JOURNAL OF EUROMARKETING

Indexed and/or Abstracted in: EBSCOhost Products; Emerald Management Reviews; Gale Cengage; Business ASAP, Cabell's Directory, The Standard Periodicals Directory, ASOS
Journal of Euromarketing (ISSN:1049-6483) is published quarterly by IMDA Press, 548 Springbrook Drive, Palmyra, PA 17078, USA.
US Postmaster: Please send address changes to Journal of Euromarketing, c/o IMDA Press, 548 Spring Brook Drive, Palmyra, PA 17078, USA.
Annual Subscription, Volume 26, 2017
Print ISSN: 1049-6483, Online ISSN: 1528-6967
Institutional subscribers: $600, Personal subscribers: $125. Institutional and individual subscriptions include access to the online version of the journal.
Production and Advertising Office: 548 Springbrook Drive, Palmyra, PA, 17078, USA. Tel: 717-566-6586, Fax: 717-566-1191.
Subscription Office: IMDA Press, 548 Springbrook Drive, Palmyra, PA 17078, USA. Tel: 717-566-6586, Fax: 717-566-1191.
For a complete guide to IMDA Press' journal and book publishing programs, visit our Web site: http:// http://imda-usa.org

December 2017

JOURNAL OF EUROMARKETING

Volume 26, Numbers 3-4, 2017

CONTENTS

EDITORIAL
Erdener Kaynak 78

ARTICLES
Business-Related Ethical Attitudes and International Market Segmentation in the European Union 81
Gerald Albaum, Ali Kara, and Frank J. Carmone

Critical Success Factors for Small Business Cluster Development 97
Michalis Katharakis, Constantin Zopounidis, Michael Doumpos, Evangelos Grigoroudis, and George Xanthos

Consumer Responses to Social Media Advertisements in Two High-Context Cultures: Effects of Perceived Trust, Informativeness, and Intrusiveness 106
Erdener Kaynak, Ali Kara, and Dhoha A. AlSaleh

Women Read . . . Men don't (or not So Much)! How Neuroscience Can Help Package Design 128
Nicholas Hamelin, Nikhita Kishore, and Talha D. Harcar

BOOK REVIEW
Research Handbook on Export Marketing by Craig C. Julian (Ed.). (2016). Cheltenham, UK: Edward Elgar Publishing. 440 pages. ISBN: 978-1784210804 (paperback). 142
Reviewed by Claude Cellich, Vice president International University in Geneva, Switzerland

Journal of Euromarketing, 26: 78-80, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

EDITORIAL

The study by Albaum et al. examines similarities and differences in business-related ethical attitudes of emerging business professionals in 10 countries in the European Union (EU). The Ethicality Scale developed by Albaum and Peterson (2006) was used to evaluate the use of such attitudes as a base for international market segmentation. These emerging business professional are university/college undergraduate students majoring in business. The necessary data were collected from a self-administered questionnaire.

Two hypotheses were tested:

H1: There are homogeneous segments of individuals within the European Union that possess different levels of business-related ethicality.

H2: Differences in segments are moderated by demographic differences.

Segments were formed by cluster analysis. Four clusters of respondents were selected for analysis. This result provided clusters with the most demographic differences. The profile of each cluster is as follows:

Cluster 1: Mainly young Greeks in their freshman year, business majors, female, non-working, and somewhat religious.

Cluster 2: Danes and French, early 20s in age who tend to be in their senior year, marketing majors, female, full-time employees, and not very religious.

Cluster 3: Germans and Spaniards, about 22 years of age, and a mix of seniors and sophomores, marketing majors, females, part-time workers, and very religious.

Cluster 4: Danes and Brits, about 20 years of age, sophomores and seniors, business majors, male, full-time employees, and not very religious.

The analysis suggests that international market segments can be meaningfully defined by respondents from more than one country. Although country was an important difference, there was agreement of respondents from different countries to generate segment-specific similarities. Segmenting by country alone would miss opportunities both within and between countries. Results indicate that H1 and H2 are not rejected.

The findings of this study show that unique similarities of perceived business-related ethical attitudes are meaningful across EU countries rather than just between countries. That is, there are people in Country A who are more similar to people in Country B than to people in their own Country A. Similar ethical attitudes exist in various countries, and marketers must recognize that meaningful international market segments may be developed based on people in multiple countries.

In recent years, the concept of cluster has become a subject of intense research and analysis. Several cluster evaluation methods are present in the current literature varying from rather simple intuitive approaches to more complex and comprehensive methods. Some of the most significant ones are reporting methods, case study analysis methods, econometric methods, systematic approaches, and cost-related approaches. It is indicated that neither general industry classifications nor administrative regions are adequate to capture the boundaries of a cluster. Many clusters also cut across industrial sectors. Providing cluster indicators, available STI statistics are usually aggregated at a regional or national level, and it is difficult to identify economic activity that occurs at a sub-regional or cluster level.

In their empirical study, Katharakis et al. indicate that forming a business cluster is not a formal process and its development is usually path development. Past literature indicates that cluster development is closely related to regional development and innovation, while it also empowers and enables the introduction of innovation to companies at a regional level. The factors affecting the cluster progress and development are divided in five different categories. Based on these categories, a questionnaire was developed in order to evaluate the groups of critical success factors. These five groups of evaluation dimensions were the following: 1. Vision and cluster strategy, 2. Members of the cluster, 3. Cluster network, 4. Cluster resources and means, and finally 5. Critical mass.

Study results indicated that there are differences between the perceived performance by the cluster members and the actual performance estimated by the previous calculations. The respondents think that the cluster performance in factors of vision/strategy and network is higher than actually estimated, while they think that the cluster performance in factors of members and resources is worse than estimated. In regards to factor critical mass, perceived and estimated performance are almost identical.

Past marketing and communication literature provides some evidence that social media networking sites such as Facebook, Twitter, Pinterest, mobile applications, and search engine optimization have all become an important part of consumers' daily lives as important communication and networking tools all around the world. Experts predict that the popularity of online social networking sites will continue to grow at an accelerating rate in the near future. Considering the significant future growth trends in online social networking and their growing popularity necessitates marketers to refocus their marketing communication strategies to reach their target customers who spend a significant amount of time using these social networking sites. Understanding consumers' attitudes, knowledge structures, and perceptions toward online advertising through social media networks should be an important goal for advertisers when designing their communication (advertising) strategies.

Previous research indicates that social media communication is an important resource for many consumers and may be considered more effective than mass media advertising in influencing certain purchase and consumption decisions. In the current study, Kaynak et al. focus on the consumers in two high-context cultures: Turkey and Kuwait. More specifically, using empirical data collected from two high-context cultures, the study tries to address the following research questions:
1. How does the perceived ad intrusiveness influence consumer responses towards social media ads? 2. How does the perceived informativeness of social media ads influence consumer responses towards the ad? 3. How does consumers' willingness to trust social media ads influence their responses towards the ad?

In a globalizing world, as more and more companies are marketing their products/ services worldwide, it increasingly becomes more important to examine the issue of social media impact. There is little empirical research undertaken at international and cross-cultural levels to understand uses and pitfalls of social media tools and the characteristics and behavioral tendencies of its users. The study examined social media users' perceptions and attitudes toward social media advertising. The study used the constructs derived from the existing literature to test the hypothesized relations regarding consumers' social media use behavior.

In this empirical research study, we tested the relationships between perceptions, attitudes, and behavior. Findings indicated that general ad perceptions and social media ad attitudes positively influenced ad click

behavior while negative attitudes did not have any significant impact on the behavior.

Organic food is the next big business. Global demand is rising due to global demand for organic produce is rising due to mounting health concerns. In Australia, demand for organic food is at its peak. In India alone sales of organic packaged food grew by 20% to reach Rs2.4 billion, and they are set to touch the $1.36 billion-mark by 2020. India is amongst the top 10 countries in the world with regards to cultivable land that is organic certified. As demand grew, so has the number of suppliers. Yet a good farmer is not necessarily a good marketer. Traditional package design requires hours of research and creative work. For low-involvement products where impulsive decision is often the norm, a well-designed package is a critical success factor. Packages that grab attention are generally highly emotional packages, yet although the concept is well understood, gauging if a package is emotional or not is the real challenge facing business. Traditional surveys tend to poorly reflect a customer's true emotional response to a given stimulus, for the simple reason that surveys measure a customer's feeling, which is a conscious interpretation of an emotional state rather than the emotional state itself. By measuring autonomic body reactions, neuroscience can provide unbiased insight into the customer's decision process. Eye tracking provides great insight into a customer's attention and emotional state. For example, pupil dilatation is not only the eye's adaptation to light intensity, but also a sign of emotional arousal and cognitive workload. Facial expression is another powerful tool to get unbiased emotional response to a product or service. In this research, we tested a variety of organic food packages. The study used 5 brands of organic cereal as test cues. They were selected based on a wide range of types of cues present on each packaging. The packaging selected was sourced from Australia to prevent the impact of brand recognition on purchase intention among our respondents. We tested a total of 45 participants from India, 30 males and 15 females, representing the typical organic food consumer and an ideal target for organic firms. The packaging ranged from mostly subjective to mostly objective cues. Each package was displayed for a duration of 3 seconds. Across most packages, heatmaps showed that male participants spent most time viewing the evaluative cues, rather than factual cues, while female participant gaze was more balanced, looking at both factual and subjective cues. Eye tracking and facial expression analysis also provided interesting insights. In a self-report questionnaire, Australia's Own which has the highest average purchase intention scores has also the highest scores on attention and engagement. Moreover, their five strongest manifested emotions were also largely positive (smile, inner brow raise, joy). On the contrary, for the package which had the lowest purchase intention, respondents displayed mostly negative emotions such as contempt and smirking.

Erdener Kaynak
Editor-in-Chief

Journal of Euromarketing, 26: 81-96, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

ARTICLES

Business-Related Ethical Attitudes and International Market Segmentation in the European Union

Gerald Albaum
Ali Kara
Frank J. Carmone, Jr.

ABSTRACT. The study by Albaum et al. examines business-related ethical attitudes and international market segmentation of emerging business professionals in 10 countries in the European Union, assesses the effects of selected demographic characteristics, and evaluates if individuals are more similar to others in other counties than they are to individuals in their own country. Data were collected from university undergraduate business students. Ethical attitudes were measured by a six-item scale of Ethicality developed by Albaum and Peterson (2006). The number of clusters was selected using a process proposed by Kara and Carmone (2012). The resultant clusters are profiled demographically and discussed. These findings suggest unique Ethical segments in the European Union area made up of individuals from different countries. Recommendations are made for further research under different data collection conditions, environments, and populations.

KEYWORDS. Cluster analysis, number of clusters, cluster selection process, market segmentation, cross-border market segments, European Union, business-related ethical attitudes.

INTRODUCTION

The primary purpose of the present study is to explore similarities and differences in business-related ethical attitudes of emerging business professionals in 10 countries in the European Union (EU) and to evaluate the use of such attitudes as a base for segmentation in international markets. By doing this, the present study represents an approach that combines

Gerard Albaum, Ph.D. is Research Professor at Anderson School of Management, University of New Mexico, Albuquerque, New Mexico, USA, Ali Kara, Ph.D. is Professor of Marketing, College of Business Administration, Pennsylvania State University at York, York, PA, USA, and Frank J. Carmone, Jr., Ph.D. is Professor Emeritus Marketing, Wayne State University, Detroit, MI, USA.

Address correspondence to Dr. Gerard Albaum, Research Professor, Anderson School of Management, University of New Mexico, Albuquerque, New Mexico 87131, USA, E-mail: albaum@unm.edu

three of the four bases for international segmentation proposed by Wang (1997): macro, demand, and global consumer. These emerging business professionals are university/college undergraduate business students. Much of the published research on national differences in business ethical attitudes and values of business students has dealt with examining differences between the United States and other countries (see Peterson et al., 2010, p. 575), and they have found that United States students had higher levels of ethical attitudinal values than did non-United States students. Other studies have also reported similar findings (Crittenden, Hanna, & Peterson, 2009; Peterson et al., 2010). However, a study (Peterson at al., 2010) reported that there was no significant difference in total ethicality, and the ethical values were positive in all countries studied. In other words, the absolute or practical difference in the ethical values score was not large.

On a more general level, there have been studies of university students viewing them as members of the millennial generation. For example, a recent study in Slovenia by Culiberg and Mihelič (2016) that looked at students as Millennials and future managers found that the predictive ability of three ethical frames of reference depended on the nature of the ethical issue involved. Another example is the study of Millennials in the United States by Wright, Marvel, and DesMasteau (2014) which concluded that gender had no moderating effect on a respondent's choice of ethical decision-making framework but religiosity did have an effect. A final example is a study by Pressley and Kennett-Hensel (2013) in the United States that examined succeeding in the corporate arena and the role of a necessary ethical orientation. In addition to being university business students and future managers, Millennials are also consumers.

A study by Albaum and Peterson (2014) goes beyond just nationality/country effects. It also looked at the extent to which differences are moderated by gender and religiosity. This moderation has also been studied and demonstrated in the literature to explain differences in ethics attitudes and behaviors. Borkowski and Ugras (1998) and Roxas and Stoneback (2004) have also reported that females tend to have higher ethical standards than males, and that this difference exists across a number of countries. Religiosity is another variable of interest in studying business-related ethics attitudes. The most common conclusion regarding the relationship between religiosity and business ethics is that a "high degree of religiosity is generally associated with higher ethical attitudes" (Conroy & Emerson, 2004, p. 384).

