment of private label quality spectrum. The paper is organised as follows: - A review of the literature on retail concentration, private label quality spectrum and the interplay of these two factors identifies gaps in the literature leading to the study's research questions. The methodology is then presented, followed by the results, discussion, conclusions and future research perspectives.

## LITERATURE REVIEW

### *Retail Concentration*

Retail concentration refers to the percentage of sales commanded by the largest retail firms in an industry and is measured by the use of a concentration ratio (Defra, 2006) which is expressed as a percentage. The concentration ratio is usually based on four or five largest firms in the industry. It is however not always possible to make use of the largest four

or five firms in calculating this ratio as some retail industries may not necessarily have that number of firms, and therefore it is not unusual for concentration ratios to be based on the largest two or three firms in the industry. Retail consolidation, which is the act of firms coming together in an industry, for instance through mergers and acquisitions, would normally result in higher levels of retail concentration. As a standard, and as employed by ACNielsen (2005), any retail concentration level of 60% and above, based on five or fewer firms, is generally considered as high.

High retail concentration in the grocery market gives more power to grocery retail chains relative to manufacturers (Burt & Sparks, 2003; Cotterill, 1997) because of economies of scale and scope and related factors such as centralised buying and distribution. An increase in the power of grocery retailers relative to manufacturers is likely to result in a rise in the aggregate market share of private label brands (Galbraith 1952; Porter 1976). Similarly, experiences from a number of countries suggest that retail consolidation is a key driver of private label growth (Coriolis Research, 2002). ACNielsen (2005) found that, of the top ten countries where private labels are most developed, nine have high retail concentrations of above 60%. Retail consolidation and concentration are therefore relevant factors in the emergence of private labels and the dynamics with manufacturer brands in the grocery retail industry. Thus, grocery retail environments with higher levels of retail concentration are more likely to experience higher private label share growth, and the growth is more likely to stabilise at a higher share level than in grocery retail environments with lower levels of retail concentration.

### *Private Label Quality Spectrum*

The portfolio of private labels of a grocery retail chain is the coverage of the relevant quality tiers in the private label programme of the retailer, and this is influenced by the re-

tailer's strategy. Marketing all quality tiers is regarded as full employment or full exploitation of the private label quality spectrum. Two alternative classifications of private label quality tiers exist. The first is the four-generation classification (Laaksonen & Reynolds, 1994) which is used to conceptualise private label development. This approach considers private label brands from an evolution perspective, grouping them into first, second, third and fourth generation brands. The second classification uses a more or less similar approach but only has three tiers; Tier 1, Tier 2 and Tier 3 (Coriolis Research, 2002).

With regard to the classification of Laaksonen and Reynolds (1994); first-generation private labels are generic and have no brand name. They are based on simple technology and are of generally lower quality and image than leading manufacturer brands. Second-generation private labels are of medium quality. They are perceived as lower than leading manufacturer brands and lag behind these leading brands on technology. Third-generation private labels are of comparable quality to leading manufacturer brands, and with respect to technology they are close to the leading brands. Fourth-generation private labels are of either similar or better quality than the leading manufacturer brands. They are innovative and different from top manufacturer brands, and are also high on the technology dimension. In the three-tier classification, Tier 1 represents economy; Tier 2, standard (or medium); and Tier 3, premium private label brands (Coriolis Research, 2002).

The four-generation classification can be matched with the three-tier classification. Tier 1 would be first and second generation private labels; Tier 2, third generation; and Tier 3, fourth generation. The top/premium private label brands are therefore classified as fourth generation or Tier 3. Although the four generations were conceptualised from an evolution perspective, it is important to note that more than one generation can actually exist in a su-

permarket product category at the same time. The different generations can be marketed as a portfolio. Furthermore, these quality tiers are more than just the intrinsic quality of the product and packaging. The image of the brand, which is actually achieved through branding, advertising and related marketing activities, also plays a significant role. In addition, the quality tiers are sometimes referred to as price/quality tiers, and higher quality tiers tend to carry a higher selling price.

Traditionally, private label brands were associated with poor quality economy brands that sold on low-price appeal. Recent research shows that the traditional view no longer holds as private label consumers have become quality-sensitive. As consumers become increasingly quality conscious, quality is of equal or even greater importance than price in influencing private label purchase (Sethuraman, 2006) as shown in a number of studies (e.g. Dhar & Hoch, 1997; Erdem et al., 2004; Hoch & Banerji, 1993; Miranda & Joshi, 2003). Quality is one of the key factors that influence the selection of either private labels or manufacturer brands on the shelves by consumers (Dolekoglu et al., 2008; Gomez & Fernandez, 2009). Thus, the quality spectrum of the private labels marketed by any grocery retailer bears a strong influence on the share performance of the private labels in relation to manufacturer brands. Therefore it follows that, a fully-developed private label portfolio that consists of the full quality spectrum (ranging from Tier 1 to Tier 3) would put private labels in a better position to increase their overall market share, and private label share is more likely to stabilise at a higher share level when the full quality spectrum is employed.

### ***The Interplay of Private Label Quality Spectrum and Retail Concentration***

Research to date on private label and manufacturer brand shares has focused primarily on the link between share trends and business cycles (e.g. Baden-Fuller, 1984; Coriolis Re-

search, 2002; Hoch & Banerji, 1993; Hoch et al., 2002; Lamey et al., 2007; Quelch & Harding, 1996). More recent research has focused on share growth (e.g. Chimhundu, 2011; Chimhundu et al., 2011), private label rejection (Nenycz-Thiel & Romaniuk, 2011), and the role of additional factors such as retailer commitment and marketing effort, over and above retail concentration, in influencing private label growth (Nenycz-Thiel, 2011). In particular, recent research has identified the need for studies to seek to “understand the effects of different private label strategies on private label growth” (e.g. Nenycz-Thiel, 2011, p. 632). The interplay between retail concentration and private label quality spectrum in shaping the growth and stabilisation of private label share patterns has never been explained. This research fills an important gap in the literature by investigating how the interplay of the level of grocery retail concentration and the degree of exploitation of private label quality spectrum influences the patterns and growth in the share of private label brands.

## RESEARCH QUESTIONS

Following from the review of the literature on retail concentration, private label quality spectrum and the interplay of retail concentration and private label quality spectrum, two research questions are addressed in this paper:

- 1) Do different levels of grocery retail concentration and private label quality spectrum result in different private label share patterns?
- 2) What patterns of private label share trends are exhibited by different combinations of level of grocery retail concentration and degree of employment of private label quality spectrum?

## METHODOLOGY

The research adopts a multiple-case study methodology (Yin, 2003) and the four cases, which were also taken as the units of analysis, are the grocery retail industries of four countries; UK, USA, Australia and New Zealand. The four were chosen for three reasons; firstly, the grocery retailers in these countries use private label brands to varying degrees; secondly, the grocery retail environments in the four countries provide a mix of private label industries that are in different stages of development; and thirdly, the four countries also provided an ideal setting where the relevant data were available. The study period of 1992 to 2005 was deliberately chosen because of data availability with respect to all the four cases for that standard period. Although data for the UK was available to as far back as 1961, it was not judged as appropriate and relevant to make comparisons for time periods that were not standard. In addition, the time period studied did not go beyond 2005 because in 2005, some of the grocery retail environments such as in Australia started a major push for higher-tier private label brands (Coriolis Research, 2005) and may have started experiencing a structural change, and therefore the diversity of cases in terms of approach to private label strategy was going to be lost.

Data on retail concentration levels and on the private label quality spectra employed in the four grocery retail environments were established through secondary sources. In addition, time-series data on aggregate private label value share were gathered from sources such as ACNielsen (2002, 2003, 2005), Coriolis Research (2002) and Private Label manufacturers Association (PLMA) (2006a, 2006b). Analysis of share data was done through plotting graphical trends. Literature

Table 1: Retail Concentration Levels in Four Grocery Retail Environments

Grocery retail environment	Retail concentration level	Classification of retail concentration level
United Kingdom	65%	High
United States of America	36%	Low
Australia	74%	High
New Zealand	98%	Very high

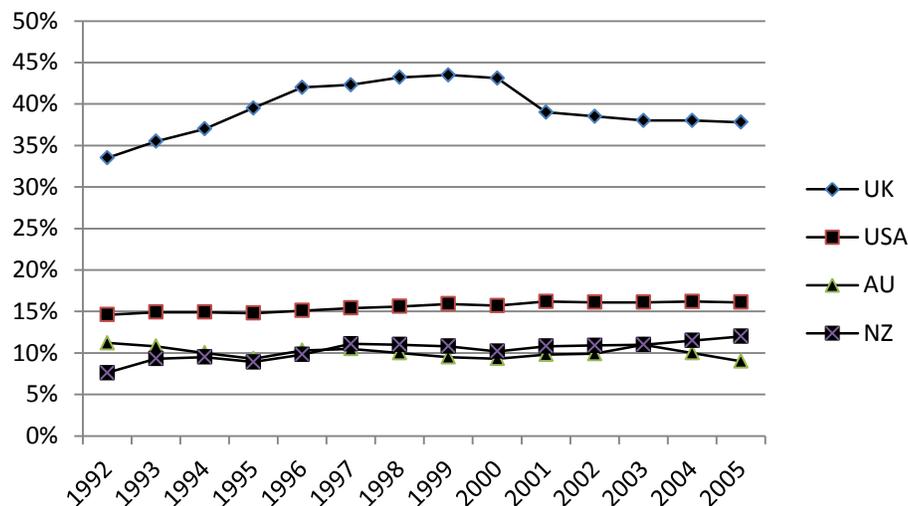
Source: Created from secondary data.

Table 2: Private Label Quality Spectrum in Four Grocery Retail Environments

Private label quality spectrum featuring on supermarket shelves					
Grocery retail environment	First generation	Second generation	Third generation	Fourth generation	Summary situation
United Kingdom	Active	Active	Active	Active	Full quality spectrum employed
United States of America	Active	Active	Active	Active	Full quality spectrum employed
Australia	Active	Active	Active	None	Partial quality spectrum employed
New Zealand	Active	Active	Active	None	Partial quality spectrum employed

Source: Created from secondary data.

Figure 1: Private Label Share Trends in Four Grocery Retail Environments



Source: Created from time series data

sources were also used to provide explanations to some of the trends. Replication logic (Miles and Huberman, 1994; Perry, 1998; Yin, 2003) was used in deriving conclusions from the study.

## RESULTS

The retail concentration levels and private label quality spectra employed in the four grocery retail environments studied are shown in Table 1 and Table 2 respectively. In addition, the private label share trends for the four are shown in Figure 1.

From the information presented in Table 1, Table 2 and Figure 1, it is evident that, for the period under consideration (1992 to 2005), the UK had a high retail concentration level and employed a full private label quality spectrum. The private label share trend stabilised into a state of equilibrium at a high share level. The USA had a low retail concentration level and employed the full private label quality spectrum, and the private label share trend showed a state of equilibrium at a much lower level than the UK. Australia had a high retail concentration level and employed a partial private label quality spectrum, and New Zealand had a very high retail concentration level and employed a partial private label quality spectrum. Both share trends of the latter two grocery retail environments showed stability at a lower level than the USA grocery retail industry that employed the full private label quality spectrum, and at a much lower level than the UK grocery retail industry that had both full private label quality spectrum and high grocery retail concentration. The pattern that is emerging from these results and further details of the specific grocery retail environments studied are discussed in the next section.

## DISCUSSION

Of the four grocery retail environments studied, the UK has the more fully-developed

private label industry, therefore certain aspects of its experiences will be outlined and the other three grocery retail environments related accordingly. The UK trend in the results section shows stabilisation of private label share in the later stages. Taking it backwards (i.e. out of the standard time period shown in the share trends in Figure 1), one finds that as far back as 1961, private label share in the UK was only 5%, rising steadily over the years especially from 1961 to 1998. The rise in private label development in the UK grocery retail industry was given impetus by the abolition of resale price maintenance (RPM) in Europe in 1964, from which time grocery retailers were no longer obliged to follow stipulations set by manufacturers on selling prices, thus causing a shift in power towards food retailers (Baden-Fuller, 1984; Hernstein and Gamliel, 2004). In addition, retailer power resulting from the high retail concentration helped to fuel the rise of private label share. The ways in which retail chains are able to execute private label strategy "are very much bound in issues of retailer power within the ... economies in which they operate" (Hughes, 1997, p. 171).

In the 1980s and 90s, UK retail chains stepped up product and packaging innovation to the extent that their private label metamorphosised from cheap quality to high quality brands (Veloutsou et al., 2004). The UK grocery retail industry has been offering the full quality spectrum of private labels for quite some time; a strategy that has helped take private label penetration to high levels (Coriolis Research, 2002; Defra, 2006; Hernstein & Gamliel, 2004). Factors such as improved quality of private labels and development of premium private label brands have made private labels more competitive regardless of economic conditions (Hernstein & Gamliel, 2004). The plateau reached by private label brands in the UK is explained by the fact that grocery retail chains had given too much emphasis on private labels, leading to consumer

dissatisfaction due to lack of variety. Thus, some of the chains such as Sainsbury had to deemphasise their private label brands (Kumar & Steenkamp, 2007).

During the period under consideration (1992-2005), the private label share trend in the US remained fairly flat, oscillating around the 16% mark. The Australia trend has hovered around the 10% mark while the New Zealand trend has shown a slow, gradual increase, gaining on average 0.3% yearly over the 14 year period covered; a state that verges on equilibrium (and reaching a share level of around 12%). In terms of private label strategy, Australia has maintained a two-tier portfolio until 2005 when Coles Myer (a major grocery retail chain) introduced a new three-tier portfolio modelled along the lines of the UK giant Tesco (Coriolis Research, 2005). New Zealand has also offered a two-tier private label quality spectrum, and as compared to the UK, is still in an earlier stage of development (Coriolis Research, 2002). The state of equilibrium in the UK is at a higher level of 38% private label share.

From the UK situation, it is noted that before reaching a state of equilibrium, private label share experienced gradual growth for a long period of time. With regard to stabilisation and equilibrium, new insights are emerging from this study. The private label trends unveiled in this study can be classified into a typology of two patterns; namely, mature

equilibrium and premature equilibrium. Mature equilibrium can be defined as a state of balance between private labels and manufacturer brands, which is reached after full exploitation of private label potential using a superior private label portfolio that spans the full quality spectrum, in a highly concentrated grocery retail environment, over a certain time period (e.g. the UK trend), and the equilibrium is at a high share level. Fourth generation private label brands (Laaksonen & Reynolds, 1994) are an indispensable feature of the private label portfolio if this high equilibrium point is to be reached. Premature equilibrium can be defined as the state of balance between private labels and manufacturer brands (as reflected in a fairly flat trend over some years) as a result of inadequate exploitation of private label quality spectrum in either a low retail concentration environment or a high retail concentration environment (e.g. the Australia trend) or even adequate exploitation of private label quality spectrum in a low retail concentration environment (e.g. the USA trend). The premature, fairly flat status is at a low share level. First, second and third-generation retailer brands (Laaksonen & Reynolds, 1994) are largely the order of the day.

The two forms of replication logic, which are literal and theoretical replication, can be used in making conclusions from this research.

Figure 2: Private Label Quality Spectrum / Grocery Retail Concentration Matrix.  
(Source: Created from research results)

Grocery retail concentration	High	Premature equilibrium	Mature equilibrium
	Low	Premature equilibrium	Premature equilibrium
		Partial	Full
Employment of private label quality spectrum			

With regard to literal replication which is to do with expecting similar results for predictable reasons, the private label share patterns of the USA, Australia and New Zealand grocery retail industries have shown more or less similar results (i.e. equilibrium at a lower share level) for the main reason that, if one or both of either retail concentration or exploitation of private label quality spectrum are at a low level, this does not give private label adequate backing. With regard to theoretical replication, which is to do with expecting different results for predictable reasons, the private label share pattern of the UK grocery retail industry has shown a different pattern (i.e. equilibrium at a higher share level) for the main reason that, if both retail concentration and exploitation of the private label quality spectrum are at a high level, this gives private label adequate backing. High retail concentration means greater retailer power in business dealings with manufacturers, which gives the retailers an advantage in advancing their private label agenda; and a private label quality spectrum that is fully exploited makes private labels more competitive as they are able to stand up to higher-tier manufacturer brands, and this makes it easier for private labels to attain high share levels.

The major finding of this research is therefore that, other than the gradual private label share increase, which is known; when private label share finally reaches the state of stabilisation, there are two possible points for such stabilisation. One is a *premature* point in that there is still potential to go higher if the ideal conditions are made to prevail, and the other is *mature* in that there is limited scope to go beyond it. These states of equilibrium have been termed *mature equilibrium* and *premature equilibrium* in this research. The resultant state of equilibrium is largely driven by the combination of the degree of exploitation of private label quality spectrum and the concentration level of the FMCG retail industry. This can be illustrated using a *private label quality*

*spectrum / grocery retail concentration matrix* (Figure 2) that has been devised as a snap shot of the outcome of this research.