In the present research we look at these factors from the point of view of the individual. That is, we look at similarities/differences at the individual level as compared to the country level. Although the literature provides some evidence of differences in ethical attitudes across countries, what is usually overlooked is that nationality may not be a strong discriminating factor and that pragmatic differences between segments may go undetected. Traditionally, segments are formed using a core set of variables (e.g., ethical attitudes), and the developed segments are profiled against the demographic data. However, this process rarely yields managerial pragmatic differences because the resulting segment profiles may not show clear differences in demographics that the managers need for actionable decisions. When we analyze the similarities/differences at the individual level by incorporating the demographic variables into the number of clusters selection process, the segments developed should become more managerially actionable and practical. In other words, the process of including demographics as discriminating factors should enable us to more effectively capture and evaluate the pragmatic differences among the segments from the perspective of marketers. As a result, the market segments identified will include a mixture of consumers with various demographic characteristics that traditional

analyses may not have captured. Hence, to uncover these similarities/differences, we use both the individual Ethicality scale (to be defined below) and the demographics. This enables evaluation of pragmatic differences from the perspective of marketers using demographics as factors to discriminate among actionable segments. As a result, there may be segments that could include as many women as men, meaning that some women (men) are more similar to some men (women) than to other woman (men). We used k-means cluster analysis to form segments based on the individual Ethicality Scale response.

STUDY BACKGROUND

Market segmentation is a fundamental concept of both domestic and international marketing thought (Wind 1978) and is one of the most frequently used processes in academic literature and practice (DeSarbo & Grisaffe, 1998; Weinstein, 2006; Goyat, 2011; Epetimehin, 2011; Kobrak, 2012). In the context of international markets, segmentation can be viewed as a process whereby unique customer groups can be identified, whether they are country-based or individual-consumer/customer-based (Bruning, Hu, & Hao, 2009, p. 1500). As mentioned earlier, Wang (1997) classifies bases for international segmentation into four groups: (1) macro-based, (2) demand-based, (3) global consumer-based and (4) strategy based. While both macro-based and demand-based approaches focus on country clustering, the global consumer-based approach seeks to segment world markets by transnational consumer characteristics. As a managerial oriented approach, strategy-based segmentation takes country characteristics, consumer characteristics, and product characteristics into consideration in choosing market-specific strategies. In a study of the sportswear industry in Austria, China, South Korea, and the United States, Ko et al. (2012) concluded that cross-market segments existed.

There has been a stream of research concerned with so-called global or international segmentation. Hassan and Katsanis (1991) outline a historical perspective of global market segmentation and present a historical timeline showing the development of this concept. These authors identified three main segmentation methods: (1) the "cross-cluster" segmentation strategy, (2) the "cross-national" segmentation strategy, and (3) the "world-segment" strategy. A review of international segmentation literature based on 25 studies prior to the year 2002 is presented by Steenkamp and Ter Hofstede (2002). A number of conceptual and methodological issues are discussed, and then a case study is presented to illustrate and integrate the various issues. Wind and Douglas (1972) proposed an operational basis for international market segmentation which focuses on "enduring" and "situation-specific" characteristics. They propose a hierarchy approach to segmentation. Ter Hofstede, Steenkamp, and Wedel (1999) propose a methodology to identify cross-national market segments based on means-end chain theory. Their resulting model identifies relations between the consumer and a product at the segment level.

A hybrid approach to segmentation of global markets has been discussed by Hassan, Craft, and Kortam (2003). This approach examines an integrated inventory of macro- and micro-bases associated with segmentation of world markets. A new approach—at the time—to country segmentation was proposed by Helsen, Jedidi, and DeSarbo (1993). This approach utilized multinational diffusion patterns. Another example of the global market segmentation phenomenon is the study of less-developed countries by Nachum (1994) which concerned the choice of variables for such segmentation. A more recent study by Budeva and Mullen (2014) investigates the influence of economic and cultural factors, separately and combined, on international country segments and reveals the stability of factors and country

segments over time. Results show that economics and culture are both necessary for country-level segmentation.

While important in all types of international marketing relationships, trust and ethical beliefs and behaviors of potential business partners are especially important for international marketers in the formation and in the ultimate running and success of B2B strategic alliances such as licensing, contracting, joint ventures, and cross-marketing agreements. A recent comprehensive review of research on strategic alliances is provided by Gomes, Barnes, and Mahmood (2014). On a more general level, the consensus of the findings of literature reviews is that culture influences ethical decision making (Ford & Richardson, 1994; Loe, Ferrell, & Mansfield, 2000; O'FaIlon & Butterfield, 2005) and individuals' moral attitudes (Vauclair et al., 2014; Vauclair & Fischer, 2011).

Nationality and Ethicality

The reason for differences in business ethics by country may well relate to differences in national cultures, since culture affects moral orientations (e.g., Srnka, 2004; Swaidan, Rawwas, & Vitell, 2008; Palich, Neubert, & McKinney 2016; Venaik & Brewer 2015). In the context of cross-cultural differences, Iyer (2001) discussed ethical dimensions of exchange and major ethical principles that emerge as possible explanations of cross-cultural differences generally. Curtis, Conover, and Chui (2012) examined the impact of national culture on ethical decision making in China, Japan, Mexico, and the United States and found that country of origin (nationality), justice perceptions, power distance perception, and gender all are related to ethical decision making. Using qualitative research methods and video ethnography, Belk et al. (2005) examined consumer beliefs and behaviors in eight countries, including both affluent and poor nations in Europe, North America, and Australia. The research subjects had different ethical choices of products involving harm to the environment, poor labor conditions, and counterfeit goods. Buller, Kohls, and Anderson (1991) looked at not only whether there is a common business ethics core across cultures but whether, beyond this core, widespread differences exist in the levels of ethical standards. From a non-empirical but theoretical perspective, researchers have attempted to apply Hofstede's (2001) cultural constructs of individualism and collectivism in cross-cultural models of ethical decision-making in business (e.g., Husted & Allen, 2008), and his constructs individualism and uncertainty avoidance to social desirability response bias (e.g., Bernardi, 2006), as well as Kohlberg's (1984) levels of moral development to explaining cross-cultural differences in business ethics (e.g., Kini, Ramakrishna, & Vijayaraman, 2004). Looking more deeply into Hofstede's (2001, p. 500, 502) schema, researchers have found that the EU does not have a uniform single culture (e.g., Albaum & Peterson, 2014). This led us in the present research to see if there was more uniformity at the individual level and if that could be captured using a segmentation procedure.

Gender and Ethicality

The general consensus of findings from studies of this topic has concluded that females exhibit higher ethical standards and behaviors than do males. Borkowski and Ugras (1998) conducted a meta-analysis of 47 empirical studies published in the period 1985-1994 that investigated the relationship between gender and ethics. Only studies that contained data on United States business students were included in the meta-analysis. Of the 47 studies, 29 "reported that females (males) exhibited more (less) ethical attitudes/behavior than their counterparts" (Borkowski & Ugras, 1998, p.1124).

Similarly, Franke, Crown, and Spake (1997) conducted a meta-analysis of more than 20,000 survey participants in 66 samples to investigate the role that gender played in perceptions of ethical decision making. Using social

role theory to explain how gender differences in perceptions are affected by work experience, they found that gender differences observed in pre-career (student) samples (women have higher ethical standards than men) decline as work experience increases. Further, following a qualitative review of the literature, Kennedy and Lawton (1996) concluded that while some studies "have shown little or no difference between males and females … none have found higher standards for males than females" (p. 904). A few studies comparing non-United States samples have reported that males reported higher levels of business ethics than did females (Phau & Kea, 2007; Stevenson & Bodkin, 1998). Therefore, in the current research, we look at gender and other demographic variables as factors that could bring more/less similarity at the individual level.

Religiosity and Ethicality

There has been less research reported on studying the influence of religiosity on business-related ethics than on studying the effect of nationality and gender. What has been reported is summarized by Peterson et al. (2010, pp. 576-577). In general, the relationship between religiosity and business-related ethicality has generally been found to be positive. Yet, there have been mixed findings as well and reported results varied by the measure of religiosity used. For example, a study of both adults working in and around Kuala Lumpur, Malaysia, and undergraduate business students of a private university in Malaysia conducted by Kum-Lung and Teck-Cbai (2010) reported that intrapersonal religiosity was a significant determinant to attitude toward business ethics, but interpersonal religiosity was not.

In a more recent study of consumers in Indonesia and Australia Arli and Pekerti (2016) examined differences in moral ideologies and ethical beliefs among religious and non-religious consumers and investigated the impact of moral ideologies and religiosity on consumer ethical beliefs. The results showed that religious consumers tend more toward idealism than relativism and have stronger ethical beliefs regarding negative consumer ethical behaviors compared with non-religious consumers. However, for ethical beliefs regarding specific consumer behaviors (e.g., recycling, buying counterfeit) the effect of religion was overshadowed by cultural differences between the two countries studied.

Mathras et al. (2016) proposed a conceptual framework for studying the effects of religion on consumer behavior, with the expectation that this framework would stimulate future research at the intersection of these two topics.

Other Demographic Characteristics and Ethicality

In addition to the three demographic characteristics discussed above, the present study evaluated four additional characteristics: age of respondent, year in school, subject majoring in, and employment status. These demographic characteristics have not been reported much in the literature in relation to their moderating effect upon ethicality.

.

RESEARCH HYPOTHESES

Based on the discussion above, two research hypotheses that underlie the present study are tested:

H1: There are homogenous segments of individuals within the European Union that possess different levels of business-related ethicality.

H2: Differences in segments are moderated by demographic characteristics.

METHODOLOGY

Data Collection

The primary rationale for studying business students in cross-cultural or cross-national research is that they are "emerging business pro-

fessionals" and Millennials (Culiberg & Mihelič, 2016). We, of course, are aware that emerging business professionals will have graduated from a multitude of undergraduate majors. For the purposes of efficient sampling, we assumed that the probability that they would be from business was higher than any other single major or group of majors.

The data analyzed in the present manuscript was collected by Albaum and Peterson (2014), who provided us access for analyzing international market segmentation. A two-stage sampling design was employed in data collection in 2014. The first stage consisted of identifying judgmentally representative universities/colleges having an undergraduate business program in each of 12 European Union countries with particular emphasis on institutions where the present authors had some type of personal or professional relationship with one or more colleagues. The second stage involved obtaining a cluster sample of business students in each of the institutions selected. Professors in business schools in the 12 countries were contacted and asked if their research or teaching assistant would administer a very short questionnaire to their undergraduate business students. The survey completions (sample size from usable completed questionnaires) for each country are shown in Table 1. Also shown in Table 1 are the sample sizes from the 10 countries selected for the present study. Two countries (Hungary and Ireland) were eliminated from this study because of providing too small a sample size. The original sample was used for six countries; a random sample of 75 was taken for each of four countries (France, Germany, Spain, and United Kingdom) because of their relatively large samples size compared to the other countries. Making the sample sizes of the countries less disparate helped minimize the impact of this variable that was mainly due to significant variations in sample sizes. The final total sample size (over all countries) is 622. The research design for data collection was such that all student respondents were native to, and citizens of, the country in which they were studying (Albaum & Peterson, 2014, p. 7).

Table 1. Sample Size

Country	**Original Sample***	**Sample Used for Clustering**
Austria	50	50
Belgium	52	52
Denmark	75	75
France	150	75
Germany	242	75
Greece	49	49
Hungary	26	Not included
Ireland	38	Not included
Malta	49	49
Spain	174	75
The Netherlands	47	47
United Kingdom	148	75
All countries	**1,100**	**622**

Measurement

The questionnaire used the Ethicality scale developed by Albaum and Peterson (2006). The scale consists of six Likert-type scale items designed to measure business-related ethical attitudes. Each of the scale items consisted of a declarative statement and a six-category balanced scale of "strongly agree" to "strongly disagree" rating scale; only the endpoints of the rating scaled were labeled. Scale categories were labeled numerically from 1 ("Strongly Agree") to 6 ("Strongly Disagree"). The specific scale items of the Ethicality scale are shown in Table 2. The range of possible total scores for Ethicality is 6 to 36 with the higher the score (after reverse scoring of four items) the greater the amount of business-related ethicality. Underlying the six-item scale are two factors: *behavior* (4 items) and *philosophy* (2 items).

The questionnaire also included a set of demographic characteristics. It was originally developed in English and pre-tested with a sample of United States business students for its understandability and an assessment of administrative ease. It was subsequently translated into French, German, and Spanish by professors in the countries where data were collected. Since many of the survey participants were enrolled in educational institutions where English was the language of instruction, there was no need to translate into other languages. The nature of the wording used in each scale item is such that we feel the Ethicality scale can be used in many cultures and possesses at the very least imposed etic validity (Berry, 1980, p. 19) wherein universals in a system are present (Berry, 1969, p. 124) or may even be a cultural etic (Berry, 1980, p. 11). Nationality/country, gender, and age, and major were measured in obvious ways. Year in school and employment status were measured using a rating scale with a multi-category (point) response format. Religiosity was measured with a single item, and is viewed as self-perceived religiosity. Survey participants were asked "Do you consider yourself to be 'very religious,' 'somewhat religious,' or 'not very religious'?" Although many researchers believe that marketing constructs are better measured with multi-item measures than with single-item measures (Churchill, 1979; Peter, 1979; Dianiantopoulos et al., 2012) other research suggests that if the attribute can be conceptualized as concrete, it does not require multiple items (Drolet & Morrison, 2001; Rossiter, 2002; Bergkvist & Rossiter, 2007). In the present study, self-perceived religiosity is considered to be concrete, and thus a single item measure is appropriate.

.

Table 2. Scale Items of Ethicality Scale

1. Top business executives should state in no uncertain terms that unethical behaviors in their companies will not be tolerated.*[a]
2. If a manager in a company is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain), he or she should be terminated or fired.*[a]
3. If a manager in a company is discovered to have engaged in unethical behavior that results primarily in corporate gain (rather than personal gain), he or she should be terminated or fired.*[a]
4. Business behavior that is legal is ethical.[b]
5. Within a business firm, the ends justify the means.[b]
6. It is important that ethical considerations be taken into account when designing company policies.*[a]

* Reverse scored.
[a] Behavior factor.
[b] Philosophy factor.

Analytic Techniques

The procedure used to form the segments was k-means cluster analysis. The input data to the cluster analysis were the individual responses to the six ethicality items for 622 respondents. Cluster analysis is an exploratory technique. With k-means cluster analysis the researcher must supply the number of clusters that needs to be formed. Once the clusters are formed, the researcher then demographically profiles each cluster in the solution set. In the present study, however, the number of clusters selected for further analysis was based on a procedure proposed by Kara and Carmone (2012). This procedure uses the Average Adjusted Rand Index (AARI) to optimally match the number of clusters in the solution set with the demographic variables. The Adjusted Rand Index (ARI) is a measure of the similarity between two data partitions that is adjusted for the chance groupings of elements (Rand, 1971). That is, ARI is a measure of agreement between the partition given by the clustering process and a partition defined by external criteria (Santos, 2009). This procedure maximizes the Chi-square values of the cross tabulation of the cluster membership with the demographics. The AARI is the average ARI across all demographic variables. The solution set (number of clusters) with the highest AARI is then selected. This yields the number of clusters with the most demographic differences. That is, the demographic profiles of each cluster in the selected solution set, taken together, are the most different of any solution set studied. From a marketing perspective this means that it is easier to define a marketing strategy (e.g., media plans/buys) for each cluster because each cluster is demographically (parameters used to define marketing strategy) different from other clusters. For example in this study the four solution set of clusters was selected. This yielded more well-defined cluster profiles (in terms of larger AARI) than the three or five solution sets.

ANALYSIS AND RESULTS

Mean values of Ethicality for the 10 EU countries used in this study are shown in Table 3. Our hypotheses are related to similarities of perception across countries rather than between countries; in other words, are there people in country A who are more similar to people in country B than in their own country A. Hence, our hypotheses suggest the use of cluster analysis along with the approach proposed by Kara and Carmone (2012) to help identify the best number of clusters given their demographic profiles.

Table 3. Mean Values of Ethicality[a]

Country	Ethicality
Austria	21.32
Belgium	22.23
Denmark	24.22
France	22.62
Germany	22.62
Greece	22.45
Malta	22.78
Spain	23.17
The Netherlands	23.40
United Kingdom	23.61

[a]The greater the score, the higher the level of ethicality. Scores could range from 6 to 36.

To achieve this goal, the 6-Item Ethicality scale was first cluster analyzed using a k-means algorithm for k=2 to k=12 partitioning solutions. The cluster assignments for 2 through 12 clusters were based on six ethicality responses per individual (622 total). Seven demographic variables (country, major, gender, age, employment, religiosity, and year in school) per individual were then used to profile each solution set to calculate its AARI.

The rationale for the selected number of clusters and their demographic profile is discussed using partial output from the calculations.

As we can see from Table 4, the 4-cluster solution has maximum value of AARI. This indicates that 4 clusters is the best number of clusters as defined by the relationship between cluster solution set and demographic variables. Remembering that, in the present study, the AARI is calculated over all 7 demographic variables, we next check the cross-tabulations of each variable with the 4-cluster solution.

Normally in a segmentation study many demographic variables are collected in the survey. The data used in the present research were not from a segmentation study so the number of demographic variables were sparse. In addition, as expected, not all demographic variables were statistically significant, i.e., the levels of the non-statistically significant variable were about equally distributed across the clusters. Nonetheless, we decided to use all the demographic variables for the cluster profiling, but break them up into statistically significant and other variables.

Table 4. European Union Study: General Ethics Attitude 6-Item Scale-Clusters by Average ARI (AARI)

Clusters	AARI
2	0.00992
3	0.01172
4	0.01308
5	0.00806
6	0.01035
7	0.01044
8	0.00993
9	0.00893
10	0.00737

Shown in Table 5 are the most statistically significant variables. The Row Column Index (RCx) is a convenient aid to interpreting the cross-tabulations for our profiling task. For example, if we are cross-tabulating cluster membership by country, a 0% in a cell means no one in that cluster is from that country, whereas a 100% in a cell means that everyone from that country was in the cluster. We have defined as statistically significant any variable with a Chi Squared Calculated/Chi Squared Tabular of greater than 2.00. This is subjective, but similar in intent for researchers to use such cutoffs in factor analysis. Using all demographic variables (even those that are not different across segments) to profile the clusters becomes useful only when the statistically significant variables are primary in developing a Marketing Strategy (e.g., media selection) for each market segment. The other variables take a secondary role in profiling, but could be helpful in profiling the clusters with the maximum/minimum level of a variable. Thus, Country, Age, and

Year in School were selected as the primary profiling variables. The levels for these variables are shown in Table 5. Interestingly, the variables of gender and religiosity were not statistically significant as might have been expected.

Table 5. Summary Table of Cross-Tabulation of Cluster Solution and Selected Demographic Characteristics

Demographic Variables	*Levels*	*Chi-sq./ Critical*	RCx (clusters)[1]			
			1	2	3	4
Country	United Kingdom	3.04	3.3	2.7	1.5	5.2
	Denmark		1.1	6.2	1.0	6.0
	France		0.7	7.2	3.0	3.6
	Germany		2.2	1.3	7.5	2.9
	Malta		6.4	1.7	0.6	0.7
	Spain		1.5	3.3	6.9	2.0
	Greece		11.2	0.1	2.3	0.0
	Austria		3.6	0.3	3.0	1.9
	The Netherlands		3.9	2.5	0.1	2.4
	Belgium		5.6	1.6	0.2	2.2
Age	17 to 19	2.02	17.7	2.8	2.6	3.4
	20		5.2	1.7	2.4	6.5
	21		4.2	1.4	2.6	1.4
	22		1.4	4.4	6.2	4.2
	23		2.8	6.9	1.5	1.8
	24		0.8	0.8	4.0	2.6
	25 and over		3.8	7.9	3.4	5.0
Year in School	Freshman	2.38	20.5	2.8	4.7	4.1
	Sophomore		7.1	6.0	6.0	7.5
	Junior		4.3	3.4	2.5	6.1
	Senior		3.6	12.9	7.9	6.9

[1]Row Column Index (RCx) is the row percentage times the column percentage for that cell normalized to range between 0 and 100 percent.

As mentioned earlier, the RCx provides information on the relationship between the cluster and the demographic variable. Thus, looking at the largest values within cluster and across variable levels in Table 5 aids us in profiling each of the 4 clusters. Looking at the first variable, Country, it can be seen that Cluster 1 tends to be mainly Greeks, Cluster 2, French and Danes, and so on. This type of analysis yields the following profiles of each segment (the three statistically significant variables followed by the other variables) based on their ethicality:

•*Cluster 1* is made up of mainly young Greeks in their freshman year; business majors, female, non-working, and somewhat religious.

•*Cluster 2* is made up of Danes and French, early 20s who tend to be in their senior year; marketing majors, female, full-time employees, and not very religious.

•*Cluster 3* is made up of Germans and Spaniards, about 22 years old and a mix of

sophomores and seniors; marketing majors, female, part-time workers, and very religious.

•*Cluster 4* is made up of Danes and Brits, about 20 years old and sophomores and seniors; business majors, male, full-time employees, and not very religious.

A use for the secondary variables could be that, e.g., if gender was important to the marketing strategy, one would target females in Clusters 1, 2, and 3, and males in Cluster 4. If religiosity was important, then Cluster 3 would be targeted for the very religious and Clusters 1, 2, and 4 for the less religious. This analysis suggests that segments could be meaningfully defined by respondents from multiple countries. For example, there were some French and Danish respondents who were more similar to each other than to respondents from their own countries. But there was one cluster that was predominantly mono-country: Cluster 1 with Greece. Although country was an important differentiator of levels of ethical attitude, there was enough agreement among respondents from different countries to generate segment-specific similarities. That is, segmenting by country alone would miss opportunities both within and between countries. Hence, our results support the existence of relatively homogeneous segments consisting of future business leaders (i.e., students) of the countries within the European Union that possess different levels of business-related ethicality (H1 is not rejected). Moreover, we report that the differences in segments are moderated by demographic variables (H2 is not rejected).

DISCUSSION

The purpose of this paper was to examine business-related ethical attitudes of emerging business professionals in the European Union and to assess effects of demographic characteristics in segmenting markets. Literature provides some evidence of differences in ethical attitudes not only between different genders but also across the countries. What is usually overlooked is how to detect such differences because they may go undetected. This could be caused by methodological and practical factors.

This study utilized individual's self-reported ethical factors in determining the clusters. Similarities/differences at the individual level were used instead of the differences at the country level. By incorporating the demographic variables into the number of clusters selection process, the segments developed became more managerially actionable and practical. In other words, the process of including demographics as discriminating factors enabled us to more effectively evaluate the pragmatic differences among the segments from the perspective of marketers. This process resulted in more actionable segments. As a result, the market segments identified included consumers with various demographic characteristics that traditional analyses may not have captured.

THEORETICAL IMPLICATIONS

In using cluster analysis to define market segments, researchers rely heavily on pseudo-statistical calculations to select partitioning. Since the researchers/marketers do not know how many segments exist in the market, oftentimes more than one method of clustering algorithm (e.g., hierarchical clustering followed by K-means clustering) have been used to help determine the "true" number of clusters in a data set. In addition, *a priori* theory can serve as a non-statistical tool for determining the number of clusters (Hair et al.,1992). However, segmentation analysis is often exploratory, and there may not be a theory that guides the process of segmentation. Moreover, clusters generated by the statistical process may not necessarily be managerially practical to implement. In the current uses of clustering-based segmentation, since the objective of the clustering algorithms is to develop tight market segments (low within-cluster variance and high between-

cluster variance), a strong, significant link between respondent demographics and the selected segment solution does not necessarily have to exist. In this study, by using the procedure suggested by Kara and Carmone (2012), we overcame this limitation. To this end, some of the approaches used or suggested for use in determining the number of clusters in a given dataset are not very practical in marketing research. Thus, the availability of empirically tested measures for assisting the researchers in determining the number of clusters is very crucial. We also argue that using a single method to determine the number of clusters is questionable because each method has limitations. Thus, we advocate the use of multiple techniques that can overcome each other's shortcomings.

Furthermore, marketers tend to use variables rich in information content (e.g., AIOs) as the core set to be cluster analyzed. Unfortunately, these variables may not be effective in designing unique marketing messages to reach the selected segments. This can become especially problematic when a segment has a mixture of people from more than one country. The researcher then has to rely on demographic variables (not used in forming the segments during the clustering process) to identify usable differences in the segments generated in the cluster analysis. Once the clusters are formed, the researcher cross-tabulates segment membership against those background (demographic) variables of interest to find some mutual association between segment memberships and demographic characteristics. The latter stage is crucial in terms of the actionability and the accessibility of the segments to marketers. Actionability relates to the marketer's ability to use information as inputs to the design of firm's marketing strategy (i.e., product design, media scheduling, distribution), and accessibility relates to link between the selected basis for segmentation and the segment descriptors (i.e., demographics). It will be useful in designing marketing activities for customers/consumers from different countries who share similar attitudes.

PRACTICAL IMPLICATIONS

The findings of this study showed existence of unique similarities of perception of business-related ethical attitudes across EU countries rather than between countries. In other words, there were people in country A who were more similar to people in country B than in their own country A. Managers and practitioners would find these results interesting because they have traditionally been focused on the differences within a country or between countries rather than approaching it from a perspective that some of these segments exist across the national borders. Therefore, multinational companies operating in the EU markets can be more sensitive and aware of the existing ethical attitudes that transcend in various countries. It is essential that marketers operating in the EU markets understand that meaningful segments may be developed based on people in multiple countries. This does not necessarily mean that country is not an important factor in developing segments. Marketers who segment by country alone would be more likely to miss opportunities that exist within/between countries.

LIMITATIONS AND FUTURE RESEARCH

Future research should examine our results under different data conditions, environments, and populations. For example, would the results be the same in ASEAN and the Latin American Integration Association countries, and would it work in multiple countries not related economically or politically? Moreover, since the present study used college students as respondents, future research should use general population samples. For example, it might very well be that older people do not behave like younger ones. Also, current business managers may not behave like the emerging professionals

sampled in this study. Given that this characterization is correct, studying business students may lead to predictions of the future ethical climate in the global business economy that emerges. At the same time, though, it is important to recognize that business students are not, by definition, business managers, and therefore may not provide generalizable inferences about current business managers, and that students' ethicality may change as they are exposed to a country's ethical climate in business as well as studying business ethics at their university.