The mature state of equilibrium comes about as a result of full exploitation of the private label quality spectrum in an environment of high retail concentration while the state of premature equilibrium results from either partial exploitation of the private label quality spectrum in an environment of high or low retail concentration, or full exploitation of the private label quality spectrum in an environment of low retail concentration. High retail concentration is a necessary condition for the attainment of mature equilibrium, and full exploitation of the private label quality spectrum is also a necessary condition for the attainment of mature equilibrium; however, neither high retail concentration alone nor full exploitation of the private label quality spectrum alone is sufficient to enable the attainment of mature equilibrium as both conditions have to be existent for mature equilibrium to be achieved.

To be explicit with the answers to the research questions of this study therefore, it is argued that, different levels of grocery retail concentration and private label quality spectrum result in different private label share patterns, and the patterns of private label share that are exhibited by different combinations of the level of grocery retail concentration and the degree of employment of private label quality spectrum are mature and premature equilibrium.

## CONCLUSIONS AND FUTURE RESEARCH PERSPECTIVES

In the wake of the growing significance of private label brands globally (Baltas & Argoustidis, 2007; Hyman, Kopf & Lee, 2010) in relation to manufacturer brands that have traditionally dominated supermarket shelves, this research set out to establish trends in private label share. Based on the analysis of data from four grocery retail environments, the re-

search found that there are two states of equilibrium in the coexistence of private labels and manufacturer brands in the grocery retail industry, and these have been termed mature and premature equilibrium.

The research offers opportunities for further enquiry on private label share patterns in the grocery retail industry, and two alternative avenues exist in this regard. The first area involves investigating how changes in private label strategy post-2005 will affect private label share patterns. Somewhere around 2005, in some of the grocery retail environments included in this research such as Australia and New Zealand, the grocery retail chains started a major push for higher-level private label quality tiers (i.e. premium private labels). The employment of the private label quality spectrum is expected to transform from partial to full exploitation, more or less along the lines of what is happening in mature private label markets such as the UK. In line with the findings of this research, it would be expected that in the one to two decades post-2005 (and beyond), such grocery retail environments would experience a significant upward trend in private label share. This would have the additional effect of moving out of the state of premature equilibrium due to the momentum triggered and propelled by the combination of high retail concentration and full exploitation of the private label quality spectrum. Future research could investigate these aspects.

The second area worthy of investigation is to extend the enquiry beyond the four countries considered in this paper as the literature has shown that private label occurrence has become a global phenomenon, and in many countries private labels feature side-by-side with manufacturer brands on supermarket shelves.

The study has managerial implications for private label managers and grocery retail managers with respect to the desired level of exploitation of private label quality spectrum as this has a significant impact on the overall

competitiveness of private labels on supermarket shelves. The competitive strategies of manufacturer brand/marketing managers and directors would therefore also take into account the strategic choices of private label brands with respect to whether full or partial quality spectrum should be employed.

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# Factors that Affect Online Purchasing Behavior: An Analysis with Technology Acceptance Model, Trust and Subjective Norms

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**ABSTRACT.** This study investigates the factors that affect the consumers' online purchasing behaviour with the Technology Acceptance Model (TAM). The relationships between perceived usefulness, perceived ease of use, attitude and behavioural intention which are the intrinsic variables of TAM, and trust and subjective norms which were added to the model as extrinsic variables are determined in the study. It is expected that this study would be important in terms of practice by leading the way to online shopping sector organizations that want to provide better services to consumers in the online shopping context. The results of the study which was performed on the academic staff of Bulent Ecevit University show that four variables of TAM have positive and significant direct effects on each other. Subjective norms have a positive direct effect on perceived usefulness and behavioural intention. Also trust has a positive direct effect on perceived usefulness but it has no direct effect on attitude and behavioural intention. On the other hand, trust has a positive indirect effect on attitude and behavioural intention via perceived usefulness.

**KEYWORDS.** Internet marketing, Purchase intention, Technology acceptance model

## INTRODUCTION

In recent years, computers and the internet have become an inherent part of daily life as a result of the rapid changes and developments in information and communication technologies. One of the areas of extensive use of the internet in daily life is the shopping environment in which consumers' purchases are carried out. Consumers' desires, needs and lifestyles differ because of the internet and accordingly, changes occur in their purchasing behaviours.

The internet provides great benefits to consumers who are willing to buy any product at any time and anywhere at any price. In this

way, consumers can have access to information at any time they want about the products or services, and they have control of purchasing decisions on their own. The internet has become an attractive place for businesses due to the possibilities it offers to businesses which want to succeed in today's highly competitive environment. Thanks to the internet, businesses do not strive too much to offer and promote their products and services to consumers. Furthermore, businesses can easily access a large number of different market segments via the internet, and they perform their customer relationship management much more effectively. Therefore, analyzing the factors that determine consumers' purchasing be-

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haviour over the internet and the creation of the necessary strategies is an important issue for businesses.

This study focuses the Technology Acceptance Model (TAM) for analyzing the consumers' purchasing intentions over the internet. One of the purposes of the study is to determine, the effects of perceived usefulness and perceived ease of use, which are the intrinsic variables of TAM, on consumers' attitudes and intentions regarding purchasing via the internet. In addition, another purpose of the study is to determine the role of trust, which is considered as a major obstacle by the consumers who are shopping on the internet and subjective norms that are thought to affect consumers' attitudes and behaviours, on this relationship.

## CONCEPTUAL FRAMEWORK

### *Online Purchasing Behaviour*

Online shopping has become an important aspect of consumers' purchasing decisions and behaviours because of the changes in internet technology. The Internet provides retail marketers with a means of conveying information about the organization, its products and services, a communication tool for customer relationship management and penetrating new markets, as well as offering an additional channel to existing store-based or mail-order operations (Goby, 2006, p. 423). Also, the internet creates a strong competitive market which put pressure on firms to convert their traditional implementations, establish long-run relationships with customers and protect these relationships. Accordingly, in a changing competitive environment, determining the factors that affect the customers' online purchasing decisions and behaviours has become very important for businesses.

Online shopping provides some advantages to customers such as, eliminating geographical limitations over the world, receiving further information in less time with

minimum cost, providing reasonable prices and saving time. The internet gives customers a habit and a know-how that make internet more productive and costless than other distribution channels (Zarrad and Debabi, 2012, p. 38-39). The most common reasons for consumers to shop from virtual stores are convenience, broader selection, competitive pricing, product choice, product value, and greater access to information (Barkhi *et al.*, 2008, p. 178). The internet has given consumers more control in accessing information on products and services. Consumers pull for online content, they decide when, where, what, and how much commercial content they wish to view. The internet enables consumers to access a wide range of products and services from companies around the world, and it has reduced the time and effort that they spend on shopping (Lim *et al.*, 2010, p. 155). Also internet shopping provides more convenient delivery and payment arrangements to customers than traditional shopping (Wang *et al.*, 2006, p. 69).

Although the internet provides online consumers with an additional channel for searching information on products and services, it still has some problems to be solved. For instance, when consumers shop on the internet, they can not feel, watch, or touch the reality of the products or services before they buy what they need (Li and Huang, 2009, p. 919). One of the main barriers to online shopping is security problems. Because customers may hesitate pay online with sellers whom they can not even see (Tariq and Eddaoudi, 2009, p. 18).

Electronic commerce is considered to be more risky than traditional commerce, although the perception of risk is found to decrease with the amount of internet experience (Comegys *et al.*, 2009, p. 296-297).

### *Technology Acceptance Model*

The Technology Acceptance Model (TAM) was developed by Davis (1989) in or-

der to determine the factors that effect individuals' technology usage and acceptance. The TAM has emerged as a powerful model in investigating individuals' acceptance and use of information technology (Lim and Ting, 2012, p. 50).

The Technology Acceptance Model is based on the Theory of Reasoned Action (TRA) which was developed by Fishbein and Ajzen (1975). Also, the Theory of Planned Behaviour (TPB) which was enhanced by Ajzen (1991), is based on the Theory of Reasoned Action (TRA). The Theory of Planned Behaviour (TPB) and the Technology Acceptance Model (TAM) are the most commonly used models in the social psychology literature for predicting and explaining individuals' behaviours. TAM is the improved version of these two models which comprises the technology factor.

The model posits that a user's adoption of a new information system is determined by his intention to use the system (Lallmahamood, 2007, p. 4). The original technology acceptance model suggests that two beliefs are instrumental in explaining the variance in individuals' intentions of technology acceptance and usage. These elements are called "perceived usefulness" and "perceived ease of use" (Tarcan *et al.*, 2010, p. 794).

Perceived usefulness is defined as the degree to which a person believes that using a particular system would enhance his or her job performance. Perceived ease of use, in contrast, refers to the degree to which a person believes that using a particular system would be free of effort (Davis, 1989, p. 320).

The other two constructs of TAM are "attitude towards using" and "behavioural intention to use" (Qi *et al.*, 2009, p. 393). Attitudes involve total beliefs about the consequences of particular behaviours weighted by evaluations of these beliefs (Pickett *et al.*, 2012, p. 339). Intentions are assumed to capture the motivational factors that influence behaviour. Motivational factors are indications of how hard

people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour (Ajzen, 1991, p. 181).

Although a large number of studies ascertain the validity of the TAM as a parsimonious model in various technology-related contexts the literature notes TAM's parsimony as a key limitation. Therefore, the original TAM variables may not adequately capture key beliefs influencing consumers' attitudes toward online shopping (Tong, 2010, p. 744). Accordingly, a variety of variables added to the models with TAM in the literature. Some of these are the perceived control (Koufaris, 2002), subjective norms (Taylor and Todd, 1995) and trust (Chiravuri and Nazareth, 2001). Therefore, in this study trust and subjective norms which are the important key elements of customers' online purchasing decisions are added to the Technology Acceptance Model.

### ***Trust and Subjective Norms***

Trust, in a broad sense, is the confidence a person has in his or her favorable expectations of what other people will do, based, in many cases, on previous interactions (Gefen, 2000, p. 726). Also, trust has long been regarded as a catalyst for buyer-seller transactions that can provide consumers with high expectations of satisfying exchange relationships (Pavlou, 2003, p. 70).

Trust in online shopping is defined as the belief that allows consumers to willingly become vulnerable to web retailers after having taken the retailers' characteristics into consideration (Pavlou, 2003, p. 74). Trust in an online context implies, more than ever, the consumer's willingness to be vulnerable to the company and belief that the firm will fulfill its promises and will not exploit that vulnerability for its benefit (Martin and Camarero, 2008, p. 549).

Subjective norms are the social pressure perceived by a consumer when determining to take specific actions (Lin, 2008, p. 30). Thus, subjective norms reflect how the customer is

affected by the perception of some significant referents such as family, friends, and colleagues, among others of his or her behaviour (Kim *et al.*, 2009, p. 268). A person's beliefs regarding the others thoughts about his or her behaviour, should directly influence subjective norms. Therefore, if online shopping is a socially desirable behaviour, a person is more likely to shopping online (Al-maghrabi and Dennis, 2010, p. 33).

### ***Literature Review and Hypotheses***

In the literature, there are various studies in order to determine customers' online purchasing intentions through the Technology Acceptance Model. In this context, the hypotheses to test the relationships between the variables of study were formed from these studies in the literature.

The study that was conducted in the USA and China, revealed that both perceived usefulness and perceived risk of online shopping have an invariant effect on consumers' online purchase intentions. Also perceived ease of use shows an equivalent, positive effect on perceived usefulness (Tong, 2010, p. 742). Li and Huang (2009) determined that a significantly positive relationship between perceived usefulness and behavioural intention is accepted (Li and Huang, 2009, p. 923). Zarrad and Debabi (2012) conducted an empirical study of a sample of students studying at the School of E-Commerce of Tunis (Zarrad and Debabi, 2012, p. 40). In the study it was found that, perceived ease of use has a positive impact on attitude towards internet using for shopping (Zarrad and Debabi, 2012, p. 42).

**H<sub>1</sub>:** Perceived ease of use has a positive and significant effect on perceived usefulness.

**H<sub>2</sub>:** Perceived ease of use has a positive and significant effect on attitude.

In the study which was directed by Gefen *et al.* (2003), it was detected that perceived usefulness and trust remain important predictors of intended use, although perceived usefulness is a stronger direct predictor than trust,

at least for experienced repeat consumers of an e-vendor (Gefen *et al.*, 2003, p. 73). Based on the responses of customers of a passenger cruise company, prior experience of traditional and online channels and perceived usefulness has a substantial effect on behavioural intention to use the online channel in the future (Jarvelainen, 2007, p. 53). Bouhleb *et al.* (2010) were collected the data by using a survey involving internet users. The results show that the perceived usefulness and perceived ease of use generate a positive attitude toward the online vendor. Also the attitude toward the vendor has a positive impact on the purchase intention (Bouhleb *et al.*, 2010, p. 46).

**H<sub>3</sub>:** Perceived usefulness has a positive and significant effect on attitude.

**H<sub>4</sub>:** Perceived usefulness has a positive and significant effect on behavioural intention.

**H<sub>5</sub>:** Attitude has a positive and significant effect on behavioural intention.

The study that was applied in Saudi Arabia, confirmed that perceived enjoyment, perceived usefulness, and subjective norms have positive influences on consumers' continuing e-shopping intentions. Nevertheless, it was found that perceived usefulness has positive effect on the trust variable (Al-maghrabi and Dennis, 2010, p. 42). Su *et al.* (2009) obtained similar results in their study which was performed in Taiwan. Moreover, it was determined that the trust variable has an indirect effect on repurchase intention (Su *et al.*, 2009, p. 958). Kim *et al.* (2009) performed their study on airline business-to-customer (B2C) e-commerce websites. It was confirmed that e-trust is a predictor of attitude toward use and customers' intentions to reuse e-commerce websites. Separately, e-trust exerts a more profound effect on attitude toward use than perceived usefulness and subjective norms (Kim *et al.*, 2009, p. 275).

**H<sub>6</sub>:** Trust has a positive and significant effect on perceived usefulness.

**H<sub>7</sub>:** Trust has a positive and significant effect on attitude.

**H<sub>8</sub>:** Trust has a positive and significant effect on behavioural intention.

Yi *et al.* (2006) examined the adoption of information technologies in their study and the results show that subjective norms have a significant positive effect on perceived usefulness and behavioural intention (Yi *et al.*, 2006, p. 359). Crespo and Rodriguez (2008) analyzed e-commerce adoption by consumers in their study. The results obtained show that attitudes toward the system and subjective norms are the main determinants of the intention to shop on the internet. In addition, it was found that subjective norms are positively associated with attitude against the online purchasing behaviour (Crespo and Rodriguez, 2008, p. 212).

**H<sub>9</sub>:** Subjective norms have a positive and significant effect on perceived usefulness.

**H<sub>10</sub>:** Subjective norms have a positive and significant effect on attitude.

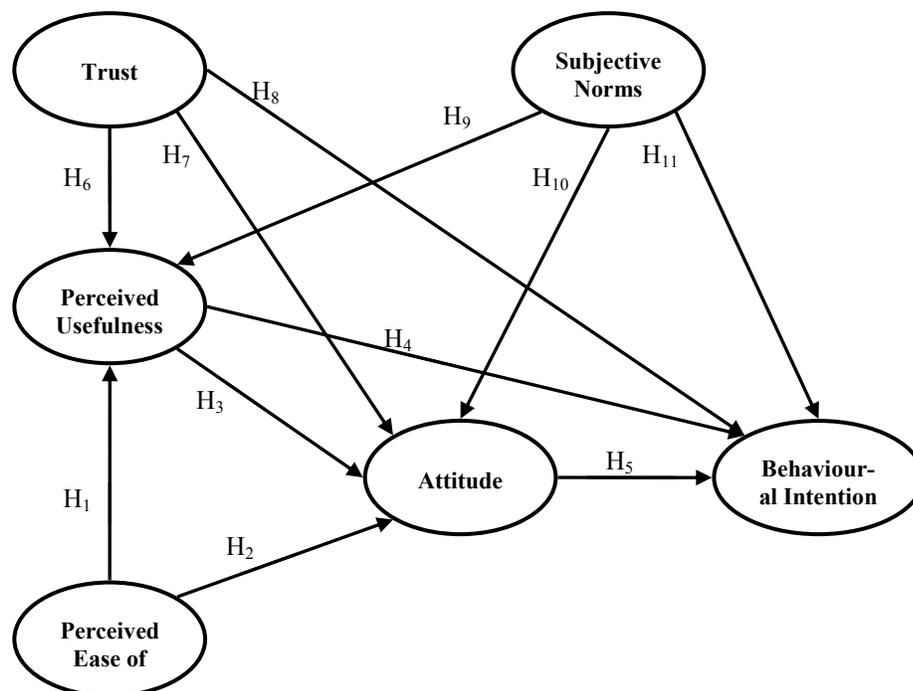
**H<sub>11</sub>:** Subjective norms have a positive and significant effect on behavioural intention.

### Research Methodology

#### Purpose and Contribution

Determining the factors that affect consumers' purchasing behaviour is an important subject in the consumer behaviour literature. Contemporarily, with the increase in the use of the internet, consumers carry out their purchases online. Accordingly, marketers need to determine the factors influencing consumers' decisions in purchasing on the internet.

Figure 1. Research Model



The purpose of this study is to describe a comprehensive model using the Technology Acceptance Model (TAM) which is in the social psychology literature. In the model, trust and subjective norms variables, which have become important issues for consumers in online shopping, were used as extrinsic variables in order to determine the acceptance of internet on buying behaviour of consumers. Moreover, this study is expected to be important in terms of practice by leading the way to online shopping sector organizations that want to provide better services to consumers in the online shopping context.

### **Model and Measures**

The model of the research is generated according to the studies in the literature. As shown in the research model in Figure 1, eleven hypotheses were developed to analyze the relationships between trust, subjective norms and the variables of TAM such as perceived usefulness, perceived ease of use, attitude and behavioural intention.

In the study the scales were created by using variety of studies in the literature. The scale items used in the questionnaire were created using the 5 point Likert type scale (1=strongly disagree, 2=disagree, 3= neutral, 4=agree, 5 =strongly agree).

The perceived usefulness scale was adapted from the scales which were used by Davis (1989), McCloskey (2004), and Chiu *et al.* (2009). The scale consists of eight items. As a result of explanatory factor analysis, two items (PU1 and PU2) were removed from the scale and analyses were carried out with six items.

The attitude scale was adapted from the scales which were used by Suh and Han (2003), Yang (2006) and Hernandez *et al.* (2011). The scale consists of six items.

The behavioural intention scale was adapted from the scales which were used by Suh and Han (2003), Shih and Fang (2004), Lallmahamood (2007). The scale consists of

five items. As a result of explanatory factor analysis, two items (BI1 and BI5) were removed from the scale and analyses were carried out with three items.

The trust scale was adapted from the scales which were used by Gefen *et al.* (2003), Martin and Camarero (2008), Chiu *et al.* (2009) and Guo *et al.* (2010). The scale consists of six items.

The subjective norms scale was adapted from the scales which were used by Shimp and Kavas (1984), Taylor and Todd (1995), Shih and Fang (2004) and Yang (2006). The scale consists of five items. As a result of explanatory factor analysis, one item (SN2) was removed from the scale and analyses were carried out with four items.

### **Sample and Data Collection**

The population of the study consists of all the academic staff who are employed at Bulent Ecevit University's faculties, schools and vocational schools. In general, academic staff may allocate less time to traditional shopping because of their extensive academic studies and they have a continuous interaction with the internet. Hence these reasons have been effective in the selection of the population. There are 798 academicians at Bulent Ecevit University. 587 academicians' e-mail addresses were obtained through the university's public relations coordinatorship and web page. In this context, the surveys were sent to 587 participants via e-mail by the voluntary sampling method. 283 questionnaires were completed by the respondents. Accordingly the rate of return is 48.2%. As a result of the examination, 15 questionnaires were regarded as invalid. Therefore, 268 questionnaires were evaluated in the study. The descriptive statistics of the analyzed respondents are summarized in Table 1.

The survey method was used to collect data in the study. The questionnaire consists of two parts.

Table 1: Characteristics of the Respondents

Characteristics	Frequency (N = 268)	
	N	%
<b>Gender</b>		
Female	123	45.9
Male	145	54.1
<b>Age</b>		
Less than 30	81	30.2
31 – 40	131	48.9
41 – 50	44	16.4
More than 50	12	4.5
<b>Marital Status</b>		
Married	144	53.7
Single	124	46.3
<b>Income</b>		
Less than 2000 TL	100	37.3
2000 TL - 3000 TL	109	40.7
More than 3000 TL	59	22.0
<b>Academic Title</b>		
Professor	17	6.3
Associate Professor	32	11.9
Assistant Professor	62	23.1
Research Assistant	64	23.9
Instructor	59	22.0
Specialist-Lecturer	34	12.7
<b>Academic Units</b>		
Faculty	167	62.3
School	43	16.1
Vocational School	58	21.6
<b>Internet Usage</b>		
Less than 1 year	1	0.4
1 – 5 years	13	4.9
6 – 10 years	81	30.2
More than 10 years	173	64.5
<b>Number of online shopping in the last 1 year</b>		
None	7	2.6
1 time	26	9.7
2 – 5 times	108	40.3
6 – 10 times	46	17.2
More than 10 times	81	30.2

In the first part of the questionnaire there are questions which measure the demographic characteristics of the academic staff and the second part of the questionnaire there are questions which measure perceived usefulness, perceived ease of use, trust, subjective norms, attitude and behavioural intention of academic staff against the shopping over the

internet. Answers were collected between June 15 and July 1, 2011.

#### *Data Analysis*

When analysis was performed on the research model, initially explanatory factor analysis (EFA) was applied to variables through the SPSS 19 program. Then the good-

ness of fit tests of the model were established with the structural equation modeling via the AMOS 19 program. First of all confirmatory factor analysis (CFA) was applied for testing the measurement model of the structural equation model. Then, the research hypotheses were tested by the path analysis of the structural model.

## RESULTS

In order to determine participants' intentions for shopping via the internet, explanatory factor analysis was conducted on variables to determine the validity and reliability of the scales. Then, the proposed research model was analyzed in two steps, such that the measurement model was initially examined by confirmatory factor analysis and the path analysis was followed for testing the hypothesis.

### *Measurement Model*

In order to assess the uni-dimensionality of each scale, both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), coupled with reliability analysis, were employed in the study. The results of these analyses are shown in Table 2.

For the appropriateness of explanatory factor analysis of data, the Kaiser Meyer Olkin (KMO) measure must be found to be more than 0.60 and the Barlett test must be significant (Kaya and Celik, 2012, p. 34). As a result of the analysis KMO measure was found to be 0.945 and the result of Barlett Sphericity test,  $\chi^2$  value was found to be 8060.025 ( $p=0,000$ ). Therefore, these results show that the data of the study is appropriate for the explanatory factor analysis. The results of the EFA for the remaining items supported the uni-dimensionality of each of the six constructs. The factor loadings of items for EFA are shown in second column of Table 2. Explanatory factor analysis resulted in six factors explaining 78.533% of the overall variance.

The reliability test was utilized in order to verify the consistency of the measurement scale for each construct. The reliability test showed that the coefficients of Cronbach alpha for six constructs are in excess of 0.70, ranging from 0.88 to 0.97, which are acceptable for the study (Nunnally and Bernstein, 1994, p. 265).

After EFA, the overall confirmation of the scales' measurement quality was decided via confirmatory factor analysis (CFA). The results of the CFA represent that all standardized estimates exceeds 0.575 and each indicator's  $t$  (CR=Critical ratio) values exceeds 9.542 ( $p < 0.01$ ). With regard to the goodness of fit of the model, the chi-square goodness of fit ( $\chi^2/df$ ) is 1.472, the goodness of fit index (GFI) is 0.876, the root mean square error of approximation (RMSEA) is 0.042, the adjusted goodness of fit index (AGFI) is 0.850, the normed fit index (NFI) is 0.928, the relative fit index (RFI) is 0.919, the comparative fit index (CFI) is 0.976, the Tucker-Lewis index (TLI) is 0.972, and the root mean square residual (RMR) is 0.052. All of these statistics support the overall measurement quality for the six constructs utilized in the study.

The composite reliability (CR) and the average variance extracted (AVE), as presented by Fornell and Larcker (1981), were assessed in order to determine whether the measurement variable was representative of the related construct. In the sixth and seventh columns of Table 2, all AVEs are 0.580 or higher, and pass the cutoff value of 0.50 (Fornell and Larcker, 1981, p. 46), and all CRs are 0.888 or higher and exceed the cutoff value of 0.70 (Hair *et al.*, 1998, p. 612). These results support the convergent validity of each of the constructs involved in the research model of the study (Hair *et al.*, 1998, p. 622-636).

The evidence of discriminant validity can be demonstrated when measures of conceptually different constructs are not strongly correlated with each other (Kim *et al.*, 2009, p. 272).

Table 2: Results of Explanatory and Confirmatory Factor Analyses

Constructs and Items	Factor Loadings (EFA)	$\alpha$	Standardized Estimates (CFA)	t value	AVE	CR
<b>Perceived Usefulness</b>		0.916			0.640	0.914
(PU3)	0.624		0.730	13.524		
(PU4)	0.612		0.878	17.983		
(PU5)	0.721		0.770	14.723		
(PU6)	0.758		0.712	13.041		
(PU7)	0.628		0.858	17.433		
(PU8)	0.695		0.835	-		
<b>Perceived Ease of Use</b>		0.896			0.580	0.890
(PEU1)	0.611		0.834	15.556		
(PEU5)	0.782		0.770	13.936		
(PEU6)	0.753		0.575	9.542		
(PEU7)	0.735		0.881	16.786		
(PEU8)	0.777		0.653	11.256		
(PEU9)	0.660		0.810	-		
<b>Attitude</b>		0.973			0.857	0.973
(AT1)	0.754		0.931	25.932		
(AT2)	0.796		0.945	26.891		
(AT3)	0.779		0.925	25.445		
(AT4)	0.766		0.943	26.712		
(AT5)	0.783		0.910	28.822		
(AT6)	0.784		0.900	-		
<b>Behavioural Intention</b>		0.888			0.726	0.888
(BI2)	0.782		0.856	-		
(BI3)	0.772		0.883	17.711		
(BI4)	0.782		0.816	15.944		
<b>Trust</b>		0.938			0.719	0.939
(TRU1)	0.764		0.808	16.001		
(TRU2)	0.866		0.826	16.555		
(TRU3)	0.860		0.881	18.391		
(TRU4)	0.867		0.887	18.616		
(TRU5)	0.814		0.849	17.296		
(TRU6)	0.837		0.835	-		
<b>Subjective Norms</b>		0.943			0.820	0.948
(SN1)	0.846		0.829	-		
(SN3)	0.863		0.911	19.045		
(SN4)	0.896		0.937	20.774		
(SN5)	0.872		0.941	20.196		
<b>Model fit statistics (CFA)</b>						
$\chi^2/df$	1.472					
GFI	0.876					
AGFI	0.850					
NFI	0.928					
RFI	0.919					
CFI	0.976					
TLI	0.972					
RMSEA	0.042					
RMR	0.052					

**Note:**  $\alpha$ : Cronbach alpha, AVE: Average variance extracted, CR: Composite reliability,  $\chi^2/df$ : Chi-square goodness of fit, GFI: Goodness of fit index, AGFI: Adjusted goodness of fit index, NFI: Normed fit index, RFI: Relative fit index, CFI: Comparative fit index, TLI: Tucker-Lewis index, RMSEA: Root mean square error of approximation, RMR: Root mean square residual.

In order to evaluate the discriminant validity, the average variances extracted (AVEs) in each construct are compared with the square of the correlation between two constructs. The AVEs in each construct should be greater than the square of the correlation in order to obtain discriminant validity (Fornell and Larcker, 1981, p. 46). For example, the AVE for perceived usefulness (PU) is 0.640 and the AVE for perceived ease of use is 0.580. The correlation coefficient between these constructs is 0.636 in Table 3, and its square is 0.404. Hence, the AVEs (0.640 and 0.580) in each construct are greater than 0.404. Likewise, all AVEs in each constructs are greater than the squares of all the correlations in Table 3. These results indicate that discriminant validity was achieved.

#### Path Analysis

In the study, path analysis was performed in order to evaluate the relationships between the variables of perceived usefulness, perceived ease of use, attitude, behavioural intention, trust and subjective norms. The hypothesized relationships in the proposed research model were simultaneously tested via path analysis, and the results are represented in Table 4 and Figure 2. With regard to the goodness of fit of the model, the chi-square goodness of fit ( $\chi^2/df$ ) is 1.480, the goodness of fit index (GFI) is 0.875, the root mean square error of approximation (RMSEA) is 0.042, the adjusted goodness of fit index (AGFI) is

0.850, the normed fit index (NFI) is 0.927, the relative fit index (RFI) is 0.918, the comparative fit index (CFI) is 0.975, the Tucker-Lewis index (TLI) is 0.972, and the root mean square residual (RMR) is 0.056. All of these statistics show that the model reasonably fits the data.

Within the research model, the results of path analysis show that perceived ease of use has a positive and significant effect on perceived usefulness ( $H_1$ ;  $\beta=0.526$ , C.R.=8.412,  $p<0.001$ ) and attitude ( $H_2$ ;  $\beta=0.307$ , C.R.=4.678,  $p<0.001$ ). These results support the  $H_1$  and  $H_2$  hypotheses. Perceived usefulness has a positive and significant effect on attitude ( $H_3$ ;  $\beta=0.576$ , C.R.=8.339,  $p<0.001$ ) and behavioural intention ( $H_4$ ;  $\beta=0.374$ , C.R.=3.778,  $p<0.001$ ). These results also support the  $H_3$  and  $H_4$  hypotheses. Attitude has a positive and significant effect on behavioural intention ( $H_5$ ;  $\beta=0.306$ , C.R.=3.442,  $p<0.001$ ). This result supports the  $H_5$  hypothesis. Trust has a positive and significant effect on perceived usefulness ( $H_6$ ;  $\beta=0.239$ , C.R.=4.643,  $p<0.001$ ). This result supports the  $H_6$  hypothesis. Conversely, trust has no significant effect on attitude ( $H_7$ ;  $\beta=0.048$ , C.R.=1.018,  $p>0.10$ ) and behavioural intention ( $H_8$ ;  $\beta=-0.033$ , C.R.= -0.549,  $p>0.10$ ). These results do not support the  $H_7$  and  $H_8$  hypotheses. Subjective norms have a positive and significant effect on perceived usefulness ( $H_9$ ;  $\beta=0.234$ , C.R.=4.635,  $p<0.001$ ) and behavioural intention ( $H_{11}$ ;  $\beta=0.140$ , C.R.=2.382,  $p<0.05$ ).

Table 3: Means, Standart Deviations and Correlations

	Mean	St. Dev.	PU	PEU	AT	BI	TRU	SN
Perceived Usefulness (PU)	2.467	0.960	1					
Perceived Ease of Use (PEU)	2.348	0.987	0.636	1				
Attitude (AT)	2.387	1.130	0.754	0.656	1			
Behavioural Intention (BI)	2.514	0.998	0.620	0.410	0.636	1		
Trust (TRU)	2.801	0.839	0.496	0.395	0.468	0.345	1	
Subjective Norms (SN)	2.597	0.980	0.489	0.391	0.478	0.454	0.285	1

Table 4: Results of Path Analysis

Independent Variable	Paths	Dependent Variable	t value (C.R.)	Direct effects ( $\beta$ )	Hypothesis
Perceived Ease of Use	→	Perceived Usefulness	8.412	0.526*	H <sub>1</sub> Supported
Perceived Ease of Use	→	Attitude	4.678	0.307*	H <sub>2</sub> Supported
Perceived Usefulness	→	Attitude	8.339	0.576*	H <sub>3</sub> Supported
Perceived Usefulness	→	Behavioural Intention	3.778	0.374*	H <sub>4</sub> Supported
Attitude	→	Behavioural Intention	3.442	0.306*	H <sub>5</sub> Supported
Trust	→	Perceived Usefulness	4.643	0.239*	H <sub>6</sub> Supported
Trust	→	Attitude	1.018	0.048	H <sub>7</sub> Not Supported
Trust	→	Behavioural Intention	-0.549	-0.033	H <sub>8</sub> Not Supported
Subjective Norms	→	Perceived Usefulness	4.635	0.234*	H <sub>9</sub> Supported
Subjective Norms	→	Attitude	1.301	0.059	H <sub>10</sub> Not Supported
Subjective Norms	→	Behavioural Intention	2.382	0.140**	H <sub>11</sub> Supported

\*  $p < 0.001$  \*\*  $p < 0.05$

These results support the H<sub>9</sub> and H<sub>11</sub> hypotheses. In contrast with, subjective norms have no effect on attitude (H<sub>10</sub>;  $\beta = 0.059$ , C.R. = 1.301,  $p > 0.10$ ). Thus, this result does not support the H<sub>10</sub> hypothesis.