REFERENCES

Arli, D., & Pekerti, A. (2016). Who is more ethical? Cross-cultural comparison of consumer ethics between religious and non-religious consumers. *Journal of Consumer Behavior*, *16*, 82-98.

Albaum, G., & Peterson, R. A. (2014). Business-related ethical values of future business executives and leaders in the European Union. *Journal of Euromarketing*, *23*, 4-16.

Albaum, G., & Peterson, R. A. (2006). Ethical attitudes of future business leaders: Dothey vary by gender and religiosity? *Business and Society*, *45*(2), 300-321.

Belk, R. W., Devinney, T., & Eckhardt, G. (2005). Consumer ethics across cultures. *Consumption Markets & Culture*, *8*(3), 275-289.

Bergkvist, L., & Rossiter, J. R. (2007, May). The predictive validity of multiple-item versus single-item measures of the same construct. *Journal of Marketing Research*, *44*, 175-184.

Bernardi, R. (2006). Associations between Hofstede's cultural constructs and social desirability bias. *Journal of Business Ethics*, *65*(1), 43-53.

Berry, J. W. (1969). *Human ecology and cognitive style: Comparative studies in cultural and psychological adaptation*. Beverly Hills: Sage/Halstead

Berry, J. W. (1980). Introduction to methodology, in H. C. Triandis and J. W. Berry (eds.), *Handbook of Cross-Cultural Psychology—Methodology*, Vol. 2. Boston: Allyn and Bacon, Inc., 1-28,

Borkowski, S. C., & Ugras. Y. J. (1998). Business students and ethics: A meta-analysis. *Journal of Business Ethics*, *17*(11), 1117-1127.

Bruning, E. R., Hu, M. Y., & Hao, W. (2009). Cross-national segmentation: an application to the NAFTA airline passenger market. *European Journal of Marketing*, *43*(11/12), 1498-1522.

Budeva, D. G., & Mullen, M. M. (2004). International market segmentation: Economic, national culture, and time. *European Journal of Marketing*, *48*(7/8), 1209-1238.

Buller, P. F., Kohls, J. J., & Anderson, K. S. (1991). The challenge of global ethics. *Journal of Business Ethics*, 10(10), 767-775.

Churchill, G. A. (1979, February). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, *16*, 64-73.

Conroy, S. J., & Emerson, T. L. N. (2004). Business ethics and religion: Religiosity as a predictor of ethical awareness among students. *Journal of Business Ethics*, *50*(4), 383-396.

Crittenden, V. L., Hanna, R. C., & Peterson, R. A. (2009). Business student's attitudes toward unethical behavior. *Marketing Letters*, *20*(1), 1-14.

Culiberg, B. & Mihelič, K. K. (2016). Three ethical frames of reference: Insights into millennials ethical judgments in the workplace. *Business Ethics: A European Review*, *25*(1), 94-111.

Curtis, M. B., Conover, T. L. & Chui, L. C. (2012). A cross-cultural study of the influence of country of origin, justice, power distance, and gender on ethical decision making. *Journal of International Accounting Research*, *21*(1), 115-128.

DeSarbo, W. S., & Grisaffe, D. (1998). Combinatorial optimization approaches to constrained market segmentation: An application to industrial market segmentation. *Marketing Letters*, *9*(2), 115-134.

Diamantopoulos, A., Sarstedt, M., Fuchs, C., Wilczynski, P., & Kaiser, S. (2012). Guidelines for choosing between multi-item and single-item scales for construct measurement: A predictive validity perspective. *Journal of the Academy of Marketing Science*, *40*(3), 434-449.

Drolet, A. L. & Morrison, D. G. (2001). Do we really need multiple-item measures in service research? *Journal of Service Research*, *3*(3), 196-204.

Epetimehin, F. M. (2011). Market segmentation: A tool for improving customer satisfaction and retention in insurance service delivery. *Journal of Emerging Trends in Economics and Management Sciences*, *2*(1), 62-67.

Ford, R. C., & Richardson, W. D. (1994). Ethical decision making: A review of the empirical Literature. *Journal of Business Ethics*, *13*(3), 205-221.

Franke, G. R., Crown, D. F., & Spake, D. F. (1997). Gender differences in ethical perceptions of business practices: A social role theory perspective. *Journal of Applied Psychology*, *8*(6), 920-934.

Gomes, E., Barnes, B. R., & Mahmood, T. (2016). A 22 year review of strategic alliance research in the leading management journals. *International Business Review*, *25*(1), 15-27. http://dx.doi.org/10.1016/j.ibusnev.2014.03.005

Goyat, S. (2011). The basis of market segmentation: A critical review of the literature. *European Journal of Business and Management*, *3*(9), 45-54.

Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1992). *Multivariate Data Analysis* (3rd ed.). New York: Macmillan.

Hassan, S. S., Crafts, S., & Kortam, W. (2003). Understanding the new bases for global market segmentation. *Journal of Consumer Marketing*, *20*(5), 446-462.

Hassan, S. S. & Katsanis, L. P. (1991). Identification of global consumer segments: A behavioral framework. *Journal of International Consumer Marketing 3*(2), 11-28.

Helsen, K., Jedidi, K., & DeSarbo, W. S. (1993, October). A new approach to country segmentation utilizing multinational diffusion patterns. *Journal of Marketing*, *57*, 60-71.

Hofstede, G. (2001). *Culture's consequences* (2nd ed.). Thousand Oaks, CA: Sage Publications.

Husted, B. W., & Allen, D. B. (2008). Toward a model of cross-cultural nosiness ethics: The impact of individualism and collectivism on the ethical decision-making process. *Journal of Business Ethics*, *82*(2), 293-305.

Iyer, G. R. (2001). International exchanges as the basis for conceptualizing ethics in international business. *Journal of Business Ethics*, *31*(1), 3-24.

Kara, A. & Carmone, F. J. (2012). A statistical process to incorporate the use of demographics to help select the 'best' number of market segments. Paper presented at the Academy of Marketing Science Annual Conference, New Orleans, LA.

Kennedy, E. J., & Lawton, L. (1996). The effects of social and moral integration on ethical standards: A comparison of American and Ukrainian business students. *Journal of Business Ethics*, *15*(8), 901-911.

Kini, R. B., Ramakrishna, H. V., & Vijayaraman, B. S. (2004). Shaping of moral in-

tensity regarding software piracy: a comparison between Thailand and US. *Journal of Business Ethics*, *49*(1), 91-104.

Ko, E., Taylor, C. R., Sung, H., Lee, J., Wagner, U., M-c Navarro, D., & Wang, E. C. (2012). Global marketing segmentation: Usefulness in the sportswear industry. *Journal of Business Research*, *65*, 1565-1575.

Kobrak, H. (2012, February). How to avoid five common mistakes in market segmentation. *Advertising Age*, 22.

Kohlberg, L. (1984). *Essays on moral development: The psychology of moral development*. New York: Harper and Row.

Kum-Lung, L., & Teck-Chai, L. (2010). Attitude towards business ethics: Examining the influence of religiosity, gender, and education levels. *International Journal of Marketing Studies*, *2*(1), 225-232.

Loe, T., Ferrell, L., & Mansfield, P. (2000). A review of empirical studies assessing ethical decision making in business. *Journal of Business Ethics*, *25*(3), 185-204.

Mathras, D., Cohen, A. B., Mandel, N., & Mick, D. G. (2016). The effects of religion on consumer behavior: A conceptual framework and research agenda. *Journal of Consumer Psycholgy*, *26*(2), 298-311.

Nachum, L. (1994). The choice of variables for segmentation of the international market. *International Marketing Review*, *11*(3), 54-67.

O'Fallon, M. J. & Butterfield, K. (2005). A review of the empirical ethical decision-making literature: 1996-2003. *Journal of Business Ethics*, *59*(4), 375-413.

Palich, L. E., Neubert, M. J., & McKinney, J. A. M. (2016). Ethical attitudes of business professionals in China and the United States: Same or different? *The Journal of Business Inquiry*, *15*(2), 55-84.

Peter, J. P. (1979, February). Reliability: A review of psychometric basics and recent marketing practices. *Journal of Marketing Research*, *16*, 6-17.

Peterson, R. A., Albaum, G., Merunka, D., Muneura, J. L., & Smith, S. M. (2010). Effects of nationality, gender, and religiosity on business-related ethicality. *Journal of Business Ethics*, *96*(4), 573-587.

Phau, I., & Kea, G. (2007). Attitudes of university students toward business ethics: A cross-national investigation of Australia, Singapore and Hong Kong. *Journal of Business Ethics*, *72*(1), 61-75.

Pressley, M. M., & Kennett-Hensel, P. A. (2013). Succeeding in the corporate arena: The evolution of college students' perceptions of the necessary ethical orientation. *Journal of Education for Business*, *88*(4), 223-229.

Rand, W. M. (1971). Objective criteria for the evaluation of clustering methods. *Journal of the American Statistical Association*, *66*, 846-850.

Rossiter, J. R. (2002, December). The C-OAR-SE procedure for scale development in marketing. *International Journal for Research in Marketing*, *19*, 305-335.

Roxas, M. L. & Stoneback, J. Y. (2004). The importance of gender across cultures in ethical decision-making. *Journal of Business Ethics*, *50*(2), 149-165.

Santos, J. M. (2009). On the use of the Adjusted Rand Index as a metric for evaluating a supervised classification. *Proceedings*, International Conference on Artificial Neural networks: Part II, 175-184.

Srnka, K. J. (2004). Culture's role in marketers' ethical decision making: An integrated theoretical framework. *Academy of Marketing Science Review*, *2004*(1), 1-32.

Stevenson, T. H., & Bodkin, C. D. (1998). A cross-national comparison of university students' perceptions regarding the ethics and acceptability of sales practices. *Journal of Business Ethics*, *17*(1), 45-55.

Steenkamp, J-B. E. M., & Ter Hofstede, F. (2002). International market segmenta-

tion: Issues and perspectives. *International Journal of Research in Marketing*, *19*, 185-213.

Swaiden, Z., Rawwas, M. Y. A., & Vitell, S. J. (2008). Culture and moral ideologies of African Americans. *Journal of Marketing Theory and Practice*, *16*(2), 127-137.

Ter Hofstede, F., Steenkamp, J-B. E. M., & Wedel, M. (1999, February). International market segmentation based on consumer-product relations. *Journal of Marketing Research*, *36*, 1-17.

Vauclair, C-M., & Fischer, R. (2011). Do cultural values predict individuals' moral attitudes? A cross-cultural multilevel approach. *European Journal of Social Psychology*, *41*, 645-658.

Vauclair, C-M., Wilson, M., & Fischer, R. (2014). Cultural conceptions of morality: examining laypeople's associations of moral character. *Journal of Moral Education*, *43* (1), 54-74.

Venaik, S. & Brewer, B. (2015). The common threads of national cultures. *Australian Marketing Journal*, *23*, 75-85.

Wang, C. C. L. (1997). Bases for international market segmentation. *Journal of Segmentation in Marketing*, *1*(1), 5-21.

Weinstein, A. (2006). A Strategic framework for defining and segmenting markets. *Journal of Strategic Marketing*, *14*, 115-127.

Wind, Y. (1978, August). Issues and advances in segmentation research. *Journal of Marketing Research*, *15*(3), 317-337.

Wind, Y., & Douglas, S. P. (1972). International market segmentation. *European Journal of Marketing*, *6*(1), 7-25.

Wright, E., Marvel, J. E., & DesMarteau, K. (2014, December). Exploring millennials: A surprising inconsistency in making ethical decisions. *Journal of Academic and Business Ethics*, *9*, 1-14.

.

Journal of Euromarketing, 26: 97-105, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

Critical Success Factors for Small Business Cluster Development

Michalis Katharakis
Constantin Zopounidis
Michael Doumpos
Evangelos Grigoroudis
George Xanthos

ABSTRACT. When studying small business clusters, especially in rural areas, data are inadequate for input-output analysis due to low sector specialization or levels of geographic coverage. Yet progress evaluation of small business clusters at initial clustering stages is vital for strategic development planning. In this paper the most important factors that are able to define the development state of a cluster are identified based on a literature review and a field study in the region of Crete (Greece). These factors are validated through a survey-based approach, where input of different clusters is used in order to evaluate the current development, identify strengths and weaknesses, and prioritize potential improvement actions.

KEYWORDS. Clusters, Small Business, Strategic Development, Regional Development, Critical Success Factors.

INTRODUCTION

The clusters are a successor of some key strands of economic theory. The concept of cluster has become a subject of intense research and analysis after the study by Michael E. Porter (1990) regarding the competitive advantage of nations. However, there exists ambiguity about this use of this concept, presenting an obstacle both to empirical testing and to realistic assessments of policy relevance (Gordon & McCann, 2000). The nature of economic interactions within regions and economies of scale derived from location near similar firms and suppliers, as well as from increased capital intensity as proposed by Marshall (1895).

Michalis Katharakis, Ph.D., Constantin Zopounidis, Ph.D., and Michael Doumpos, Ph.D. are all affiliated with Financial Engineering Laboratory, Technical University of Crete, University Campus, Chania, Greece, Evangelos Grigoroudis, Ph.D. is with Decision Support Systems Laboratory, Technical University of Crete, University Campus, Chania, Greece, and George Xanthos, Ph.D. is at Department of Business Administration, Technological Educational Institute of Crete, Estavromenos, Iraklio, Greece.