In this study, the indirect effects involved in the proposed research model were also evaluated to achieve extended observation for further research and the results are represented in Table 5. Trust has no direct effect on attitude and behavioural intention. Conversely, trust has a positive indirect effect on attitude ( $\beta = 0.138$ ) and behavioural intention ( $\beta = 0.132$ ), via perceived usefulness. Likewise, subjective norms have no direct effect on attitude. On the other hand, subjective norms have a positive indirect effect on attitude ( $\beta = 0.135$ ), via perceived usefulness. Subjective norms have a positive direct effect on behavioural intention and similarly, it has a positive indirect effect on behavioural intention ( $\beta = 0.129$ ), via perceived usefulness and atti-

tude. Perceived usefulness has a positive direct effect on behavioural intention. It also has a positive indirect effect on behavioural intention ( $\beta = 0.176$ ), via attitude. Perceived ease of use has a positive direct effect on attitude and it has a positive indirect effect on attitude ( $\beta = 0.303$ ), via perceived usefulness. In the same way, perceived ease of use has a positive indirect effect on behavioural intention ( $\beta = 0.333$ ), via perceived usefulness and attitude. These last indirect effects seem to be stronger than other indirect effects.

## CONCLUSION AND DISCUSSION

In this study, the effects of the intrinsic variables of the Technology Acceptance Model (TAM) such as perceived usefulness, perceived ease of use, attitude and behavioural intention, and the extrinsic variables such as trust and subjective norms, are examined in the context of the purchasing behaviour of

consumers over the internet. For this purpose, the research was carried out on the academic staff of Bulent Ecevit University, and the proposed model has been tested. This study may help businesses which are willing to provide better quality services to their online consum-

ers. Also, it is considered that it contributes to the theoretical development of literature by explaining customers' acceptance of the internet in purchasing products and services.

Figure 2: Results of Path Analysis on Research Model

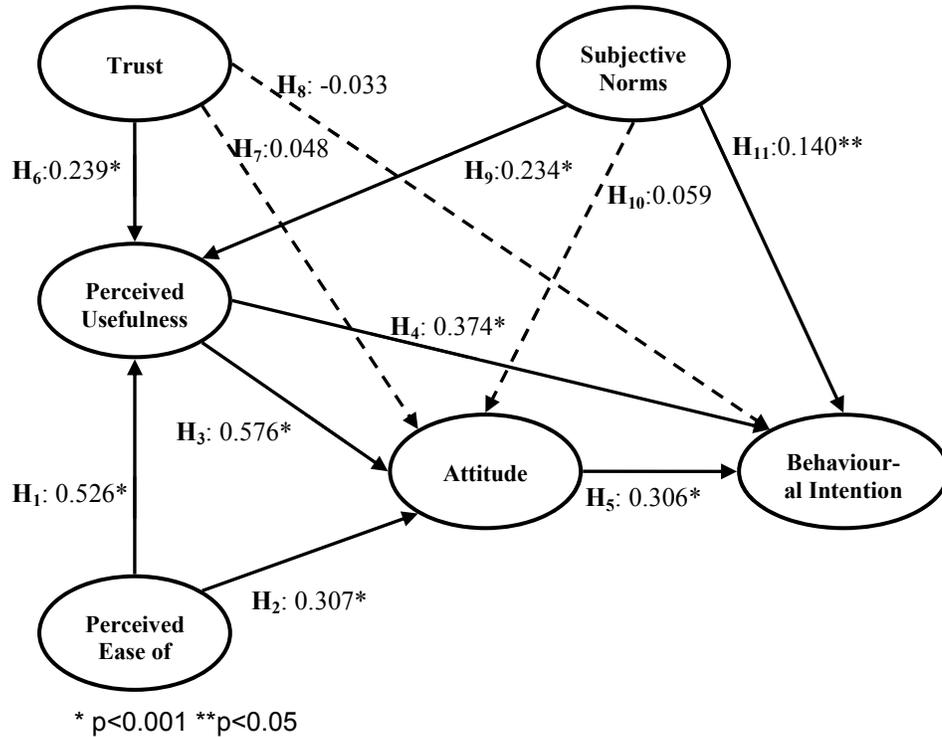


Table 5: Indirect Effects on Path Analysis

Independent Variable	Mediating Variable	Dependent Variable	$\beta$
Trust	Perceived Usefulness	Attitude	0.138
Trust	Perceived Usefulness-Attitude	Behavioural Intention	0.132
Subjective Norms	Perceived Usefulness	Attitude	0.135
Subjective Norms	Perceived Usefulness-Attitude	Behavioural Intention	0.129
Perceived Usefulness	Attitude	Behavioural Intention	0.176
Perceived Ease of Use	Perceived Usefulness	Attitude	0.303
Perceived Ease of Use	Perceived Usefulness-Attitude	Behavioural Intention	0.383

The findings indicate that perceived ease of use is a strong predictor of customers' perceived usefulness of online shopping, which is consistent with the results of previous studies (Yi *et al.*, 2006; Tong, 2010). This means that, if consumers realize that shopping is easier on the internet, they will consider online shopping as useful. Therefore, businesses which sell their products and services over the internet, must organize their web sites in such a manner that consumers can easily perform their operations. To this end, the prepared guidelines for purchase and payment procedures should be clear, and easily understandable to consumers.

The results show that perceived ease of use and perceived usefulness both have a positive effect on attitude. This result is consistent with the results of previous studies (Gefen *et al.*, 2003; Jarvelainen; 2007; Tong, 2010). However, it was determined that perceived usefulness has a more profound effect on attitude than consumers' perceived ease of use. It is confirmed that perceived usefulness has a positive effect on consumers' behavioural intention against online shopping. In addition, it is determined that consumers' attitude toward online shopping is associated positively with behavioural intention against online shopping. These results are consistent with the results of previous studies (Gefen *et al.*, 2003; Jarvelainen; 2007; Bouhlel *et al.*, 2010). These results suggest if consumers believe that they achieve their purposes with online shopping or their needs are met by online shopping, they will have a positive attitude toward shopping on the internet and then, they will perform the behaviour of online shopping. Therefore, businesses must consider the desires and needs of consumers for online shopping. Businesses which want to create more useful web layout within the scope of sales over the internet, should be more informative about the contents of products and services, should provide time savings to consumers by serving

them quicker, and must establish more flexible return and exchange policies.

With regard to the external variables of trust and subjective norms, the findings indicate that trust has a positive effect on perceived usefulness, and this result is consistent with the results of previous studies (Su *et al.*, 2009; Al-maghrabi and Dennis, 2010). But the direct effect of trust on attitude and behavioural intention were determined to be insignificant. These results contradict the results of a previous study (Kim *et al.*, 2009). However, trust was demonstrated to influence attitude via the mediating effect of perceived usefulness, and in the same way trust was determined to have an indirect effect on behavioural intention via perceived usefulness and attitude. Therefore, when businesses provide trust and confidence to consumers about their purchasing processes from the internet, it is considered that consumers will evaluate online shopping as useful. For this reason, businesses have to provide confidence to consumers to protect their personal informations, and account or credit card informations that are required during payment. Also, accurate, complete and timely delivery of the product or service is important to give confidence.

Subjective norms which are the other external variable of the study has a positive effect on perceived usefulness and behavioural intention. These results are consistent with the results of previous studies (Yi *et al.*, 2006; Crespo and Rodriguez; 2008). Yet it was determined that subjective norms have a more profound effect on perceived usefulness than behavioural intention. Conversely, the direct effect of subjective norms on attitude was found to be insignificant. This result contradicts the results of a previous study (Crespo and Rodriguez; 2008). However, subjective norms are demonstrated to influence attitude via the mediating effect of perceived usefulness. Also, subjective norms were determined to have an indirect effect on behavioural intention via perceived usefulness and attitude.

Thus, the opinions of the communities such as family and friends that within the consumers' inner circle, affect their beliefs regarding online shopping usefulness and intentions of shopping online. Therefore, businesses must consider the thoughts, expressions and behaviours of their target group's inner circle.

In conclusion, businesses which prefer the internet as an alternative distribution channel must focus on perceived usefulness and perceived ease of use, which play important roles in the formation of positive attitude and purchasing intention. This is due to the fact that it is indicated that perceived ease of use, trust and subjective norms have indirect effects on attitude and behavioural intention via the mediating role of perceived usefulness, in addition to the direct effect of perceived usefulness on attitude and behavioural intention. Also, it should be noted that businesses should understand consumers' demand for their web sites and should offer more customized features on the basis of the specific needs of consumers such as providing online support to them when they need it during the process of online shopping.

This study was carried out only on the academic staff of Bulent Ecevit University, and this is the most important limitation of the study. Thus, future researches which will be implemented on samples selected with the random sampling method will allow the generalization of the outcomes and making comparisons between studies and samples. In this study, the structural equation modelling, which enables one to see the cumulative effects of all variables at the same time, was used. For future researchers, it is proposed that variables which affect consumers' online shopping behaviours such as perceived risk, perceived enjoyment and previous shopping experience be inserted into the study model for extending the study area.

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## Analytical Approach to Neuromarketing as a Business Strategy

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**ABSTRACT.** The aim of this paper is to analyze the theoretical and methodological approaches to the study of neuro-marketing for designing business strategies. The initial question is based on incorporating advances in neuro-marketing to the field of strategic direction. The research method used is to review the literature to study this phenomenon. The main conclusion is that neuro-marketing allows us to know the customer's reactions in terms of brain activation without the need to appeal to the report of his conscious experience. In consequence the firms will be able to develop capacities and valuable resources to create focal strategies.

**KEYWORDS.** Business strategy, capacities and resources, neuro-marketing,

### INTRODUCTION

If neuroscience is seen in its childhood, neuro-marketing is clearly in an embryonic state. Marketing academics just wake up to the possibility offered to reveal the brain circuits involved in the search, selection and purchase of a product (Morin, 2011). While the economy has begun using neuro-imaging techniques in its research that has resulted in neuro-economics marketing has shown leery at the idea of expanding their research using new techniques, even though both fields share common interests, such as decision making and exchange (Lee, Broderick and Chamberlain, 2007). Neuro-marketing is an emerging interdisciplinary field that combines psychology, neuroscience and economics (Lee et. al., 2007) whose term has been coined by Smidts in 2002 (Lewis and Bridger, 2005).

While neuroscience has grown dramatically in the last decade, it has not penetrated easily into the academy of marketing mainly because very few researchers have formal training in cognitive neuroscience, and the fear produced by public criticism about of the ethical issues involved in the use of neuro-imaging (Morin, 2011). This ethical debate, despite being in a lot of articles has not been explicit in Mexican universities, including a large number of scholars and students know basics of neuroscience despite working directly with the search, satisfaction and needs assessment of consumer.

The brain is responsible for all consumer behaviors. Despite being only 2% of the body mass, it is using a large amount of energy, approximately 20% of our total energy. Most of the functions you need are handled by the brain at an unconscious level. This account to

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explain why for almost 80% of the cerebral energy is required to maintain the baseline status. Clearly, it is used only 20% of the brain consciously (Morin, 2011). So it is disturbing that despite this information, companies continue applying methodologies based on the reports articulated of their clients, jeopardizing their investments and waste the vast amount spent each year on brain studies.

Braidot (2005) states that the needs describe what people need to live. These needs become wants when the customer thinks about a product or service to satisfy demand and when you have the purchasing power to buy at the point of sale. The study of customer needs is at the heart of the concerns of the organizations as the key to staying competitive lies in the ability to identify and develop products and services that can satisfy them better than competitors. Both needs and wished involve the biological and social human beings, although ultimately is preferable to separate for study.

While the way language is used can vary from culture to culture, the language of the brain maintains stability in the results. The goal of neuro-marketing is to study the physiological response of the brain to advertising and marketing strategies. In order to evaluate the effectiveness of these strategies, the resulting brain activity from this phenomenon is monitored and measured using neuro-imaging techniques. Neuroscientists are now able to directly study the frequency, location and timing of neuronal activity in an unprecedented way. However, marketing has ignored these developments and their potential (Lee, et al., 2007).

So the aim of this study is to show an overview of the advances in neuroscience and how they have helped broaden the knowledge of those who from their niche continue asking questions about human behavior. The research has benefited from the ongoing global multidisciplinary input, but does not seem to attract enough attention at home, leaving out the pos-

sibility of providing local information to supplement neuroscientific studies with the cultural characteristics of each social group

### **DIFFICULTIES OF THE TRADITIONAL METHODS OF MARKETING.**

Marketing scholars have considered a few years ago that market research was accurate and credible sample that allowed organizations to make informed business decisions. However as reported by Pradeep (2005, 5) 80% of the failures of new products in the market, the economic cost implied provides strong evidence of the difficulties faced.

Although each year are invested over 40 billion dollars in advertising campaigns, conventional methods to try and predict the effectiveness of this investment shows flaws because it depends on the willingness and capability of the client to describe how he/she feels when is exposed to advertising (Morin, 2011). The failure is due primarily to the fact that people assume they are able to describe their own cognitive processes, which, it is well known now, the cognitive processes have many subconscious components.

The methods of "articulated answers" as market research, surveys and focus groups to name some of them, are not ideal to know the way a person feels about a product or service because it is difficult to describe in precise words the emotions experienced by a person to a stimulus such as a product. Braidot (2005) considers that researchers would be trying to ask the conscious mind what their unconscious mind recorded to translate into language that accurately reflect the phenomenon. Neuroscience has reported in turn that the brain alters the original response recorded as the accessing process to translate the information stored in a physical response that carries said alteration.

In the case of focus groups participants' responses may be influenced by the dominant group subjects, in addition to factors such as

incentives, time and pressure that may have some interference in its report. Surveys in turn require substantial samples and design tools developed to be able to counter variables such as language, education and culture between subjects tested (Pradeep, 2010, 10).

### CONTEMPORARY NEURO-SCIENTIFIC METHODOLOGIES.

As it has been observed, traditional methodology is unable to replicate or model what the brain does, how it operates and what it perceives around itself (Pradeep, 2010, 9). In contrast, Neurological tests reach a rigorous degree of scientific and actionable results for various reasons. First, it requires smaller samples and that despite the differences that we find between the brain of a man and a woman, and, between a children compared to an adult, our brains are much more alike than different (Pradeep, 2010, 11).

Second, neuro-scientific methodologies provide insight through neuro-imaging, brain areas involved and subconscious processes without conscious effort of the participants. Third, it offers the possibility to study in real time, allowing the viewer to understand the phenomena related to specific times of the test. Fourth, most of these methods measure the physiological response noninvasively. However, each has certain limitations which will be discussed below.

The EEG is an acronym of the Electro encephalography. Hans Berger designed the first practical application of EEG in 1920 (Pradeep, 2010, 3). This passive technology uses sensors to pick up electrical signals due to activation of brain waves (Pradeep, 2010, 11). To do this, it uses a cap with electrodes that are placed on the head of each participant of the study to measure low voltage signals.

When a stimulus is presented to a subject, such as a television commercial, neurons produce a small electrical current that can be amplified. This electric power has multiple fre-

quency patterns, called brain waves, which are associated with different states of consciousness. Brain waves can be recorded in small time intervals, some EEG can record up to 10,000 times per second, which is very valuable because of the speed with which information is acquired through the senses and speed of our thoughts. It is estimated that about 80% of our brain activity is used to maintain a state of rest or baseline so it cannot be assumed that the brain waves generated are entirely produced by a stimulus (Morin, 2011).

The EEG has become the best instrument to evaluate the wave brain handles cognitive information along providing subjacent information about neural mechanisms (Pereyra, 2011, 26). The EEG is also a very sensitive device to measure low voltage signals so before the assessment is carried out a search of the subject's brain activity to create a baseline and reduce noise. Some limitations of EEG are that no shows a good enough spatial resolution to localize precisely the place where a neuron produces electricity, especially in the deeper and older structures of the brain (Morin, 2011).

Morin (2011) refers to previous studies such as those carried out by Reeves Lang, Forson and Rothschild (1989) to record activation in the left frontal lobe related to positive messages of television scenes using only four electrodes, while today, this system may be use 256 electrodes to monitor brain activity. This does not mean that early research was inaccurate but emphasizes the speed with which this field has evolved in a few years.

Functional magnetic resonance imaging (fMRI) is a tool that uses an MRI scanner to observe in an image changes in brain blood flow. The study participant lies on a narrow tube while registering firing neurons to stimuli presented. Neurons need to use energy, which is carried by the bloodstream and rapidly metabolized. The key element to marketing research is to understand the contrast of the sig-

nals in the dependent level of oxygenated blood (BOLD). To a stimulus some brain areas of the subject receive more oxygenated blood than they had received in a previous time (Morin, 2011).

This change creates a distortion in the magnetic field emitted by the hydrogen protons in water molecules in the blood. The basis of fMRI studies is to consider that a change in the BOLD signal is an accurate measure of neural activity, with a spatial resolution ten times better than the EEG. The limitations of this instrument has to do with a delay of about five seconds which is the time between which it is produced the brain activation and BOLD signal changes, and the high cost of equipment (Pradeep, 2010, 13).

Magneto encephalography (MEG) emerged in the mid-60's records the magnetic fields of the brain and that brain activity is a function of electrochemical signals between neurons. This neuronal activity creates magnetic fields that can be amplified and mapped using MEG which has an excellent temporal resolution as well as a better spatial resolution than the EEG. Morin (2011) believes that one of its limitations is that not a good method to observe sub cortical areas as best recorded brain activity of the cortex. This suggests that the best way is to use MEG to measure activity in known areas or which are expected to be produced in a specific task, rather than used for exploratory experiments.

The eye tracking device displays the products or advertisements on a sensitive screen to the sight and look, which allows determining what people see every millisecond in real time. The results show the areas that the participating persons observed for longer period of time and the path of the eye movements. This technique can be used together with the EEG for further evaluation. Currently the company Tobii has designed lenses that function as eye trackers recording what attracts the attention of the individual to be analyzed in their software, which allows researchers to

make an accurate study in real-time and contexts.

### **FIRST STEPS TOWARDS AN INTERDISCIPLINARY WORK.**

Despite the great potential, the applications of neuro-imaging in relation to marketing initially focused primarily on brands and consumer behavior, particularly using EEG to explore people's reactions. Also it was used to assess individual preferences between the brand familiarity and preference for the product, comparing familiar vs. no familiar brands. When consumers see a brand for the first time feels a negative uncertainty compared with one familiar already to him, which through repetition of advertising messages at low levels increases effectiveness and reduces uncertainty. Advertisers should be aware that repeated exposure to excess damages their advertising because it causes boredom in the consumer, must be balanced to be recognized by the customer and avoid over exposure of a product (Madan, 2010).

With current advances, it might be able even to know by eye tracking aspects that attract the customer's attention and what appears to be a distraction in the form of offering a product, obtaining a more detailed report that achieves to fill any gaps in the phenomena studied previously.

### **INTERDISCIPLINARY WORK: THE PHENOMENA IN TERMS OF BRAIN ACTIVATION**

The collaboration between neuroscience and marketing can expand the knowledge in important areas, from the expected questions such as the relationship between the consumer and the product, the influence of advertising stimuli, the formation of a brand, unmet needs and business opportunities, to the interaction of organizations in specific market contexts and identification of emotions in terms of

brain activation, undoubtedly enriching themes for contemporary society.

Important aspects such as trust have been explored by neuro-marketing. To research this aspect at organizational level is very important because it can be designed better strategic alliances, joint ventures, mergers and / or acquisitions. To Motterlini (2008) trust is a determining factor for both parties. Without genuine trust, any party runs the risk of opportunistic behavior.

Marketing research has conceptualized trust as something more than a behavior of rational economic calculation. Apparently neuro-scientific methods can provide information on trust development. Early studies have linked activation of the caudate nucleus with this phenomenon (Lee et al., 2007). But this is only the beginning of a fine and detailed research that will correspond to future research.

The psychology of pricing on its part has been investigated in order to know the effects on the consumer price. Despite the amount of literature available, companies seem to use very little of this information when setting their prices at a disadvantage getting (Lee, et al., 2007). Recent studies have explored the mistakes made by consumers when they process terminated prices 0.99 compared with integers, suggesting that the individual pays less attention to the last sequence numbers. Others have investigated the social role of the same in terms of brain activation (Lee, et al., 2007). It appears that commodity prices are influenced by emotional based rewards. Knowing the price of a product as salt price compared to the price of a sports car shows brain activation in areas other than suggesting a different processing of the same.

Studies made in real time have allowed the parties to linking the parts to the most important processes related to marketing. Madan (2010) has reported that the medial prefrontal cortex (mPFC) is a repository of links between factual knowledge and bio-regulatory states.

This translates to product information linked to positive affect pathway (mPFC); an increase in activation (mPFC) and superior frontal gyrus marks when there are observed family marks, which can improve its projection rapidly if gain consumer confidence through the use of celebrities.

Regarding sub cortical areas most frequently involved in neuro-marketing research Madan (2010) cited the amygdale, responsible among other things for emotional processing of information and the intensity of the reward. The ventral striatum, including the nucleus acumens, and the brain's reward center, are another indicator of predictive reward and hippocampus relative to the memory involved in the recognition of brands, products and services.

### **THE NEURO-MARKETING AS BUSINESS STRATEGY**

The strategy concept may have different views. In this paper it is defined the strategy as the alignment or direction of the resources available to an organization in terms of changes in their environment (Vargas, 2012) and it also focus on the strategy as the theory of a firm about how compete successfully (Peng, 2010, 10). Also the core of the concept is related to the formulation of the strategy and the implementation thereof. That is why the neurosciences in conjunction with cognitive science, psychology and marketing have gone into the business arena by providing new ways to observe and analyze consumer behavior and how it makes decisions.

Knowing these techniques provides businesses a useful tool for obtaining more accurate information to create strategies and competitive advantages that lead to a better positioning in the market; this is where the neuro-marketing becomes relevant. For example, it is well known that companies focus on well-defined market segments and use their resources to outline strategies that can meet the

needs and expectations of its clients and their potential clients in highly competitive environments. However, marketing executives and advertising so far have based their predictions on intuition, experience and articulated consumer reports to try to predict whether advertising is effective.

As far as basing predictions of what neuroscientists already know about how humans process information and respond to various stimuli can lead to make decisions with greater confidence (Lee, Butler and Senior, 2010). By understanding more scientific and specific the various types of customers, inquiring about their cognitive and perceptual characteristics to apply this knowledge to satisfy their needs and wants is one of the major interests of neuro-marketing (Braidot, 2005, 210). Therefore, neuro-marketing can help companies to strategize more focused and less uncertainty.

The resource-based view suggests that the specific capabilities of a firm lead to the difference in performance. The winning firms have valuable skills, unique and difficult to imitate (Peng, 2010:16). So as more objective information which offers neuro-marketing provides insight into customer needs to enable organizations to better ability to innovate, develop and refine their marketing strategies. While most research analyzes how the brain perceives reality and focus on sensory processing of information, currently is being analyzed numerous experiments that reveal how it affects the image of the brand in those preferences (Braidot, 2005, 216). Unlike conventional advertisers that work with preconceived ideas about the success of an announcement, it should be fun and the design must be conspicuous (Gladwell, 2000, 105).

Most of the time, human beings are making decisions, whether consciously or unconsciously, they are choosing between numerous alternatives presented at a given time and based on available information. Knowing these aspects where reason and emotion are

together in deciding possible by combining conventional marketing techniques in collaboration with the opportunities provided by neuro-scientific methodologies. When entering into the literature on this topic, it is realized that the human being is less rational than it has been seen before and maybe there is nothing wrong with this. From ancient Greece the Descartes's ideas have been very effective, considering a separation between reason and emotion. Plato even longed for the chance to get rid of what he called "Horses of emotion" to make better decisions, although neuro-scientific studies have questioned these ideas.

The case of a successful lawyer Elliot who after undergoing surgery to remove a tumor of the frontal lobe began displaying behaviors which seemed not to be aware of their emotions despite maintaining their cognitive abilities intact. Because along with his brain tumor removed from their prefrontal lobes, cutting the connections between the lower centers of the emotional brain, this made him able to take all the steps prior to decision making, but unable to assign values to different options (Damasio, 1994, 55-72.)

This case would have been fascinated precisely to Plato, although it has been precisely contradicted, the emotions seem to have a relevant role in decision making. The interaction between cortical and sub cortical areas in this process realizes the continuous negotiation between automatic and controlled processes. Dragolea and Cotîrlea (2011) mention that the neurologist Donald Caine believed that the essential difference between emotion and reason is the fact that emotions make us act while reasoning only allows us to assess.

Making a decision requires comprehensive knowledge and rational strategies to operate on this knowledge. The reasoning processes occur around options for action, predicting future results and plans for implementing various goals in varying scales of time. The images with which a person reasons when thinking must be active in working memory and the

customer should keep in mind all possible options and strategies to buy (Braidot, 2005, 103).

One of the most famous studies that account for some of the topics that were discussed previously is performed by McClure, Li, Tomlin, Cypert, Montague and Montague (2004b) about the preference between two soft drink brands which reported a higher preference for Coca-Cola versus Pepsi and related activation emotions and affections (ventromedial prefrontal cortex) when participants were informed that they were taking the Coca-cola. However, the blind test showed no contrary evidence. The interesting thing about this study is not the choice between the two lines, but the evaluation of the two decisions before the decision itself.

Gladwell (2005, 185-186) argues that the difficulties of interpretation of the study between Pepsi and Coca-Cola are based on the fact that they are based on what professionals call sip tasting, in which the tasters do not drink the whole can but take a sip, which is something very different from drinking altogether. In a tasting sip, consumers prefer the taste sweeter while the entire can take that same sweetness becomes cloying. The Pepsi is sweeter than Coke, which gives it a huge advantage in a tasting sip. This is a wonderful example of the difficulty of finding out what people really think so to take advantage of the assessments made by consumers of cola, before they have to decide which of these two reactions they want more.

So it is a case where it can be inferred that the neurosciences in conjunction with existing methodologies mentioned above can provide companies a solid foundation to create or recreate their positioning strategies. This study reinforces the complexity of decision making and the importance of emotions, situational aspects and information resources available to the consumer. This research does not provide the neural code of decisions but shows the potential power of such studies. These data have

been confirmed by studying with people who had suffered damage to the prefrontal cortex (Madan, 2010). Despite having provided information that was consuming the brand, it has showed no difference in their preferences as in the case study (McClure et al., 2004a) in participants without brain damage.

Despite their usefulness neuro-marketing is not limited to use of neuro-imaging techniques, complemented by neuroscience and cognitive science to be able to quantify the behavioral processes. Madan (2010) takes the form in which decisions can be divided into five steps: (a) identify the problem before which a decision is made, (b) assess the possible choices, (c) make the decision based on the evaluation of the available options, (d) consider the resulting consequences, and (e) learn from this process to make better decisions in the future. Viewed this way it is easier to analyze why free will is an unconstructive way of conceptualizing how humans choose.

### **CULTURAL ASPECTS IN CONSUMER BEHAVIOR**

Studies of preferences for a product show that culture values some aspects which may act as a secondary gain related to a primary need. People learn to meet their needs in different ways according to their socioeconomic and cultural profile. They develop different subjective habits, conditioned by their own neural wiring, personality, age and the influences they receive from their environment (Braidot, 2005). Erk, Spitzer, Wunderlich, Galley, & Walter (2002) found that objects with high social value representation (sports cars) had resulted in increased activation in reward centers (orbit frontal cortex, anterior cingulate region and occipital cortex) compared with lower social value objects (small cars).

In this same line many companies undertake communication campaigns to achieve desirable social goals, as to persuade young peo-

ple not to drink, not to smoke, not to pollute the environment, among others. These campaigns besides showing a behavior consistent with the values of society, they also underpin a corporate image with long-term benefits (Braidot, 2005). The association of the brand with these behaviors carries a code that gives consumers a strong group membership based on the ideology of the same and therefore strengthens their affective bond.

Local studies allow more objective comparisons on these premises, Iyengar (2010 p. 56-57) reported behavioral studies of choice that show marked differences between East and West.

### **THE ETHICAL ASPECTS: LOOKING FOR RESTRICTIONS OR REGULATIONS?**

Ethical issues have been the central debate about neuro-marketing studies. It is relatively easy to find literature that argues against these studies as Nature Neuroscience editorial published in 2004 that the only interest of neuro-marketing is to find what they call the "Buy button" to create advertising campaigns that we will not be able to resist. The main fear of consumer protection groups focuses on the vulnerability of people to the application of this information in its mysterious review that can lead to specific neurological effects intentionally.

However, ethical issues have not been addressed only to marketing but also to communications, sociology, politics and psychology. The effects of advertising, according to Morin (2011) can contribute to society beyond simply finding the "Buy bottom ". The application of neuroscience can provide a basis of understanding of how humans create, store, recall and relate information as it does with a mark in their daily lives. It would also be possible to discover whether some aspects of marketing activities trigger negative effects such as consumerism. In fact, the field of neuro-

marketing should be considered a legitimate and important area that allows understanding human behavior in extremely important business relationships.

Ethics should not be a stranger field to any professional as it relates to society in general. Adina Roskies defines neuro-ethics research as the research on how to deal with social issues of disease, normality, mortality, lifestyle and philosophy of life in the light of understanding of the brain mechanisms that underlie all these issues (Bonete 2010, 70).

Neuro-imaging studies have even suggested that neural activity precedes conscious intention questioning free will, especially if this can be monitored by an external observer (Madan, 2010). However the potential restriction of free will and the possible invasion of privacy require the evaluation of academic and government regulation, consumers should know who is collecting this data and the potential uses of the information (Wilson, Gaines and Hill, 2008).

### **CONCLUSIONS**

Undoubtedly obtaining information from the neuro-marketing is more accurate because it takes into account not only the sociological and psychological profiles of customers, but also the cognitive. Thus, neuroscience gives us the ability to explore more of each group and segment the market on more solid bases (Braidot, 2005, 217).

Studies using neuro-imaging methodologies provide insight into real-time consumer response to a specific stimulus. The image of a brand can arouse emotions that can be more powerful than the effect of the product itself. In other words a strong brand image alters perception towards the product (Dragolea et al., 2011). Hence, the importance of knowing the underlying processes of customers in ways that enterprises develop valuable skills and resources to generate targeted strategies.

The neuro-marketing provides a real competitive advantage in an increasingly saturated market (Pradeep, 2010, 5). Unfortunately the outdated and insufficient input from alumni and students in the country has implications that disadvantage the business growth and undermine the opportunity to compete in international markets. This lack of local research results in a small body of information to be compared with studies done in other countries and cultural aspects that could differentiate consumer behavior.

So the heart of the interaction between neuroscience and business is not using one method but in the way how to address business problems. So it is very likely to have a neuro-scientific approach in marketing research, in significant organizational problems and decisions will give a better understanding of why human beings behave generally or react the way they do and they will be in a better position to more accurately predict this (Lee, et al., 2010).

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## The Entrance of New Products in the Cretan Market

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**ABSTRACT.** Cretan customers are becoming more demanding in order to satisfy their needs. People are looking for products that can combine high quality and low prices. Thus, they are becoming familiar with private label products that are a good alternative choice to advertised brand labels. Retailers are pushed towards investing in the grocery market to maximize their profits. The aim of this study is to demonstrate that applying consumer behavior theory to the growing and relevant area of brand stores can provide information for decisions that may not be typically reviewed. This survey was deployed within various population segments across Crete. A sample of 575 customers, aged over 18, was chosen and the survey was conducted face to face and via the Internet. The data will help determine the influential factor that arises before, during and after the consumer enters the store. At the end of this research, we expect to gain significant insight into the motivations, perceptions and behaviours of retail consumers.

**KEYWORDS.** Private labels, new products, consumer behavior, Crete

### INTRODUCTION

Nowadays, there is an increasing turn to purchasing private label products. A combination of good price and quality makes them attractive to the consumers. Businesses spend lots of money on research in order to identify consumers' behavior. This research has to do with the perception of Cretan residents.

Crete is the biggest island of Greece with a population at around 621.000 (2011)<sup>1</sup>. It is observed that till 2010 no research has been done in order to recognize the needs for and the perception of private labels among this

population, comprising 5.3% of the whole population of Greece.

The research aim of this survey is to identify how Cretan consumers behave with private label products and their opinion of these products. Moreover, a useful result will be how Cretan customers evaluate these products in comparison with the national brand products that they are more familiar with, the criteria that affect their perception and lead them to buy those products, as well as the criteria which help them to choose the supermarket where they will go shopping. Moreover, the

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private label products are purchased for use in the home. All of these findings will help us to better understand the Cretan grocery market.

### ***Literature Review***

Retailer brands, which are owned and sold by a specific chain of stores of a retailer as well as distributed, can be defined as private label products (Lincoln and Thomassen, 2008). These products are typically manufactured by a third party (contract manufacturer) under license. They are priced lower than nationally advertised brands and frequently offer equivalent quality (Hinloopen and Martin, 1977; Connor and Peterson, 1997). In the beginning, the original market position of these private label products was a lower price/lower quality alternative to manufacturer brands, but they have been repositioned; their quality improved and they are now increasingly associated with new product launches. This has been facilitated in large part by the increased willingness of national brand manufacturers to supply quality-equivalent private labels (Soberman and Parker, 2004).