Address correspondence to Dr. Michalis Kaharakis, Financial Engineering Laboratory, Technical University of Crete, University Campus, 73100 Chania, Greece, E-mail: katharak@gmail.com

Markusen (1996) introduced additional models of clusters besides the Marshallian formulation, defining three additional models of clusters: "hub-and-spoke," "satellite platform," and "state-centered." Isard et al. (1998) developed their theory about the measurement of intraregional buy-sell relationships through adaptations of Leontieff's input and output analysis to the regional level. Solow (1957) uncovered the importance of "technical change" in the long-term economic growth process, and Romer (1990) described the endogenous growth model gathering together the factors of physical capital, human capital, and the public goods nature of scientific information. According to Sölvell et al. (2003), each cluster is unique regarding its social and cultural environment.

Several cluster evaluation methods are present in literature varying from rather simple, intuitive approaches to more complex and comprehensive methods (Schmiedeberg, 2010). Reporting methods, case studies, econometric methods, systemic approaches, and cost-related approaches, are the main methods of cluster evaluation, and a complete evaluation would encompass a qualitative and quantitative analysis of policy input, output, and outcome on firm at cluster and regional level. Yet practical reasons require that only part of this process be applied. Typically neither general industry classifications nor administrative regions are adequate to capture the boundaries of a cluster (Litzenberger & Sternberg, 2005). The identification of policy relevant innovation cluster indicators faces other challenges as well, such as failing to capture basic features of clusters that are essential to understanding the state and performance of clusters as supply chain and forward market linkages, partnerships, knowledge sharing, social capital, and local sources of tacit knowledge, which are not reflected in these measures.

Many clusters also cut across industrial sectors. Traditional statistical data, aggregated by industrial classifications such as NAICS (North American Industry Classification System) codes, are of little use for analysis of emerging areas such as nanotechnology. Finally, providing cluster indicators, available STI statistics are usually aggregated at a regional or national level, and it is difficult to identify economic activity that occurs at a sub-regional or cluster level (Davis et al., 2006).

The development of a set of indicators adequate to measure both the current state and future prospects for innovation cluster development is an essential tool for policy makers and stakeholders, as cluster analysis enables accurate and effective policy and management intervention. An understanding of a cluster's internal workings (components, structures, processes, routines, and development pathways) is critical to support the development of a successful cluster (Arthurs et al., 2009).

CRITICAL SUCCESS FACTORS

A globalized economy implies competitive potential at international levels even to very small companies, which in turn means economies of scale and scope and enlarged capital resources. The introduction of innovation in small regional economies is not a low-cost process and has as prerequisite the sustainability of such structures which is based on their cooperation for enlargement. Clusters offer the possibility for innovation management using open innovation models even to small regional companies that rarely innovate. This is due to the fact that small firms are not capable of undertaking large scale risks, especially when technological innovation is involved and an extended buyer network is demanded.

Forming a business cluster is not a formal process, and its development is usually path dependent. Critical success factors of cluster formation have been studied by several scholars like Ciappei and Simoni (2005), who concentrated in characteristics of companies participating in a cluster or Hospers, and Beugelsdijk (2002), who points out that success factors

have limitations when applied to different clusters due to cluster development path dependence.

The main key success factors presented in the literature may be summarized in the following:

a) Integration of a cluster life cycle and then rebirth or thematic specialization (Sölvell et al., 2003)
b) Gradual economic cluster development following cluster lifecycle and the resulting regional development (Porter, 1990)
c) Improvement of social interaction and networking amongst partners (Klofsten et al., 1999; Morosini, 2004)
d) Development of favorable climate for further agglomerations and embodiment of more actors in the cluster (Porter, 1990; Lundequist & Power, 2002; Sölvell et al., 2003; Athiyaman & Parkan, 2008)

According to the previous literature, cluster development is closely related to regional development and innovation, while it also empowers and enables the introduction of innovation to companies in a regional level.

The factors affecting the cluster progress and development can be divided in 5 different categories:

1. The first category concerns the vision and the cluster strategy measuring how concrete the vision is and in which percentage the cluster formation follows a market need based on actors' necessities rather than being a governmental initiative (Lundequist & Power, 2002; Athiyaman & Parkan, 2008). In this category also is the existence of a common brand and identity of the cluster.
2. The second category refers to the operational and supporting factors of the cluster, including the existence of a strong leader supporting cluster and member competitiveness (Raines, 2003). Level of trust built amongst partners is also another element of this category (Gordon & McCann, 2000; Iammarino & McCann, 2006). Long-term planning helps towards this direction. Company-academy interaction is another component of this category. The mobilization of workers and research between business and academia contributes to creativity and innovation, which in turn leads to problem solving (Klofsten & Jones-Evans, 1996).
3. The third category concerns the state of the cluster members' network and involves the leverage of development of communication and networking (Klofsten et al., 1999; Morosini, 2004; Iammarino & McCann, 2006). It also includes infrastructure and meeting procedures for the exchange of experience and knowledge and the possibility of linking and interacting with the international market.
4. The fourth category concerns the resources available to support the cluster and addresses issues such as physical infrastructure, access to finance, level of know-how in the wider region, and presence of a strong skills base within enterprises (Sölvell, 2008). An important role is also played by the political and governmental context of a region, and whether it helps or stifles innovation through supportive actions to enhance initiatives.
5. Finally, the fifth category refers to the existence of a critical mass for cluster activation and includes its R&D research and innovation capability of having a developed "entrepreneurial spirit" with a willingness to confront technological discontinuity (Porter, 1998; Lundequist & Power, 2002; Athiyaman & Parkan, 2008).

RESULTS AND DISCUSSION

According to the categories presented in the previous section, a questionnaire has been de-

veloped in order to evaluate the aforementioned groups of critical success factors. More specifically, the questionnaire consists of overall 60 questions representing these five groups of factors (evaluation dimensions):

A. Vision and cluster strategy,
B. Members of the cluster,
C. Cluster network,
D. Cluster resources and means, and
E. Critical mass.

The detailed list of factors is given in the Appendix, while each question is evaluated using a 3-level Likert scale: Totally agree – Agree – Disagree. In addition, the overall perception of the cluster members with regard to the previous groups of factors is also included in the questionnaire in order to estimate and analyze potential perceptional gaps. A total sample of 50 companies has been collected, where respondents consist of company owners and managers from 6 different clusters.

Based on data collected, Table 1 presents the frequencies of the answers "Agree" and "Totally agree" for group of factors and each cluster examined. These frequencies have been calculated as a quotient of all positive answers to the questions of each of the groups A-E over the total answers of that particular group for that particular cluster. More specifically, the frequency of positive responses of the *i*-th group of factors F_i $(i = 1,2,\text{K},5)$ is calculated using the following formula:

$$F_i = \frac{\sum_{j=1}^{k_i} a_{ij} + \sum_{j=1}^{k_i} b_{ij}}{n_i}$$

Table 1. Frequencies of Positive Answers per Cluster

Frequencies of positive answers	**A. Vision and cluster strategy**	**B. Members of the cluster**	**C. Cluster network**	**D. Cluster Resources and means**	**E. Critical mass**
Cretan Hospitality (cluster 1)	0.800	0.786	0.486	0.633	0.536
Agrifood Partnership of the Region of Crete (cluster 2)	0.900	0.800	0.500	0.667	0.542
Cretan olive oil network (cluster 3)	0.911	0.789	0.526	0.683	0.694
Winemakers network of Crete (cluster 4)	0.756	0.600	0.344	0.857	0.500
Cretan Hands (cluster 5)	0.842	0.800	0.455	0.506	0.591
Producers and Hoteliers Forum (cluster 6)	0.817	0.633	0.422	0.512	0.417
Sample Total	**0.839**	**0.733**	**0.456**	**0.616**	**0.544**
Cluster perception	**0.956**	**0.640**	**0.657**	**0.373**	**0.546**

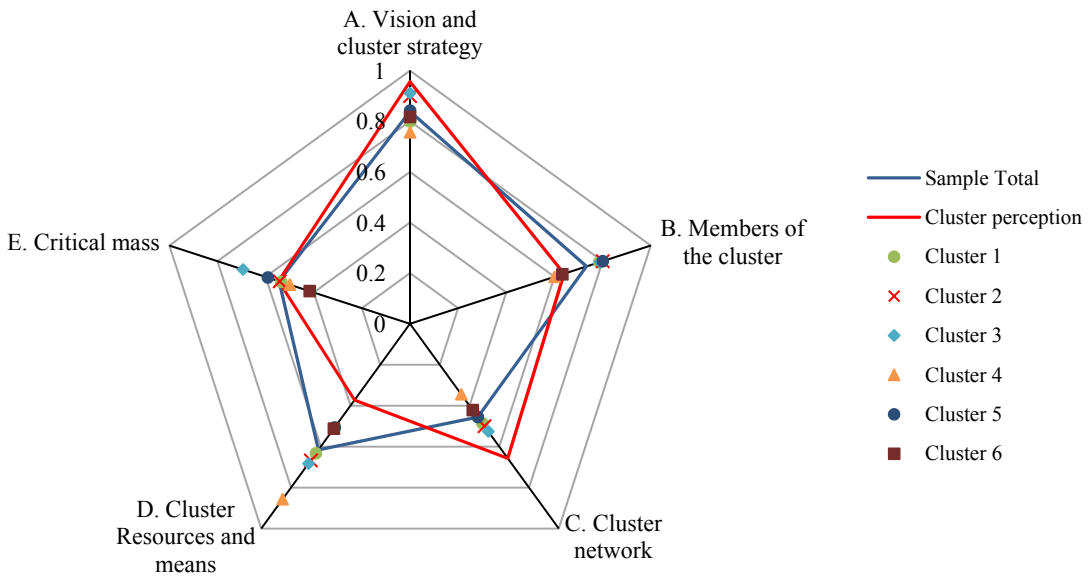
where a_{ij} and b_{ij} are the numbers of "Agree" and "Totally agree" answers, respectively, of the *j*-th factor of the *i*-th group of factors, with $j = 1,2,\text{K},k_i$, where k_i is the number of factors in the *i*-th group, and n_i is the total number of responses in the *i*-th group of factors.

As shown in Figure 1, there are differences between the perceived performance by the cluster members and the actual performance estimated by the previous calculations. More specifically, the respondents think that the cluster

performance in factors A and C (i.e., vision/strategy and network) is higher than actually estimated, while they think that the cluster performances in factors B and D (i.e., members and resources) is worse than estimated. Regarding the factors E (critical mass), perceived and estimated performance are almost identical

.

Figure 1. Comparison of Clusters



Based on the frequencies of positive responses, Cluster 1 'Cretan Hospitality' scored above the sample average in Group A success criteria. In all other A-E criteria the scores of this cluster are below the average of the sample, while its worst performance is related to factor E (critical mass). For all other critical factors of method, the cluster has a moderate (up to 0.6), or a low (frequency below the frequency of the total sample) performance.

Regarding Cluster 2, "Agri-Food Partnership of the Region of Crete" as shown in Figure 1, it scored above the sample average in Groups A and D success criteria. In all other A-E criteria it scores close to the average of the sample, its worst score being on factors D (cluster resources and means).

Similarly, based on the frequencies of positive responses, Cluster 3 "Cretan olive oil network" scored above the sample average in all groups of success criteria A-E. Its best scores were recorded in group C (cluster network), where it scored well above the frequency of the total sample.

Also, as Figure 1 presents, Cluster 4, "Winemakers network of Crete," scored above the sample average in Groups A and C success criteria. In all other A-E criteria, its scores are below the average of the sample, while its lower score being on factors D (cluster resources and means). As observed, this particular cluster has a moderate (up to 0.6) performance for critical factors B, D, and E.

Similarly, based on the frequencies of positive responses, Cluster 5 "Cretan Hands" scored above the sample average in Groups B, C, and E success criteria. The cluster scores below the average of the sample on factors D (cluster resources and means), being its worst score too.

Finally, cluster 6 "Producers and Hoteliers Forum" scored above the sample average in Groups A and C success criteria. In all other A-E criteria it scores below the average of the

sample, its worst score being on criterion E (critical mass). In general, the cluster has a moderate (up to 0.6), or a low (frequency below the frequency of the total sample) performance.

From the results in Figure 1, it appears that for all clusters there is a comparatively good performance in the success factors A (vision and strategy), while there is a lag in factors C (networking). This finding is crucial, since it is an important indication that there is an increased entrepreneurial initiative in the region of Crete that undertakes clustering activities, but business networking remains low.

CONCLUSIONS

In this paper, based on the relevant literature, a set of individual factors affecting cluster development has been identified. These factors have been categorized in 5 groups, which represent the major criteria for evaluating small business cluster formation. This set of factors and criteria represent an innovative approach for studying cluster development, particularly during their initial stages.

The proposed approach has been applied to 6 regional clusters and resulted in conclusions concerning the evaluation of current cluster status in five different thematic areas. Based on the presented results, it seems that actions should be taken to strengthen business networking through the creation of appropriate infrastructures or institutional interventions through government initiatives. For these interventions, more extensive research is needed to investigate the real boundaries of the cluster functional region that is initially identified in the Heraklion area, which accounts for more than 50% of the research activity in Crete.