The retailer does not produce the majority of private labels. In fact, manufacturers may choose to produce own-label products for retailers in order to achieve scale economies in production and distribution, usage of excess capacity, and sales increase without marketing cost, along with price discrimination because of image differentiation between branded and private-label products (Baltas, 1997). Increasingly, entire factories, mostly small regional players which are not coincidentally playing in the major manufacturers' field, are dedicated to the production of own label products (Hoch, 1996). Therefore, attention is concentrated on cost minimization and with that in mind, lower advertising and promotion costs, along with quality differences contribute to the formation of a lower supply price for own-labels, leading to a 10-30% cheaper private label brand.

### ***Economic Situation in Greece***

At the end of 2008 a global economic downturn began to take hold in Greece. The increasing percentage of unemployment in Greece, the decrease in salaries, the expensive cost of living, the misapplication of new taxes in the market and the austerity measures are some of the effects of this financial crisis which has had a significant effect on the market. In 2009, current value sales saw more than a 2% decline. Greek consumers were unwilling to spend on non-foods in such eras, and instead reacted positively to offers and private labels. Trends in 2009 were obviously in favour of retail outlets positioned at the lower end of the market, and of cheaper products such as own labels. Until now consumer faith is a considerable driver of these trends as buyers are looking for cheaper products and cut-price promotions.

Moreover, the continuous usage of the internet from Greek users has helped in the creation of a new strong market. Nowadays, shopping online is becoming very popular. Thus, all store-based retailers have started to create attractive web pages in order to gain more consumers via the internet. Store-based retailers now compete using both store displays and attractive web pages. Within grocery retailing, these developments benefited chains positioned at the lower end of each category, and especially discounters. The winner within non-grocery retailing was the internet. It was chosen by many consumers as a way to find the best price deals. As a result, private label sales have increased.

As far as Greek customers are concerned, they are becoming more demanding in order to satisfy their needs. They are looking for good quality products with low prices. As consumers face unemployment and uncertainty in their everyday life, they prefer to spend less, leading them to buy more private label goods. They are becoming more familiar with private labels and this motivates the retailers to invest in this market. Before moving on

though, it is necessary to mention that nowadays Greek consumers can also resort to the internet in order to purchase their goods if they are not satisfied with the private label products or the offers they come across at the supermarket (ICAP, 2009).

### ***Entrance of Private Labels in the Greek Grocery Market***

In the beginning of the 1980s the first private label products entered the Greek grocery market sector. The supermarket 'Prisunic Marinopoulos' started to sell private label products under the name 'Pi-Mi'. Those products were the result of a collaboration between 'Prisunic Marinopoulos' and the French chain 'Prisunic'. Later, Veropoulos' chain entered the market with the products Spar and Vero (ICAP, 2010). The first private labels concerned a limited number of consumer goods, while today there are a wide variety of products sold by supermarkets. In 1990 the multinational chain Continent and after 1995, the chain Dia, contributed to the spread of private label products in Greece. In 1999 the German company Lidl joined the market whereas 9 years later, another recognizable German company, Aldi, was also established (although this one has now ceased operations in Greece). Moreover, the already established supermarkets in the Greek grocery market sold private label products (ICAP, 2010).

### ***The Island of Crete***

As this research paper focuses on the exploration of consumer preferences on the island of Crete, it is necessary to provide some information about Crete and its economy. Crete is the biggest island of Greece. It is located between the Aegean Sea and the Libyan Sea. The capital of Crete is Iraklion. The island is divided into four peripheral units. From west to east these are: Chania, Rethymno, Heraklion and Lasithi. The principal cities are Chania, Rethymno, Ierapetra, Agios Nikolaos and Sitia. The Greek language is spoken

throughout the island. The population of the island is around 621,000 people (2011) which is 5.3% of the whole population of Greece<sup>2</sup>.

The economy of Crete depends greatly on agriculture; unlike other Greek islands Crete can support itself independently, while during the last few years tourism has gained great importance for the economy of Crete. There are three sectors of the Cretan economy: The first sector has to do with agriculture, live-stock and fishing, the second concerns the processing and packaging of the products from the first sector, and the third refers to the firms which provide the customer with their services. 21% of Cretans work in the first sector, while 17.9% of the Cretan population works in the processing and packaging field; 61% of Cretans' occupation has to do with providing customer services (Baourakis, Angelakis, Zopounidis and Drakos, 2011a).

Crete contributes to Greece's GDP by 4.9% (2008) which is a large enough percentage compared to the contribution of the other prefectures, since it takes 3<sup>rd</sup> place. In 2008 Crete's GDP per person was 19.132€ (Baourakis et al., 2011a). Unemployment in Crete was around 12% in 2010 while in 2009 it was 8.8% and in 2008 it was 6.3% (Baourakis et al., 2011a). In 2007 Crete's annual household income was 7.366€ million.

The island has three significant airports: Nikos Kazantzakis in Iraklion, Daskalogiannis airport in Chania and a smaller one in Sitia. The first two serve international routes, as the main gateways to the island for travelers. The island is also served by ferries. Crete is one of the most popular holiday destinations in Greece.

Overall, there were 2.527.897 international arrivals on the island of Crete in 2011, a decrease of 1.3% from 2010 (Baourakis et al., 2011b). The Civil Aviation Authority of Chania (Baourakis et al., 2011c) announced that in 2011 the total number of international charter flights in Chania was 499,609, while in 2010 it was 458,426, increasing by 8,98%. In Hera-

klion the total number of international charter flights was 1,665,235 while in 2010 it was 1,468,121, increasing by 13,43% (Civil Aviation Authority of Heraklion, c.f. Baourakis et al., 2011c).

### **Methodology**

The data was collected via a questionnaire which covered several issues. It was designed to approach the general attitudes, behavior and perceptions of the Cretan consumers towards private label products.

The field survey was conducted in all of the four main prefectures of the island of Crete between November and December of 2010. A total of 575 random consumers responded positively. The survey questionnaire was accomplished via personal interviews and email surveys. Thus, for those who accomplished it through a personal interview, there was also the possibility to explain and clarify difficult questions and help consumers to understand the nature and objectives of the questions.

The questionnaire was designed in order to translate the entire researcher's information needs into questions that supermarket consumers will be able to answer. The language used in the questionnaire was familiar to everybody that lives on the island of Crete. It used a simple vocabulary that made the questions easy to understand. In some cases, more than one question was used in order to achieve the goal for the information that we needed. The questions did not require too much effort to answer. Interviewers were asked to tick their chosen answer; the majority were multiple-choice questions while the remaining used the (5-point) Likert-scale method.

Questions were arranged in a logical order, organized around the topic areas. The first part of the questionnaire was related with consumer habits while the second part questioned the importance of choice criteria. The questionnaire continued with the evaluation of the private label products which constituted the third

part. The intention of purchase follows, while the demographics are found at the end of the questionnaire. A random sample of 10 consumers was used in order to pilot-test the questionnaire which was then finalized and distributed.

Data analysis was conducted via the Statistical Package for the Social Sciences (SPSS, version 18.0). Percentages are used in order to indicate more clearly the relative size of variables. Pearson's correlation is used in order to allow researchers to determine if there is a possible linear relationship between two variables measured on the same subject. A form of associative analysis is represented by cross-tabulation. The basic idea of ANOVA is used in order to compare the between-treatment group sum of squares (after dividing by degrees of freedom to get a mean square) with the within-treatment group sum of squares (also divided by the appropriate number of degrees of freedom). Multiple regression is used in order to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable. The level of probability for rejecting the null hypothesis that the independent and dependent variables were not related was 0.05 for the test.

### **Analysis of Profile of Respondents**

It was found that women respond more easily than men; the number of women who responded was almost double that of men. Moreover, from our sample it was found that 25-34-year-olds answered more easily to the questionnaire than elderly people and young adults. It is noted that the majority of the customers who responded were well educated (Table 1).

Additionally, it was observed that there is not such a big problem with unemployment in Crete, since only 1 person out of 30 was unemployed. The monthly family income of the islanders is around 1001-2000€ while the size

Table 1. Education Level of Respondents

Education	Percentage
Primary school-Junior high school	7.7%
Senior high school	21.45
College (IEK)	12.4%
University or Technological Institute(TEI)	35.2%
Postgraduate Studies	23.3%

Table 2. Monthly Family Income of Respondents

Monthly family income	Percentage
<1000	27.3%
1001-2000	39.5%
2001-3000	19.9%
3001-4000	6.2%
<=4001	7.1%

of the family usually has 3-4 members (Table 2).

### **Consumer Habits Analysis**

Almost all people go shopping at the supermarket and the majority (79.6%) answered that they are the ones who usually do the household shopping. A significant percentage of those who responded go shopping at least one time per week at the supermarket (Figure 1). It is noted that the buyers who shop frequently may have greater shopping expertise, get more information about the structure of the market and be less willing to pay higher prices for manufacturer brands (Wolinsky, 1987; Soberman and Parker, 2004). Half the people surveyed expressed that they are regular customers of a specific supermarket. It was also observed from the sample that Cretan people prefer Chalkiadakis supermarket and Marinopoulos–Carrefour. Most consumers prefer to spend up to 50€ (Figure 2) every time they go to the supermarket. However, only a small proportion of people do not know what to buy when they go shopping at the supermarket whereas more than half of those surveyed have decided on which specific brand to buy when they go to the supermarket.

### **Choice Criteria Analysis**

It is stated that price is important when choosing products at the supermarket while consumers prefer a good quality product regardless of the packaging of this product. Moreover, it is important for a product to be offered at a competitive offer (Table 3). The origin of the products which are sold at the supermarket plays a significant role when people choose a product, while they answered that they are indifferent to the brand of the products. This comes in contradiction with G. Baltas and P. Papastathopoulou (2003) who noted:

*“The high values of both product quality and product features suggest that customers are mostly concerned with essential properties and characteristics of the product and pay considerably less attention to dimensions of the product such as packaging or country of origin.”*

It is interesting that consumers prefer supermarkets that give them a big variety of good quality products at low prices combined with attractive offers. Moreover, the

Figure 1. Percentages of the Number of Times People Go Shopping at the Supermarket

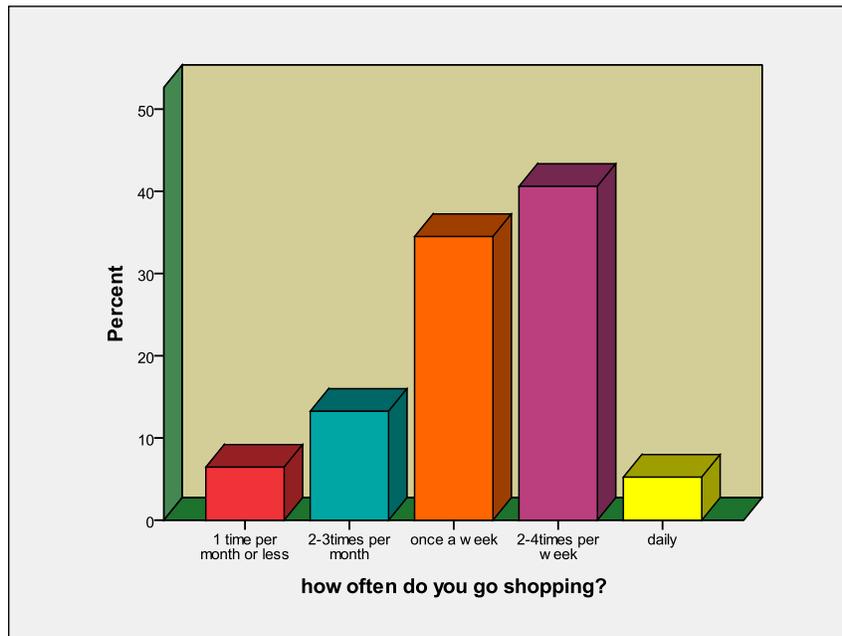
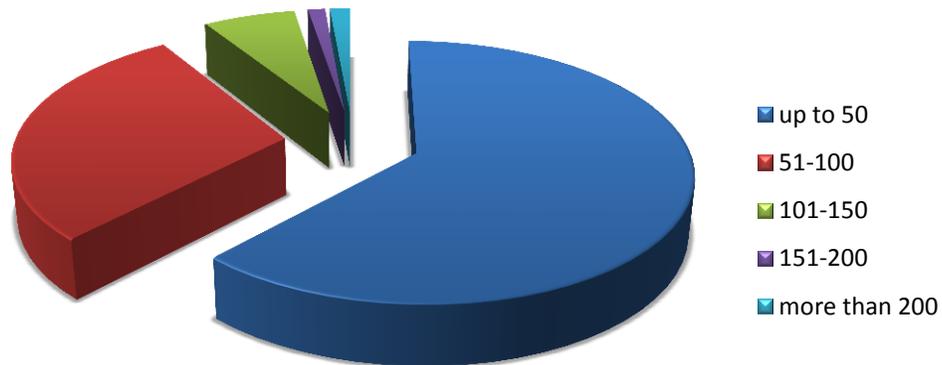


Figure 2. Money Spent at the Supermarket

**How much money do you spend?**



accessibility of the supermarket and the service play a significant role in consumer behavior. People noticed that atmosphere, layout and reputation are not so important when they choose the supermarket (Table 4). These find-

ings are similar to the findings of G. Baltas and P. Papastathopoulou (2003) who report on store selection variables. They observed that quality and variety are the most important store choice criteria.

Table 3. Importance of the Following Criteria When Choosing Products at the Supermarket

	Not important	A little important	Quite important	Very important	Extremely important	Missing answers
Price	1,6%	5,6%	31,8%	30,3%	29%	1,7%
Quality	1%	1,7%	16,5%	39,8%	40,1%	0,7%
Packaging	16,9%	40,3%	21,7%	10,6%	6,8%	3,7%
Offers	2,6%	14,6%	28,3%	28,7%	23,1%	2,6%
Origin	6,8%	15%	25%	29,4%	21,6%	2,3%
Brand	11,5%	28,5%	31%	16%	10,6%	2,4%

Table 4. Importance of the Following Criteria When Choosing the Supermarket

	Not important	A little important	Quite important	Very important	Extremely important	Missing answers
Price	0,9%	3,8%	22,6%	32,7%	38,3%	1,7%
Variety	1%	5,6%	22,6%	39,5%	29,2%	2,1%
Quality	0,5%	1,7%	17,2%	38,1%	40,5%	1,9%
Accessibility	1,7%	7,3%	20,5%	33,9%	34,1%	2,4%
Atmosphere	7%	23,1%	29,9%	24,7%	12,7%	2,6%
Service	1,7%	10,6%	26,8%	37,9%	20,5%	2,4%
Layout	7,5%	27,7%	26,6%	25,6%	9,7%	3%
Reputation	10,3%	26,4%	28,2%	21,2%	10,6%	3,3%
Offers	3%	13,7%	22,4%	30,6%	28%	2,3%

### *Shop Evaluation Analysis*

A significant percentage of those interviewed reported that they are satisfied by their supermarket. Furthermore, they remarked that they have a good combination of prices, variety, quality of products, layout, offers, service, atmosphere, reputation and very good accessibility. It is found that location is a key component in consumers' assessment of total shopping costs while it is still important for retailers who wish to get a substantial share of the wallet from their fill-in trips and small basket shoppers (Ailawadi and Keller, 2004).

It is also observed that almost 70% of the sample is satisfied with the supermarket where they usually go shopping (Table 5). Moreover, almost two thirds of the respondents characterized the supermarket where they usually go shopping as a good supermarket and that they like the supermarket that they usually pur-

chase products from, while they also feel satisfied with that supermarket.

### *Analysis of the Evaluation of Private Label Products*

The majority of the respondents feel indifferent to the statements about whether they like to purchase the supermarket's private labels and if they like it when the private labels are available for the products that they buy. Moreover, the consumers answered that they neither agree nor disagree if the private label products are the best option of the supermarket, if the private labels are low quality products or if they believe that when they buy those products they are making a good purchase. They only agree on the statement that private label products are value for money. However, more than one third is satisfied with the private label products of the supermarket.

Table 5. Satisfaction From the Supermarket That People Usually Go Shopping

Satisfied by SM	Frequency	Percentage
Very dissatisfied	1	0.2%
Dissatisfied	2	0.3%
Indifferent	101	17.6%
Satisfied	397	69%
Very satisfied	73	12.7%

Customers compared private label products with national brand products and noted that private label products have better prices and better offers than national brands while they also remarked that private label goods and national brand goods have the same quality and packaging. Nevertheless, those surveyed expressed that private label products have a worse reputation than other products (Table 6). As Richardson et al. (1994) stated, extensive product-specific advertising, strict quality controls, and superior extrinsic cue effects have led to strong brand images that appeal to brand-sensitive consumers. Almost half the respondents were of the opinion that private label products and national brand products are the same (Figure 3). As Boutsouki, Zotos and Masouti (2008) mentioned, Greek consumers are becoming more accustomed and receptive to private label brands and the original belief that private label products are of an inferior quality seems to be replaced by a more positive attitude towards own brands. Consumers expressed that only a small proportion of the supermarket basket usually consists of private label goods (Table 7).