Moreover, based on the previous findings, it appears that for all clusters there is a comparatively good performance in success criteria Group B (cluster members), while there is a lag in factors E (critical mass) of the clusters studied. This combination suggests that although there are businesses with considerable potential within the clusters, these clustering actions do not have the potential for a significant development, the uniting of forces therefore could possibly give the critical mass needed to strengthen efforts and enhance their sustainability.

REFERENCES

Arthurs, D., Cassidy, E., Davis, C. H., & Wolfe, D. (2009). Indicators to support innovation cluster policy. *International Journal of Technology Management*, *46*(3/4), 263-279.

Athiyaman, A., & Parkan, C. (2008). A functionalist framework for identifying business clusters: Applications in far north Queensland. *Australian Journal of Management*, *33*(1), 201-230.

Ciappei, C., & Simoni, C. (2005). Drivers of new product success in the Italian sport shoe cluster of Montebelluna. *Journal of Fashion Marketing and Management*, *9*(1), 20-42.

Davis, C. H., Arthurs, D., Cassidy, E., & Wolfe, D. (2006). What indicators for cluster policies in the 21st century? Blue Sky II 2006: What indicators for science, technology and innovation policies in the 21st century? September 2006, Ottawa, available at: http://www.ryerson.ca/~c5davis/ publications/Davis%20Arthurs%20Cassidy%20 Wolfe%20-%20Innovation%20Cluster%20 Indicators%20-%20Blue%20Sky %20II% 2025%20August%2006.pdf.

Gordon, R. I., & McCann, P. (2000). Industrial clusters: Complexes, agglomeration and/or social networks? *Urban Studies*, *37*(3), 513-532.

Hospers, G. & Beugelsdijk, S. (2002). Regional cluster policies: Learning by comparing? *Kyklos*, 55(3), 381-402.

Iammarino, S., & McCann, P. (2006). The structure and evolution of industrial clusters: Transactions, technology, and

knowledge spillovers. *Research Policy*, *35*(7), 1018-1036.

Isard, W., Aziz, I., Drennen, M. P., Miller, R. E., Saltzman, S., & Thorbecke, E. (1998). *Methods of interregional and regional analysis*. Ashgate, Aldershot.

Klofsten, M., & Jones-Evans, D. (1996). Stimulation of technology-based small firms: A case study of university-industry cooperation. *Technovation*, *16*(4), 187-193.

Klofsten, M., Jones-Evans, D., & Schärberg, C. (1999). Growing the Linköping Technopole: A longitudinal study of triple helix development in Sweden. *The Journal of Technology Transfer*, *24*(2-3), 125-138.

Litzenberger, T., & Sternberg, R. (2005). Regional clusters and entrepreneurial activities: Empirical evidence from German regions. In C. Karlsson, B. Johannson, & R. Stough (Eds.), *Industrial clusters and inter-firm networks* (260-302). Northhampton: Edward Edgar.

Lundequist, P., & Power, D. (2002). Putting Porter into practice? Practices of regional cluster building: Evidence from Sweden. *European Planning Studies*, *10*(6), 685-704.

Markusen, A. (1996). Sticky places in slippery space: A typology of industrial districts. *Economic Geography*, *72*(3), 293-313.

Marshall, A. (1895). *Principles of economics*. Macmillan: New York.

Morosini, P. (2004). Industrial clusters, knowledge integration, and performance. *World Development*, *32*(2), 305-326.

Porter, M. (1998). Clusters and the new economics of competition. *Harvard Business Review*, *76*(6), 77-90.

Porter, M. E. (1990). *The competitive advantage of nations*. Macmillan: London.

Raines, P. (2003). Cluster behaviour and economic development: New challenges in policy evaluation. *International Journal of Technology Management*, *26*(2-4), 191-204.

Romer, P. (1990). Endogenous technological change. *Journal of Political Economy*, *98*(5), 72-102.

Schmiedeberg, C. (2010). Evaluation of cluster policy: A methodological overview. *Evaluation*, *16*(4), 389-412.

Solow, R. (1957). Technical change and the aggregate production function. *Review of Economics and Statistics*, *39*, 312-320.

Sölvell, Ö. (2008). *Clusters balancing evolutionary and constructive forces*. Stockholm: Ivory Tower Publishing.

Sölvell, Ö., Lindqvist, G., & Ketels, C. (2003), *The cluster initiative greenbook*. Stockholm: Ivory Tower Publishing.

APPENDIX: FACTORS AFFECTING CLUSTER DEVELOPMENT

Group A. Vision and cluster strategy

1. The vision of the cluster has been precisely identified and it is focused
2. There is at least one cluster partner who develops the vision
3. All partners share the common vision
4. A cluster brand already exists
5. The brand has been contacted within the cluster
6. The brand has been contacted outside the cluster
7. The cluster is not a mere result of public initiative
8. The initial momentum of the cluster is maintained
9. There is local political support for cluster human capital (accommodation, entertainment, transport)
10. There is local political support for the cluster business
11. The cluster is capable of developing common policies
12. There is agreement among partners on cluster policy development
13. Cluster companies invest in developing new technologies
14. Business decision-making leadership is overriding academic

15. Consultation is conducted on the vision to suit the needs

Group B. Members of the cluster

16. There is agreement of partners in forming a common strategy for the cluster
17. There is at least one powerful partner within the cluster
18. There is healthy competition between cluster businesses
19. There is co-operation among the cluster partners
20. Within the cluster, an intellectual property management framework has been developed
21. There is a framework to support the competitiveness of enterprises when joining the cluster
22. Trust has been developed (eradication) between cluster partners
23. There is interaction between cluster partners and research institutions
24. There are partners in the cluster that are competitive at international level
25. There are partners in the cluster that have products with global recognition

Group C. Cluster network

26. Added value is generated by the partnerships of the cluster partners
27. There is an electronic information platform with prospective employees, suppliers or customers
28. There is a procedure for resolving the differences of cluster members
29. There is a common understanding of addressing cluster issues
30. There are repetitive communication actions of cluster members
31. There is a possibility of rotation of employees among the cluster enterprises
32. There are established actions to enhance cluster membership
33. New products are created by the synergy of cluster members
34. Cluster training is carried out on the basis of the partners' needs
35. There is a network of knowledge transfer and know-how
36. There is a know-how management system produced within the cluster
37. Common provisions are made by the cluster
38. There is a mutual promotion of cluster businesses
39. The cluster is linked to the international market through staff imports, investment or know-how
40. The cluster is linked to the international market through imports of raw materials and components

Group D. Cluster resources and means

41. The cluster is linked to the international market by exporting products or investments
42. There exists necessary physical infrastructure to complete the cluster vision
43. There exists necessary local physical infrastructure to support entrepreneurship
44. There exists access to finance for the completion of the planned cluster project
45. There exists a knowledgeable, technically relevant cluster staff
46. In relation to international competition, the skills that support the cluster already exist in the participating companies
47. Cluster participants are prepared to innovate

Group E. Critical mass

48. There is a high level of management staff on clustering issues
49. There are technological institutes and research institutes within the cluster
50. The key suppliers of the cluster with the member companies are close
51. There are actions to promote know-how exchange through networking
52. All partners are capable of leading the cluster into international innovation
53. The total number of enterprises is capable of maintaining clustering processes in terms of innovation
54. All partners are able to lead the cluster into new research
55. There is an organized information-making system for decision-making in the cluster
56. The cluster actors have launched joint entrepreneurship actions in the cluster (project)

57. The cluster has formed a vision
58. The cluster has attracted the necessary members for its success
59. The cluster has set up a network
60. The cluster has the necessary resources for its operation.

.

Journal of Euromarketing, 26: 106 - 127, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

Consumer Responses to Social Media Advertisements in Two High-Context Cultures: Effects of Perceived Trust, Informativeness and Intrusiveness

Erdener Kaynak
Ali Kara
Dhoha A. AlSaleh

ABSTRACT. Past marketing and communication literature provides some evidence that social media networking sites such as Facebook, Twitter, Pinterest, mobile applications, and search engines have all become an important part of consumers' daily lives as an important communication and networking tool all around the world. Experts predict that the popularity of online social networking sites will continue to grow at an accelerating rate in the near future. Considering the significant future growth trends in online social networking and their growing popularity requires marketers to refocus their marketing communication strategies to reach their target customers who spend a significant amount of time using these social networking sites. Understanding consumers' attitudes, knowledge structures, and perceptions toward online advertising through social media networks should be an important goal for advertisers when designing their communication (advertising) strategies. Consumer perceptions and attitudes influence their behavior and resultant actions towards strategic marketing decisions. Therefore, the objective of this empirical study is to investigate consumer responses to social media ads based on their perceived relevance, informativeness, and intrusiveness of such ads. The study results offer important implications for advertisers, public policy makers, and researchers alike.

KEYWORDS. Social media advertisement, high-context culture, Turkey, Kuwait, social networking, strategic marketing decisions.

INTRODUCTION

In the area of proliferating communications tools, marketing managers do not always know which communication channels work for their products/services the best. As an effective communication medium, social media may be considered as "a platform that facilitates

Erdener Kaynak, Ph.D. is Professor of Marketing and Coordinator of Marketing Program, School of Business Administration, Pennsylvania State University at Harrisburg, Middletown, PA, USA, Ali Kara, Ph.D. is Professor of Marketing, College of Business Administration, Pennsylvania State University at York, York, PA, USA, and Dhoha A. AlSaleh, Ph.D. is Assistant Professor of Marketing, Department of Marketing and International Business, College of Business Administration, Gulf University of Science and Technology, Mishref, Kuwait.

Address correspondence to Dr. Erdener Kaynak, School of Business Administration, Pennsylvania State University at Harrisburg, 777 West Harrisburg Pike, Middletown, PA 17057, USA, E-mail: k9x@psu.edu

information sharing and participation from users of the media in order to create and/or distribute the content" (Steenkamp & Hyde-Clarke, 2014). Due to the nature of the communication, social media platforms are more interactive, collaborative, and highly engaged. Therefore, they create significant opportunities for companies to interact with their consumers for the purposes of effective marketing communication (Henderson & Bowley, 2010). It is indicated that organizations ought to use social media platforms because of the significant shifts taking place in the daily lifestyles and routines of their customers. As a result, social media has become the center of attention in many industries because of the significant advantages it offers in terms of connecting businesses with their customers directly and inexpensively (Kaplan & Haenlein, 2010), and coordinating the various components of marketing decisions such as marketing communications, promotions, marketing research, public relations, product and customer management (Akar & Topcu, 2011; Tanuri, 2010).

In recent years, online social networking has become a global phenomenon and an integral part of the daily lives of many consumers in the U.S. and around the world (Kaul, 2012). Accordingly, social media has changed the way companies do their businesses and communicate with their customers. Social media marketing provides companies the opportunity to reach their target markets, develop and maintain relationships with customers, improve business processes, and spend less on mass media advertising (Zimmerman & Sahlin, 2010). Furthermore, the results of a study by Erdogmus and Cicek (2012) show that brand loyalty of customers is positively affected when the brand appears on various platforms and offers applications on social media. In order to design effective marketing communication strategies, companies need to understand their customers' behaviors towards social media marketing. Typical social media users regularly interact with their friends by posting messages about very specific aspects of their personal lives to popular/unpopular trending issues and/or their opinions or experiences with products/ companies. They talk with their friends in chat rooms or through instant messaging, provide their opinions or feelings about the advertised products on their personal blogs, write product reviews, or even in some cases post videos on various platforms such as YouTube.

Previous research shows that social media communication is an important resource for many consumers and may be considered more effective than mass media advertising in influencing certain purchase and consumption decisions (Peterson & Marino, 2003). Companies are "liked" as friends, and users can closely follow the information coming from these companies. It is imperative that marketers utilize the positive consumer engagement with products by developing effective marketing communication strategies. For example, Nestlé has learned that paying attention to the critics and trying to respond to some of their concerns was more beneficial than ignoring discussion on social media when Greenpeace, an environmental group, launched a social media attack on Nestlé's Kit Kat brand in 2010 (Ionescu-Somers & Enders, 2012).

In this study, we focus on the consumers in two high-context cultures: Turkey and Kuwait. According to Information and Communication Technology (ICT) Usage Survey on Households and Individuals (Turkish Statistical Institute, 2014), Internet usage of individuals aged 16-74 was 53.8% in Turkey, and 78.8% of Internet users participated in social networks in the first quarter of 2014. As well, a comScore data indicated that Internet users in Turkey were found to be the "most engaged users" in Europe, spending an average 32 hours and viewing an average of 3,044 pages of content per month (ComScore, 2009). Hence, the interest of Turkish people, particularly young

ones, in the Internet and new social media networks has grown profoundly (Ugurlu & Ozutku, 2014). Similarly, social media users in Kuwait portray identical characteristics. Therefore, the current study aims to shed light on consumer behaviors towards social media advertising in Turkey from the perspective of younger consumers and contribute to practice and to our understanding of social media use behavior. This study attempts to fill the existing research gap by investigating the relationship between emerging market consumer perceptions and their attitudes towards online social networks advertising. More specifically, using empirical data collected from two high-context cultures, this study tries to address the following research questions:

1. How does perceived ad intrusiveness influence consumer responses towards social media ads?
2. How does the perceived informativeness of social media ads influence consumer responses towards the ad?
3. How does consumers' willingness to trust social media ads influence their responses towards the ad?