#### *Intention of Purchase Analysis*

In this part the consumers determined which private label products they chose to buy if they were going shopping at the supermarket. First in their choices are stationery goods, second are household detergent products, then come detergent products, while pre-packaged food follows. The findings show that first in

Greek consumer preferences are stationery goods, then pre-packaged goods, then household detergents and other detergent products (Figure 4).

#### *Findings of Cross-tabulation Analysis*

It was found that there is a strong relationship between the money that a person spends at the supermarket and his monthly family income ( $p$  value = 0.027). Clearly, they cannot spend more money than what they make. Moreover, there is a relationship between how important price is when choosing products from the supermarket and if private labels are better than national brand products ( $p$  value= 0.000). Obviously, if a product has a better price than another (e.g. private labels) it can be said that it is better than another product. Then, because of the strong relationship between the importance of a product's price and the satisfaction level of a private label product, it can be said that because of a better price, people can feel more satisfied by this product. Additionally, because the price of a product is very important, this product can be characterized as a value-for-money product because of the strong relationship found from the cross-tabulation analysis. If a person is satisfied with private label products, he can increase his private label purchases. Moreover, there is a relationship between the satisfaction level for a private label product and the satisfaction level for the supermarket that people make their purchases from. Undoubtedly, the satisfaction of a private label can

Table 6. Comparison Between National Brand and Private Label Products

	Much worse	Worse	The same	Better	Much better	Missing answers
Price	0.9%	7.3%	13.4%	50.6%	25.4%	2.4%
Quality	3.1%	36.5%	42.1%	11%	4.5%	2.8%
Package	2.4%	36%	43.1%	11%	4%	3.5%
Offers	1.9%	12.2%	21.4%	48%	13%	3.5%
Reputation	6.6%	44.9%	28.3%	11%	5.2%	4%

Figure 3. Private Labels in Comparison with Brand Products

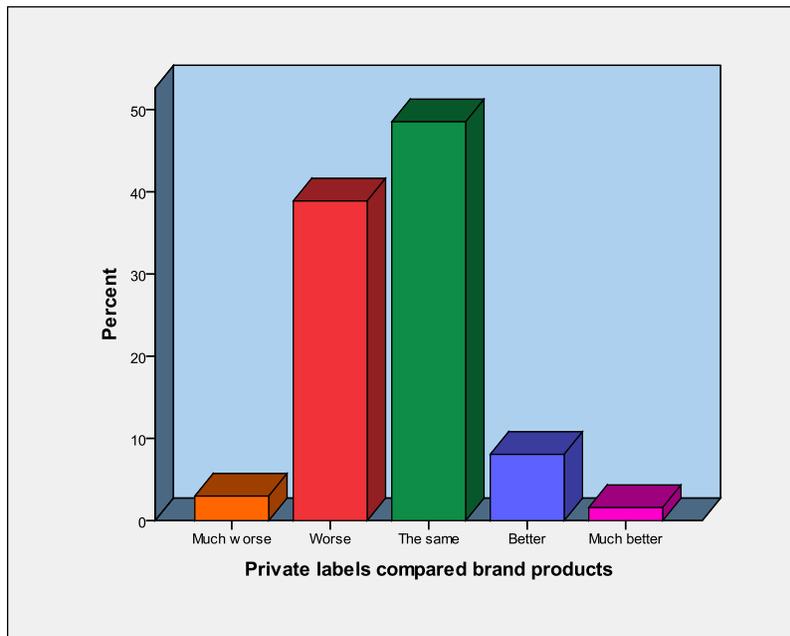
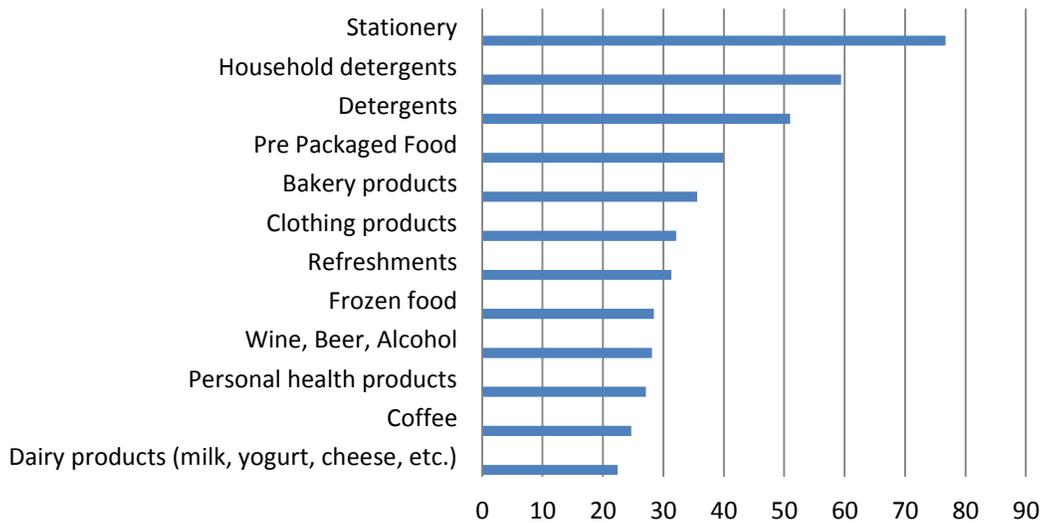


Table 7. Percentage of Private Label Purchases

Percentage of purchases	Percentage
0%	15%
10%	30.7%
20%	18.5%
30%	13.6%
40%	6.6%
50%	5.8%
60%	3.1%
70%	3.1%
80%	0.9%
90%	1.7%
100%	0.9%

Figure 4. Intention of Purchase (%)



contribute to the satisfaction of the supermarket that they purchase from.

#### ***Findings of Bivariate Correlation Analysis***

The results of the analysis have shown that there is a strong relationship between some variables which evaluate the supermarket where people usually go shopping. It is obvious that, for example, a person who is satisfied with the supermarket where he usually makes his purchases believes that it is a good shop, while he evaluates it as a good store and his overall opinion for it is good and vice-versa. The significance level is 0.01 (less than 0.05) so the correlation is significant and the variables are linearly related, while Pearson's correlation indicates a positive direction (0.747).

Moreover, from the correlations of the responses concerning how much people agree or disagree with some statements about private label products, it is evident that when a person who answered that he likes purchasing private label products, he agrees that he likes it when private label products are available at the supermarket, that private label products are a better choice, that they are value for money products and that they are good products, while he disagrees that private label products

are low quality and vice-versa. The significance level is 0.01 (less than 0.05) so the correlation is significant and the variables are linearly related, while Pearson's correlation indicates a positive direction (0.656). It is important to mention that he has a different opinion about the quality of the product because in the questionnaire, respondents were asked to complete this question with different counter numbering from the other statements.

#### ***Findings of the ANOVA Analysis***

The findings of the ANOVA analysis are discussed in this part of the chapter. It was found that because of the differences in the means of the "I like purchasing the supermarket's private label products" group, there is a correlation with "How often do you shop for private label products?" The significance level is 0.000, which is below 0.05.

Moreover, the dependent variable "Are you satisfied with the supermarket where you usually go shopping?" is correlated with the variable "Are you satisfied or dissatisfied with the private label products of the supermarket?" because of the different means. The significance level is 0.000, which is below 0.05.

Finally, the dependent variable "Are you satisfied with the supermarket where you usu-

ally go shopping?" is correlated with the variable "I like it when the supermarket's private label products are available for the products I buy" because the group's means are not equal. The significance level is 0.016, which is below 0.05.

### ***Findings of Multivariate Regression Analysis***

It was observed that only the independent demographic variable of age can influence the dependent variable "Percentage of private label purchases".

$$\text{Var}_{\text{predicted}} = -0.200 * \text{age} + 4.809$$

It was found that the dependent variable "Are you satisfied or dissatisfied with the private label products of the supermarket?" can be influenced by the independent variable of price, quality, packaging and offers of private label products compared to national brand products.

$$\text{Var}_{\text{predicted}} = 0.137 * \text{price comparison} + 0.47 * \text{quality comparison} - 0.11 * \text{packaging comparison} + 0.077 * \text{offer comparison} + 1.575$$

Moreover, the results have shown that the statement "Overall, the private label products are \_\_\_\_\_ than other national brand products" depends on the independent variable of price, quality, reputation and offers of private label products compared to national brand products.

$$\text{Var}_{\text{predicted}} = 0.062 * \text{price comparison} + 0.464 * \text{quality comparison} + 0.108 * \text{offer comparison} + 0.81 * \text{reputation comparison} + 0.617$$

Finally, the last regression analysis has shown that the satisfaction level of the supermarket where people usually go shopping depends on the prices, reputation and layout of the supermarket.

$$\text{Var}_{\text{predicted}} = 0.207 * \text{supermarket prices} + 0.66 * \text{supermarket layout} + 0.87 * \text{supermarket reputation} + 1.842$$

## **CONCLUSION**

The purpose of this study was to understand how Cretan consumers behave with private label products. Private label products present significant growth in the last few years. Due to their competitive prices and attractive offers, consumers have become familiar with these products. It is found that people believe that they have the same quality and packaging as national brand products while it is also noticed by some people that some of these products are of better quality which makes them more competitive with national brand products. The only drawback noted was their bad reputation. The majority of people who purchase private labels prefer stationery products, household detergents and other detergent products. It is interesting to note that private label food products were last in preference among Cretan consumers. Nowadays, private label products offer an alternative choice to people and help them to reduce the monthly family expenditure. The lower costs associated with advertising, research and marketing makes them more competitive in the grocery market.

### ***Limitations and Recommendations for further Research***

All research has some limitations. Thus, this research has some limitations. A sample of 575 consumers is representative for our survey but it is not sufficient for the population of the island. Moreover, the data were collected only from four cities on the island of Crete. Because of the time pressure the survey used personal interviews and email surveys, which were not conducted inside the supermarkets. Moreover, having undertaken online research, the data had missing responses. Thus, it is observed that there were some difficult questions in the questionnaire which were not easy to answer by some people.

A further study could explore how people behave with national brand products in peri-

ods of financial crisis, while it will be useful to know the psychological reasons that affect customer perception and lead them to buy a product. Further research could investigate how the supermarket managers will adjust the findings of these results in order to improve their shops while manufacturers can improve the quality of their products without influencing the price. Additionally, it will be good for manufacturers to research how they will yield new products in various product categories.

### NOTES

- 1- <http://www.patris.gr/articles/205333?PHPSESSID=g38fft15ib71d0bn52akqa0ai0>
- 2- <http://www.patris.gr/articles/205333?PHPSESSID=g38fft15ib71d0bn52akqa0ai0>

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## ***BOOK REVIEWS***

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**Ernest Dichter and Motivation Research: New Perspectives on the Making of Post-War Consumer Culture.** S. Schwarzkopf and R. Gries (Eds.) 2010. New York, USA. Published by Palgrave MacMillan.

*Reviewed by Aidan Kelly, Senior Lecturer in Marketing, Royal Docks Business School, University of East London, London, United Kingdom.*

Ernest Dichter is a name synonymous with Motivation Research and the development of the interpretive tradition in Marketing Research (Tadajewski, 2006), yet much like Edward Bernays in the discipline of Public Relations he is something of a forgotten figure. Few mainstream Marketing textbooks today refer to Dichter's work, case studies or influence on American or European consumer culture, and while he was not the originator of either Motivation Research or the use of qualitative methods in Marketing, he was pivotal to their proliferation in corporate America. It's true that some of Dichter's most famous case studies, such as Betty Crocker Cake Mix (advising the manufacturers to include packaging instructions for housewives to add an egg in order to alleviate the guilt of using a convenience product) or Chrysler (likening men's relationship with cars to sexual relationships) may be somewhat dated and lack political correctness in our current epoch, yet the principles of his research approach and conceptualisation of consumer-product relationships remain both valid and fascinating. This interdisciplinary collection of scholarly essays, edited by Stefan Schwarzkopf, Associate Professor of Business History and Marketing at Copenhagen Business School and Rainer Gries, Professor of Modern History at the University of

Jena and Professor of Communications at the University of Vienna, is the first to explicitly investigate Dichter's life and work as well as the role of Motivation Research in the production of post-war US and European consumer culture.

The book is ordered into five sections, which elaborate on different aspects of Dichter's life and influence on Motivation Research. The first chapter by Stefan Schwarzkopf and Rainer Gries provides a general introduction to Dichter and how a relatively poor Austrian émigré rose to prominence as a psychoanalytic Motivation Researcher in America. Schwarzkopf and Gries are quick to dispel the myth that Dichter was the 'Father of Motivation Research', and instead show how he was originally supported by fellow Austrian Paul Lazarsfeld at Columbia University (arguably the true Father of Motivation Research) (Fullerton, in this volume), and then developed a more interpretive variant of Motivation Research which was used extensively to understand the anthropological meaning of products to consumers. They demonstrate how many of the controversies about the manipulative potential of Motivation Research, most famously manifested in Vance Packard's now legendary *The Hidden Persuaders*, ironically served to popularise Dichter as a Motivation

Researcher par excellence in America. Dichter's rise coincided with the crest of a wave, in what Schwarzkopf and Gries describe as the 'Century of the Consumer' (27), which witnessed an explosion in scientific Marketing Research.

The second section of the book examines the various dimensions of Dichter's work and personality. Daniel Horowitz charts Dichter's meteoric rise amongst the Austrian and German immigrants to America in the 1930s and 1940s, and how Dichter re-invented himself as an American citizen. According to Horowitz, Dichter was most interested in the pleasure of goods, often developing sexual interpretations of consumer products that put him at odds with the burgeoning feminist movement of the time. Ronald Fullerton highlights Dichter's skill and creativity as a researcher, but also describes him as a 'master myth-maker' (72) who was not the founder of Motivation Research but developed a professional reputation as its leading exponent. Gabriele Sorgo explores the links between Dichter, religion and capitalism. Her chapter characterises a man who felt capitalism could transcend religion (something which doesn't seem far fetched today), however he was also strongly rooted in the Protestant Ethic of the 'labour-consumption cycle' (81). Of specific interest to a Marketing audience, Mark Tadajewski's chapter considers Motivation Research (and Dichter's use of it in particular) as an early branch of interpretive consumer research with its discovery-orientated qualitative focus, and he explores the ontological, epistemological and axiological similarities between these disciplines.

The third section of the book introduces case studies of Dichter's most famous client consultancies. Helene Karmasin presents a fascinating chapter on Dichter's studies of automobile marketing. She argues that although Dichter never developed a full-fledged theory of customer motivations, his real strength lay in the methodological eclecticism he practiced

and the profundity of his research findings. Dichter understood cars as an implicit semiotic system, many years before such theories were academically formalised in Marketing and Consumer Behaviour, and recognised the car as '...a central cultural artefact, which stands for central concepts of our collective desire: mobility, individuality, self-determination, autonomy and creation of distinction' (124). Regina Lee Blaszczyk examines Dichter's work for Du Pont and his insights into fashion as an expression of male consumer identity (metaphorically describing men as sartorial "peacocks"), while Katherine Parkin demonstrates how Dichter anthropomorphised food through his research, giving certain foods a distinctive gender and sexual identity. In the final chapter of this section, Karina Krummeich and Stefanie Lahm evaluate Dichter's relationship with the feminist movement and chronicle his demonization (although not by name) by Betty Friedan in *The Feminine Mystique* as a mass manipulator of female emotions. While Dichter grew up in a matriarchal family, he retained a quite conservative male ideology, and Krummeich and Lahm describe him as '...a man of contradictions...this tendency can also be seen in his perception of women' (168).