LITERATURE REVIEW

In general, consumers have access to many different sources of information and experiences, which have been facilitated by the information and recommendations provided by their peers (Senecal & Nantel, 2004). Therefore, organizations have to be ready to deal with conversations about them and prevent possible image crises. It is obvious that social media is very powerful. However, it is not clear for managers how to use it, and many executives are not willing or cannot develop strategies and share out resources to engage effectively with social media (Ang, 2011; Kietzmann, 2011). One of the reasons for such a condition is a lack of understanding of social media concepts on the part of executives and public policy makers alike.

There is no universally accepted definition of social media (Nga Ling & Guillet, 2011), and the definitions will likely to change as "social media continues to evolve and its uses change and expand" (Zeng & Gerritsen, 2014, p. 28). Social media, however, may be defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content" (Kaplan & Haenlein, 2010, p. 61). Based on the characteristics of the definition above, Luchman et al. (2014, p. 137) define social media as "Internet communications where more than one user can publish or post information within a community of users." It is indicated that the most trusted communications tools are those that customers themselves seek out. As such, online communities attract both users and marketers to their virtual landscapes, and some brands have recognized their potential, with varying degrees of success (Fielding, 2007).

Tremendous changes and developments in Internet technology have led to the rise of social media in the last decade (Cao, 2011). Though social media became popular as a result of billions of users, their application for organizational goals has just begun to take effect (Kane & Alavi, 2014). Social media transformed communication of organizations with their employees, clients, and the media which constitute their own public (Wright & Hinson, 2009). Companies, government offices, and non-profit organizations started to use social media to reach fast-growing customer bases. Even politicians tweet with their followers. Social media is used to find enjoyment and to connect with close family and friends (Scheppers et al., 2014). It is also used for sharing and accessing information (Chen et al., 2011), recruiting (Joos, 2008), marketing research (Casteleyn et al., 2009), charity purposes (Quinton & Fennemore, 2013), and political change (Attia et al., 2011). Companies have an opportunity to realize significant benefits through usage of social media. As such, social media can help

companies to generate brand awareness, build a good reputation, reinforce the brand name, increase their brand value (Edosomwan et al., 2011), and have profitable relations with consumers, suppliers, and stakeholders by paying attention to their concerns and providing them timely responses.

Social media advertising, especially in the context of the international markets, has not been a frequently researched topic in international marketing and advertising literature. Accordingly, not many cross-national or cross-cultural studies investigating the social media advertising are reported in the current marketing literature. The limited amount of research on this topic could be due to several reasons. For instance, social media advertising may still be considered in the infancy stage, and it is expected that there will be significant research attention devoted on this topic in the near future. Also, complications involving the interactive nature of the social media might be creating challenges to the researchers and practitioners alike in terms of how to approach this phenomenon in international markets. Finally, lack of theoretical/conceptual frameworks that guide the research efforts in this area could be an important source of the limited research output.

Understanding consumer attitudes and perceptions towards social media advertising is crucial for both researchers and marketers because of the presumed link between attitudes and behaviors (Jung et al., 2015). Attitudes towards advertisement may be influenced by various factors such as consumer perceptions, knowledge structures, and preexisting attitudes (Lutz, 1985). Bauer and Greyser (1968) argued that consumers usually like advertising when it supplies relevant information. On the other hand, Ducoffe (1996) found that attitudes towards online advertising were directly associated with its perceived levels of entertainment. Similarly, Gao, and Koufaris (2006) reported that perceived information and entertainment values were the important determinants that influenced consumers' attitudes towards advertising.

Consumer Response Model

The relationship between consumer perceptions and attitudes and their behaviors has been an important area of research in the current marketing literature. It is well supported in the literature that attitudes are assumed to predict consumer behavior. Fishbein and Ajzen (1975) argued that consumer behavior may be predicted systematically using the perceptions, attitudes, intentions, and behavior model. Therefore, the knowledge of consumer attitudes towards social media advertisements could be used to predict consumer behavior of clicking on such ads. The model assumes that consumer intention is a function of their beliefs about the behavior itself. A number of studies have provided supporting evidence on the positive relationship between attitude and behavioral intention in advertising. For example, Mehta (2000) found that users who demonstrate more positive attitudes towards advertising are more likely to be persuaded by the advertising they encounter. Hence, in this study, we developed a framework based on Fishbein and Ajzen's (1975) model to examine the relationship between consumer perceptions, attitudes, behavioral intention, and the ad click behavior.

Pollay and Mittal (1993) argued that "beliefs are descriptive statements" about product attributes (such as, "a dishwasher kills germs") while attitudes are "summary evaluations of objects." Similarly, Kotler and Keller (2006) described attitudes as "a person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea." Marketing literature suggests that consumers' beliefs and attitudes toward advertising influence their intentions and responses (Mehta, 2000; Li et al., 2002). Perceived informativeness, perceived entertainment, and perceived irritation have been consistently used in the literature as the perceptual

antecedents of consumer responses towards a marketing communication message, such as TV commercials and magazine advertising (Ducoffe, 1995). Ducoffe (1996) for instance, reported that perceptions about ad informativeness and entertainment value of an ad were positively related to attitudes towards advertising, while irritation was negatively related.

Perceived Informativeness of Social Media Ads

It is clear that social media continues to influence consumers with respect to how they search for information, utilize information, participate in conversations, form communities, and build and maintain relationships. Moreover, it influences how consumers participate in the process of co-creation of content and how they modify and share that content across different sites and devices (Kietzmann et al., 2012). Unlike traditional marketing communication channels, such as mass media advertising, social media networks allow much more precision in targeting customers based on their interactions, profile, groups, applications, and other data they volunteer to provide or share (Li & Lien, 2009). The consumer actions and activities could be captured by the social media network creating a rich database that could be mined to understand customers better. Accordingly, their interactions with advertisers' messages or engagement with the ad content could be valuable in displaying customized advertising messages to influence consumer behavior. The process of analytics and customization are relatively simplified and automated by the software, and costs are minimized. Furthermore, advertising through the social media network may be perceived as more reliable because the suggestions and recommendations by friends are considered more reliable information (Nielsen, 2012).

Advertising can provide valuable information to the consumers about product benefits and use. Therefore, information obtained from the advertising leads to efficiencies in information search and comparison. Consumers may perceive the information obtained from online advertising as a valuable source about different product alternatives and hence helping them with their purchase decisions. Literature provides evidence that consumers usually value information greatly and it satisfies their needs (Bartos & Dunn, 1974; Bauer & Greyser, 1968; McQuail, 1983; Wright, 1974). Although most of the previous literature was not directly relating to the new medium of communication, we argue that the information obtained from social media advertising should not be any different from that of traditional advertising. For instance, Ducoffe (1996) reported positive correlation between perceived informativeness and advertising value in both traditional and web advertising media. Hence, we offer the following hypothesis:

> H1: Perceived informativeness of social media advertising is positively related to the individuals' attitudes towards social media advertising.

Perceived Irritation/Intrusiveness of Social Media Ads

Although the objective of the advertising is to communicate the marketer's message, advertising sometimes result in unintended consequences such as irritation, annoyance, and perhaps offending consumers. One could argue that such outcomes may be related to the intrusive nature of the social media ads (e.g., pop-ups, interruptions, clutter, etc.) as well as the tactics used by the marketer (Nielsen, 1996). Aaker and Bruzzone (1985) argued that irritations usually lead to reduction in ad effectiveness. Gao and Koufaris (2006) indicated that continued irritations caused by unwelcome ads frustrates the users and leads to the formation of negative feelings towards the ads. Bauer and Greyser (1968) reported that irritation is one of the main reasons consumers criticize advertising. Also, James and Kover

(1992) found a negative relationship between consumer irritation and their attitudes toward ads. They also reported that when consumers had the ability to control the online ad displays, they were considered less annoying. When using social media, consumers satisfy various needs such as communication, connecting, relaxation, and enjoyment. During that time, if consumers perceive that social media ads are interrupting and disrupting their social interactions, then their reactions to such ads will be negative. Therefore, consumer perceptions about the level of annoyance caused by ads will have negative antecedents on their response.

> H2: Perceived intrusiveness of the social media advertising is negatively related to the individuals' attitudes towards social media advertising.

Perceived Trust to Social Media Ads

In addition to the informativeness and irritation factors, literature provides support for the role of the consumer predispositions about relying or trusting advertising. When making purchase decisions, consumers experience various levels of discomfort and uncertainty, and hence, they try to psychologically justify the decisions made. They may rely on the information provided by the advertiser as a valuable source of guarantees, safety, or assurances (Shapiro, 1987). In other words, they feel comfortable in trusting the institution as a way of reducing their risk perceptions (Jayawardhena et al., 2009).

As a result, when the consumers have more positive perceptions about the information provided by the social media ads, they will be willing to rely on them and trust the messages communicated. Higher levels of trust in advertising information will lead to a positive consumer response towards the social media ads in the form of ad click behavior. Therefore, we test the following hypothesis:

> H3: Perceived trust of social media advertising is positively related to the individuals' attitudes towards social media advertising.

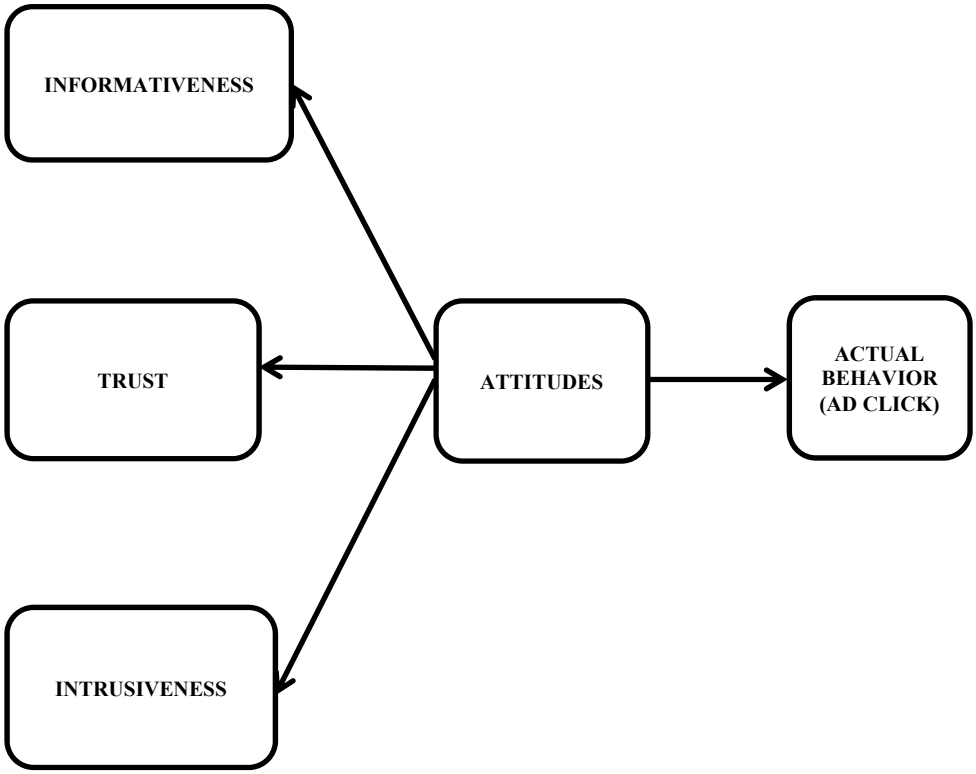
Advertising Attitudes and Consumer Response

There is significant support in the literature that consumer attitudes are action oriented and thus influence their actions. Using the similar arguments, attitude may be considered a critical factor that influences consumers' responses to the social media ads. The previous studies have reported that consumer attitudes toward ads positively influence their purchase intentions (see Mehta & Sivadas, 1995; Mehta, 2000; Suh & Yi, 2006). Using the theory of reasoned action, we expect a significant relationship between attitudes towards social media ads and the ad click behavior (consumer response to the ads).

> H4: Consumer attitudes of social media advertising are positively related to their ad click behavior (consumer response).

In light of undertaking a comprehensive literature search, several research questions have been developed to show the impact of social media tools on consumer attitudes and behavioral tendencies, intentions, and attitudes. As a result, two interrelated research questions have been developed. Is there a relationship between social media advertising perceptions and individuals' attitudes towards social media ads? How do individuals' overall attitudes toward the social media ads affect behavioral intention to click on ads? The conceptual model used in the study is illustrated in Figure 1.