The fourth section of the book considers Dichter's relationship with the European Marketing and Advertising fraternity in the wake of his emigration to America. Kai-Uwe Hellmann examines how Dichter positioned himself as a midwife of social and cultural trends to corporations, and an educator in taste and style to consumers. According to Hellmann '...his uses of metaphors helped him to manipulate the public interpretation of Motivation Research' (184). Andrea Morawetz documents Dichter's consultancy for Austrian companies following his successful use of Motivation Research in America, however her account shows that this was not necessarily a happy homecoming for Dichter, as he was strongly criticised by professional rivals who

disagreed with his politics and idiosyncratic application of Motivation Research. Véronique Pouillard examines how Dichter's approach gained traction in France, consulting for many organisations there in the 1950s, however she also details the resistance of situationist and semiotic philosophers in France to the social model promoted by Dichter which they felt would lead to '...the alienation of society through consumption' (217). Stefan Schwarzkopf details the significant impact of Dichter on British Marketing Research, despite objections to his professional reputation and hubristic persona, while Dirk Schindelbeck highlights the condemnation of Dichter by German advertising elites who regarded him as an apostate to American capitalism and dismissed Motivation Research as subjective and unscientific. While Dichter was a lauded Motivation Researcher who had built fame and fortune as an immigrant in America, it seems many of his European counterparts (and especially his fellow countrymen) did not share this enthusiasm for his work or ideas, particularly when Motivation Research fell out of favour with the Marketing establishment in the late 1950s and early 1960s.

In the final section of the book, Stefan Schwarzkopf and Rainer Gries evaluate Dichter's life as a promoter of capitalism who saw the liberatory potential of consumption. Schwarzkopf and Gries show how Dichter's characterisation as a mass manipulator of social values is a charge levelled against the advertising industry as an institution in today's critical writing on the subject. However, they also note how Dichter's work, however haphazardly, pre-empted the cultural, linguistic and postmodern turn in academic Marketing Research of the 1980s and 1990s, and his interpretive philosophy greatly influenced the development of qualitative research in academia and industry as he '...attempted to position consumers in their social and cultural environment' (285). This anthropological approach to consumption was unique for the

time and continues to find creative expression in commercial Marketing Research practice (Sunderland and Denny, 2007).

The strengths of the book are that it is a rich, authoritative history examining various facets of Dichter's life, work and influence, as well as that of Motivation Research more generally. The sections of the book are well structured around pertinent themes, and the contributors helpfully consider Dichter's legacy to contemporary academic and practitioner Marketing Research. A slight criticism would be that the text does not contain an Editorial Introduction at the beginning of each section, and I believe this would have helped readers to better frame the context of each relevant theme. Also, in a note to the publishers, it is unfortunate that the text is currently only available in an expensive hardback version, and this may limit the audience for the book to research specialists. This is a great shame as it is a collection that should have wide appeal and could potentially generate a revival of interest in Dichter's life and work.

From this text, it is clear that Dichter's ideas preceded by over three decades many seminal developments in Marketing and Consumer Research such as Semiotics, Brand Relationships, Brand Personality and Cultural Anthropology. However, academically robust theoretical constructions of these concepts (Aaker, 1997; Fournier, 1998; McCracken, 1986; Mick, 1988), as well as his diminished reputation in later years, denied Dichter a more prominent historical legacy in Marketing and Consumer Behaviour.

This book makes a landmark contribution to our understanding of Dichter's work and influence on many aspects of Marketing Research and the wider development of American and European consumer culture. While not an academic originator or formal theorist of Consumer Motivations, his story emphasises the important role of marketing itself in gaining acceptance for ideas, concepts and principles in social science (Peter and Olson,

1983). Dichter is a much maligned and often misunderstood figure of Marketing history, but perhaps Ronald Fullerton in this volume summarises him best when he suggests that 'Dr Ernest Dichter was more, much more, than people now think, and he was less, much less, than he claimed to be'.

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**Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs. Muhammad Yunus with Karl Weber.** New York: Public Affairs, 2010, 256 pp. ISBN 978-1586-4882-46. List price: \$25.95. Hardcover.

**Creating a World Without Poverty: Social Business and the Future of Capitalism, Muhammad Yunus with Karl Weber.** New York: Public Affairs, 2008, 320 pp., ISBN 978-1-58648-667-9. List price: \$26. Hardcover.

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The recent crash of the market in 2008 has raised several questions about the utility of unregulated capitalism. The latter half of the twentieth century saw the demise of socialism and the simultaneous growth of capitalism throughout most parts of the world, which allowed a faster growth of wealth, but also creating a greater increase in inequalities. Does it have a promise in the 21<sup>st</sup> century?

Muhammad Yunus, the 2006 winner of the *Nobel Peace Prize*, proposes a modified solution to solve this problem at the firm level, with "social business," a term he introduces in *Creating a world without Poverty* (Yunus 2008) and further expands on in a follow up venture, *Building Social Business* (Yunus 2010). Social business, according to Yunus, is defined as "a *non-loss, non-dividend* business (Yunus 2008: p. 24) designed to address a social objective within a highly regulated marketplace. In such businesses, the investor recoups the money over time, yet never receives a dividend beyond that amount. The surpluses are reinvested in the business rather than being passed on to investors. He also distinguishes such businesses from not-for-profits, such that these businesses should pursue to generate profits, which then can be used to expand the company's reach, improve the product or service or in other ways subsidize their social mission.

Social business is seen as an innovative business model that promotes the idea of doing business in order to address a social problem, and not just to maximize profit. It ultimately benefits marginalized customers in forms of better prices, better service, and greater accessibility. The two books expound on this concept, its implementation, and its maintenance following his *Banker to the Poor* (Yunus 1999), where the author introduces *Grameen Bank* as a pioneering example of social business, where the borrowers also play the role of shareholders. The goal of such businesses is to complement the traditional notion of capitalism as prescribed by Adam Smith, by serving humanity's most pressing needs, such as social injustice and poverty. These businesses create employment, safe working environment, and most importantly address a specific social ill such as illiteracy, healthcare affordability and malnutrition.

Although the term "social business" was pioneered by Professor Yunus in 2007 (he has been writing about "social conscious driven enterprises" since the late 1980s), it has lately been hijacked by others such as *IBM* (IBM 2012) and Kiron et al., (*MIT Sloan Management Review* 2012), where the term is used to refer to how individuals interact with digital experiences such as social media and apply their insights derived to a variety of different

business processes. It involves innovating and collaborating more productively and delighting customers and creating advocates, as well as integrating business processes with the right social tools in securing a business advantage and pioneering new ways of doing business.

Yunus's pioneering idea of social business is initially presented in *Creating a World without Poverty* (2008), where he distinguishes it from social entrepreneurship, by being a subset of it. As noted on page 32, any innovative program to help poor people falls under the purview of social entrepreneurship—running it as a for-profit business in order to help a segment of the society makes it transcend to a social business. Such businesses are further distinguished as two types (page 28): one focused on providing social benefits such as poverty reduction, social justice, health care for the poor, etc., rather than maximizing profits for the owners, while the other focuses on profit maximization for businesses owned by the poor and the disadvantaged. In the first case, the nature of the product creates the social benefit, while in the latter case product produced may or may not produce a social benefit— it comes from ownership and directly benefits them. In either case, social businesses are cause-businesses. Here, the company must cover all costs and make profits, while simultaneously achieve the social objective. The impact of the business on the people or the planet, rather than the profitability measures the success of a social business.

The author then carefully outlines the evolution of his signature project, the *Grameen Bank* and noting how as additional areas of economic imbalances and opportunities were uncovered, how the companies mandate evolved and broadened. The company was founded in 1983 as a bank to provide financial services for the poor, but was gradually expanded to form a Trust (1989), Agriculture Foundation (1991), Fisheries and Livestock (1994), Telecom (1995), Energy (1996), Edu-

cation (1997), Healthcare Services (2006) and finally *Grameen Danone* (2006) which provided affordable, nutritious food for the poor. He also discusses how the company evolved from the initial phase (*Grameen I*) to the current phase (*Grameen II*) by being nimble and flexible in meeting the ever changing demands of the competitive environment.

He cautions us by noting that charity is not always the best solution to every problem, and how social businesses can play a critical role in the new form of capitalism. The book begins with his meeting with the CEO of *Groupe Danone* and vividly describes how his latest joint venture partnership *Grameen Danone* was formed. He also describes how the financing and implementation of this project in detail.

The book then goes on to ask and answer questions like how the marketplace can be broadened, who will invest in social business, as tax and regulatory issues. He also has a chapter on how Information Technology (IT) can be leveraged in a transformed world. He shows how IT can help to integrate the poor in the process of globalization by expanding their markets via e-commerce. The role of IT in promoting self-employment, and bringing education, knowledge and training to the poor are also outlined. He is very optimistic on how the IT revolution can be harnessed to create a better life for everyone as well as strengthen democracy by providing a platform for citizen activism. According to him, IT gives “voice to the voiceless, eyes to the politically blind, and ears to the politically deaf.” (p. 202).

The final two chapters discuss the hazards of prosperity and the importance of eradicating poverty (titled, “Putting Poverty in Museums”). Yunus addresses the issue of economic inequality and the struggle over global resources. He is a firm believer in personal freedom, and yet encourages us to reflect on how sacrificing part of it can enhance our own safety, security, and long term happiness. He feels the need for a parallel voice in the mar-

ketplace, where we think about whether or not our purchases are exhausting the earth's natural resources. Are we recycling? Are we socially responsible? Yunus feels that social businesses can play a critical role in encouraging this parallel voice.

The final section of *Creating a World without Poverty* is his Nobel Prize Lecture, "Poverty is a threat to Peace" delivered in Oslo, Norway on December 10, 2006. In it he emphasizes how poverty is a denial of all human rights, and then outlines his vision on the role of social businesses in globalization. He recommends the need for the creation of a "Social Stock Market" where investors can connect with social businesses, whose stocks will be traded in this market. The rule of "strongest takes it all" must be replaced by opportunities for all. (p. 246).

These concepts are flushed out in greater detail in *Building Social Business* (Yunus 2010). He updates the *Grameen Danone* joint venture partnership of producing affordable nutritious yogurt for the poor by identifying the mistakes, and the lessons learned. The yogurt is produced with solar and bio gas energy and served in environmentally packaging. Their current goal is to establish an additional fifty plants and create several hundred distribution jobs and self-degradable packaging in the next ten years. Other examples include the new venture between *Grameen* and *Veolia* in providing safe arsenic free water in Bangladesh. Two *Grameen GC Eye Care Hospitals* were opened in 2001 and 2009 respectively, and can now jointly perform 50,000 eye examinations and 10,000 cataract operations annually. *Grameen Intel* takes IT to the impoverished to help their lives. They offer a packaged solution consisting of hardware and software training to low income entrepreneurs, who in turn can create a social impact in their village communities.

In the follow up book, he also offers ideas in many different sectors on how one might start a social business. One interesting pro-

posal involves having "cross-subsidization" business models, where the prices are kept very low in the rural areas, where consumers cannot afford them, and the full market rate is charged in cities, where they are better off. This model has been successfully implemented for yogurt, healthcare and water purification industries. Several organizations with which he has been involved actively to promote and incubate social businesses like the *Yunus Centre* in Bangladesh, the *Yunus Social Business Centre* at the *University of Florence*, the *Grameen Creative Lab* in Germany and the *Social Business Earth* are also highlighted.

The idea of eradicating poverty using newer business models began with Prahalad's (2005) *Fortune at the Bottom of the Pyramid*, as well as other book written by Sachs (2005), Hart (2007), etc. Yunus (2008, 2010) further explicates this notion by introducing the notion of social business, which provokes us to rethink how capitalism should operate. The concept continues to build momentum via the creation of new journals highlighting the new capitalism paradigm, i.e., *Journal of Social Business* and *Social Business* as well as other books (see Jager 2012, Wimmer 2012 as some examples) building on the concept. Professor Yunus continues to update his latest work on his website, [www.muhammadyunus.org/](http://www.muhammadyunus.org/).

A better world begins with imagination, and Professor Yunus definitely provides us with one. He has spent over three decades thinking and working on these projects, and his enthusiasm for them is clearly evident to the reader. Both, *Creating a World without Poverty* and *Building Social Business* have interesting case studies, anecdotes, and sound advice from him. Together, they provide voice for an inspirational manifesto for altruistic capitalism. They are a must read for anyone who wants to be inspired and wishes to make a difference in their own neighborhoods, country and in the world!

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## JOURNAL OF EUROMARKETING

Enlarged Europe is playing an increasingly more important role in the global economy. The purpose of the Journal of Euromarketing is to meet the needs of academics, practitioners, and public policy makers in the discussion of marketing issues pertaining to Europe and European countries' trading relationship with other nations. The purpose of this exciting journal is to increase our understanding of the strategic planning aspects of marketing management in Europe. As well, marketing and international business aspects of the trading relationship between European and foreign firms are also explored conceptually as well as analytically. The unique position of the region would provide fascinating reading material for practitioners, public policy makers and academicians. The articles submitted to the journal create a forum whereby a conceptual understanding of the European markets and marketing systems be operationalized, analytical insights obtained as well as the past, the present, and the future of European marketing be highlighted.

The manuscripts submitted should report the results of cross-cultural/national and comparative studies conducted among countries of Europe. They can be based upon a single country of the region and/or industry there upon with a concerted effort to contrast the results/findings and managerial implications with those obtained by international marketing scholars/practitioners elsewhere. Both thought provoking and well-developed and documented conceptual/ theoretical as well as empirical contributions are sought. But every manuscript must have an applied, managerial orientation.

With its 27 full and 5 associate members, EU is the world's largest internal market possessing nearly \$12 trillion economy. Its importance is constantly increasing. Currently, there is a vacuum in the marketing literature which needs to be filled by relating the Europe factor to the global marketing scene;

emphasizing on an interaction mode – that is, the horizontal dimension as well as the inter and intra trade and marketing activities in Europe. As such, Journal of Euromarketing covers the following areas of inquiry:

- a) Functional areas of marketing in Europe and comparison with the practices of those in other regions.
- b) The dynamics that account for the linkage of European national markets into markets of the developing world, North and Latin America, the Far East and Africa.
- c) Determine the best methods available for marketing goods and services in different socio-economic, demographic, cultural, competitive, and legal-political environments of Europe at national and regional levels.
- d) The method by which European marketing institutions are linked together into viable and coherent business systems.
- e) The type of environmental factors prevailing in different European countries of the region which force changes in the marketing structure of the area countries and industrial sectors
- f) How efficiently does the marketing system perform its universal functions in the countries of Europe and how the weaknesses of the marketing system can be overcome in the region?
- g) The various stages of market and marketing system development in Europe as a working device for generalizing and, possibly, predicting likely developments in marketing in individual countries of the region.

Both thought provoking theoretical/ conceptual and insightful empirical contributions containing most current and up-to-date knowledge which offer the greatest managerial insights are considered. Articles submitted must contain practical information for the marketing practitioners, public policy makers, classroom teachers and researchers with a major emphasis on European marketing. The

Journal tries to appeal to a larger group of readers, so the articles should be written in such a manner that those outside the field can comprehend the expertise and attitudes of those who work within it. Hence, a major criterion is that the language used should be as simple as possible without altering in any way, form, or shape the quality of the information to be communicated. Although not exhaustive, the following topics are illustrative of the subject areas to be covered in the Journal:

- Cross-National Consumer Segments in Europe
- Export behavior of European Firms
- Marketing Strategies of European Multinationals
- Marketing Implications of Strategic Alliances of European Firms
- Markets and Marketing Systems of European Countries
- Marketing Practices of Europe Companies
- Public Sector Marketing in Europe
- Comparative Marketing Systems in Europe
- Diffusion of Innovations Among European Nations
- Transfer of Marketing Technology and Reverse Technology Transfer in Europe
- Buyer-Seller Interactions and Organizational Buyer Behavior Issues in European Markets
- Business Customs and Practices Among European Countries
- Marketing Interaction/Interrelationships Between Europe and Other Trading Blocs
- European Corporate Cultures
- Legal-Political Aspects of Marketing in Europe
- Marketing Issues Pertaining to EU, EFTA, Council of Europe, European Members of OECD, and Associate Members of EU
- Marketing Research in Europe
- Communication/Promotion/Advertising Strategies of European Firms
- Other Topics Directly Related to European Marketing

The Journal is published four times a year. Papers are blind reviewed by at least two members of the Editorial Review Board. Book reviews are special case study materials based on product/service, success and/or failure of European companies in global markets and

industries shall also appear as regular items in the Journal of Euromarketing.

Prospective authors are requested to attempt to restrict their submissions to approximately twenty-five double spaced pages including figures, tables, and references. Authors should submit their manuscripts electronically along with a short abstract and a one-page executive summary to either Editor-in-Chief Erdener Kaynak at [ek9@comcast.net](mailto:ek9@comcast.net) or Associate Editor Svetla Marinova at [svetla@business.aau.dk](mailto:svetla@business.aau.dk). The IMDA Press style guidelines should be used in preparing manuscripts. If in doubt, prospective authors should either refer to the inside back cover of any IMDA Press journals or use The American Psychological Association Guidelines. For more information and subscription to the journal visit <http://journals.sfu.ca/je/index.php/euromarketing> For “Instructions for Authors” and for additional information, please contact the Editor-in-Chief.

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