Figure 1. Impact of Social Media Advertisements on High-Context Culture Consumers Behaviors



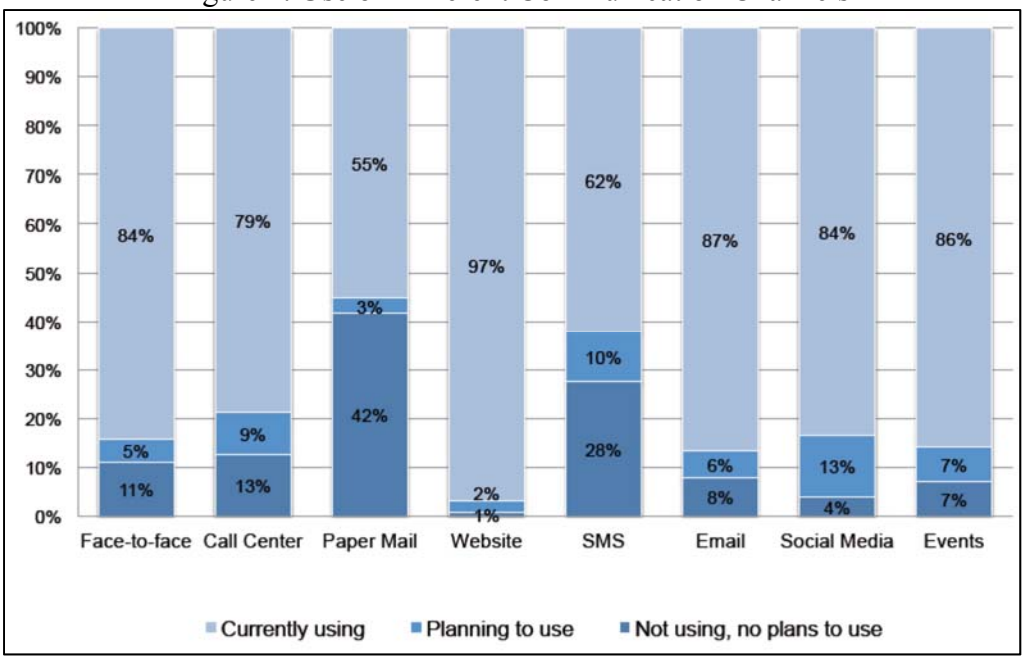
Social Media Usage in Turkey

According to TurkStat, Information and Communication Technology (ICT) Usage Survey in Households and Individuals, 53.8% of people in Turkey use Internet frequently. With respect to the profile of these users, 83% of the males and 63% of the females indicated that they frequently use Internet communication. While 75% of the frequent users were aged less than 34, only less than 10% of the higher age group indicated that they use Internet communication frequently. Finally, almost 94% of the highly educated individuals but less than 50% percent less educated individuals reported that they use frequent Internet communication. These statistics show a clear pattern of heavy Internet communication usage by the younger and highly educated consumer groups in Turkey.

The report also shows the main purposes of the Internet usage. Among the many mentioned were sending/receiving e-mails; participating in social networks; telephoning over the Internet/video calls (via webcam) over the Internet; reading online news / newspapers / news magazines; finding information about goods or services; listening to web radio, playing or downloading games, images, films, or music; playing networked games with other persons; uploading self-created content (text, photos, music, videos, software etc.) to any website to be shared; creating websites or blogs; making an appointment with a practitioner via the website (e.g., of a hospital or a health care center); using services related to travel or travel-related accommodation; selling of goods or services, e.g., via auctions (e.g., eBay); and Internet banking. It is also indicated that there are 5

million Internet shoppers in Turkey. One out of five Turkish people shop online which creates $18 billion in sales, which is provided by 1,263 Internet sites in the country (Daily Hurriyet, 2014, p. 9).

Figure 2. Use of Different Communication Channels



Source: Toker et al, 2012, Social Media Marketing Trends, http://www.iab-turkiye.org/sites/ default/files/social_media_marketing_trends_turkey.pdf retrieved 12.01.2015.

With respect to the social media (i.e., Facebook), statistics show that Turkey is witnessing an explosion in online social media networks, ranking the 4th largest in global usage of Facebook and 8th largest for Twitter (Internet World Stats, 2014).

These statistics show that social media has become a powerful alternative to Turkey's traditional mainstream media. Facebook is the most popular social network followed by Twitter and personal blogs. Mobile penetration in Turkey is larger than Internet penetration, indicating that individuals are increasingly accessing social media networks from their cell phones.

Furthermore, according to research data collected from 145 respondents working with 103 companies operating in a variety of Turkish industries, social media is one of the most preferred ways of interaction with the consumer among alternative modes of media, as 84% of companies reported that they currently use social media platform and 13% indicated that they are planning to use it in the near future. These research findings show that companies realize the importance of social media in Turkish marketing (Toker et al., 2012).

The research conducted by Egon Zehnder International and Bogazici University indicated that 58% of companies believe that they use social media effectively in line with their company's strategic marketing. While 73% of respondents stated Facebook as their main social media channel or platform, other platforms such as Twitter (2%), YouTube (5%), blogs (3%), discussion forums (2%), and online communities (7%) were also mentioned. Facebook dominated most of the social media advertising share, followed by platforms such as Twitter

and YouTube (Egon Zehnder International, 2012). (see Figure 2).

Social Media Usage in Kuwait

Kuwait has the highest percentage of social media users, in proportionate to the population, in the Middle East (Kuwait News, 2013). *Arab Times* studies undertaken show that people are using the Internet in Kuwait. Ninety percent of the people in Kuwait use the social networking websites through their smart phones.

Arab Youth Survey results indicated that respondents spent their spare money to buy mobile phones (40%), buy books and magazines (29%), watch movies and go to the cinema (13%), and listen to music (8%). The Kuwaiti youth has been described as Internet active, and 70% of Kuwaiti youth have been found to actively participate in social network sites. According to Arab Social Media Report (2011), there are over 1.3 million active Twitter users in Arab countries. Kuwait leads the way in Twitter penetration in Arab nations at 8% as the number of active Twitter users in Kuwait reached 113,428 with a percentage of 16.2%. Daily tweets posted from Kuwait exceed 1,3 million making Kuwait one of the countries using the Twitter the most in the world. Kuwait is also the top generator of Tweets in the Arab world. In March 2012, Kuwaitis sent almost 60 million tweets. The number of Facebook users in Kuwait reached 721,020.

STUDY METHODOLOGY

As social media is an important source of influence, for orderly decision making purposes, it becomes very important to understand consumer behavior toward social media tools and usage. In a globalizing world, as more and more companies are marketing their products/services worldwide, it becomes more important to examine the issue of social media impact. Little empirical work, so far, has been undertaken at international and cross-national/cultural levels to understand uses and pitfalls of social media tools and the characteristics and behavioral tendencies of its users.

Questionnaire Design

Data for the study was collected using a survey instrument developed based on various scales reported in the marketing and communication literature. To ensure a high response rate, the questions related to social media usage were asked first, followed by demographic and socio-economic questions. Roberson and Sundstrom (1990) achieved the highest response rates in an employee attitude survey when significant questions were asked first and demographic questions were asked last. The questionnaire consisted of five parts covering the statements related to respondents' behavior with respect to social media usage, statements about respondent's daily activities which may be influenced by social media tools, statements concerning mass media advertising, and the background information of respondents.

The self-administered survey questionnaire was originally created in English. It was translated into Turkish and then back-translated into English by two Turkish bilingual individuals to assure that the translated version reflected the meanings of the original questionnaire (Douglas & Craig 1983, p. 187). No important differences were detected after the comparison of questionnaires. The questionnaire consisted of five primary sections. In the first section, the use of social network sites (SNSs) was measured. First, respondents were asked to select a social media tool that they utilized the most from a list which included Twitter, YouTube, Websites, Facebook, Blogs, Online Forums, Podcasts, Instagram, or specify any other one. Next, four measures were used to examine the purpose for which respondents used the social media channel of their choice, the numbers of contacts in the "friends" list in Facebook and Twitter, and the amount of social media usage per day. Finally, five measures assessed the participant's overall attitude toward social media ads followed by the question whether they

use social media on mobile or not. The second part of the questionnaire assessed the participant's behavior toward social media advertising. The third part of the questionnaire investigated the participant's daily activities in general. The fourth part assessed the participant's overall attitude toward the advertising. The fifth part of the questionnaire contained demographic questions about gender, age, marital status, education level, occupation, monthly income, and number of people living in a household. Attitudes towards social media ads were measured using five-point, semantic differential scales ranging from ''dislike them very much" to "like them very much." Behaviors towards social media advertising and attitudes towards advertising in general were examined by items using a five point Likert-type scale, with 1 being "Strongly Disagree" and 5 being ''Strongly Agree," closed-ended questions. Daily activities were examined by items using a seven point Likert-type scale, with 1 being "Strongly Disagree," 4 being "Neutral," and 7 being "Strongly Agree," closed-ended questions.

Sample Selection

A TurkStat study (2014) reported that in Turkey 73% of individuals aged between 16-24, 67.1% aged between 25-34, 52% of individuals aged between 35-44, 30% of individuals aged between 45-54, 15.3% of individuals aged between 55-64, and 5% of individuals aged between 65-74 used the Internet. While 22.4% of respondents were primary school graduates, 64.3% were secondary and vocational school graduates, 79.2% were high school graduates, and 93.6% were higher education graduates (TurkStat, 2014). Based on the research results stated above, it can be seen that there is a strong relationship between the level of education and Internet usage level; the higher the education level of individuals, the higher their usage level of the Internet. Therefore, university students were chosen, as they are among the population who use social media the most. According to the Information and Communication Technology (ICT) Usage survey on Households and Individuals (TurkStat, 2012), the percentage of households with access to the Internet was 55.5% in urban areas and 27.3% in rural areas. According to SR Level 1, percentages of households with access to the Internet in TR1 Istanbul (60.5%), TR2 West Marmara region (49.7%), TR4 East Marmara region (60.6%), and TR5 West Anatolia region (57.5%) were above the averages of Turkey. Therefore, Istanbul—the largest city in Turkey—was chosen as the research venue. Mostly students were selected (74%) as study respondents because of their heavy and frequent use of social media tools. The questionnaire was administered to students of Faculty of Business Administration at one of the private universities located in Istanbul between March and September 2014. The selected students were also encouraged to send the survey questionnaires to their acquaintances. Face-to-face and online data collection methods were utilized to collect the data. Snowball sampling method, "a non-probability sampling procedure in which subsequent respondents were obtained from information provided by initial respondents" (Saunders et al., 2009, p. 601) was chosen. No incentives were offered. Of the 728 completed surveys, two of them were found to have incomplete data, and they were discarded.

Sample Profile

Of the total respondents, 32.8 % were female and 66.8 % were male. The majority of respondents (78.9%) were 20-29 years of age. While 84.1% of respondents were married, 15.4% were single. 87.9% had Bachelor's degree, 7.7% Graduate school, 1.7% Technical school, and 0.6% High School and Professional Certificate.74% of respondents were students, 11.6% Professionals, 3.3% Managers, 2.9% Teachers, 2.8% Technicians, 1% Health care. 42% had incomes of "750 Turkish Liras or less"; 14.2% had "751-1500"; 11% had "1501-

Table 1. Sample Profile

	Kuwait		Turkey	
Characteristics	Frequency	Relative frequency (%)	Frequency	Relative frequency (%)
Gender				
• Male	210	32.1	485	66.8
• Female	440	67.2	238	32.8
Age				
• Under 20	127	19.4	77	10.6
• 20—29	392	59.8	573	78.9
• 30—39	68	10.4	75	10.3
• 40+	63	9.6	1	0.1
Marital Status				
• Single	472	72.1	613	84.4
• Married	178	27.2	112	15.4
Education				
• High school	219	33.4	4	0.6
• Technical school	86	13.1	12	1.7
• Bachelors	286	43.7	638	87.9
• Graduate School	44	6.7	56	7.7
• Profession certificate	2	0.3	4	0.6
Occupation				
• Teacher	37	5.6	21	2.9
• Manager	38	5.8	24	3.3
• Technician	18	2.7	20	2.8
• Professional	58	8.9	84	11.6
• Health Care	8	1.2	7	1.0
• Student	387	59.0	537	74.0
Monthly Income				
• 500 or less	351	53.6	310	4207
• 501-1000	125	19.1	103	14.2
• 1001-1500	85	13.0	80	11.0
• 1501-2000	48	7.3	80	11.0
• 2001-2500	18	2.7	69	9.5
• 2501-3000	10	1.5	17	2.3
• 3001-3500	3	0.5	35	4.8
• 3501-4000	2	0.3	5	0.7
• Above 4000	8	1.2	1	0.1
Nationality				
• Kuwaiti	522	79.7		
• Non-Kuwaiti	128	19.5		
Use Facebook Mobile?				
• Yes	643	98.2	374	51.5
• No	9	1.4	352	48.5

2250" and "2251-3000" respectively; 9.5% had "3001-3750"; 4.8% had "4501-5250"; 2.3% had "3751-4500"; 0.7% had "5251-6000"; and 0.1% had "Above 6000." While 51.5% of the respondents used Facebook Mobile, 48.5% did not (see Table 1).

ANALYSIS AND RESULTS

Social media is an interactive communication among individuals online. When we look at the survey data, it was discovered that the most often used social media channel was Facebook (used by 31%), 28% used Twitter, 21% YouTube, 12% Instagram, 7% Websites, and the remaining 1% includes online forums. Time spent on social media each day varied as 51% spent 1 to 120 minutes, and 32% spent 31 to 60 minutes. Of the respondents who used Facebook, 82% had more than 100 friends. It was indicated that the main purpose of using social media was to socialize with family and friends (60%), to have replacement for e-mail and instant messaging (17%), to make oneself more social (8%), to generate ideas for business/social groups (4%), and the remaining 6% used it to network for a job and to keep in touch with people who live in distant locations. The most important reason to click a Facebook ad was to make a purchase (42%), to search for a particular product (33%), and to see what the company has to offer (19%). A majority of the respondents (33%) bought high-end goods, and 13% bought low-end goods. Although most of the respondents stated that they frequently paid attention and/or carefully read social media ads, the number of ads recalled was remarkably low.

Table 2. Descriptive Statistics About Overall Perceptions towards Advertisements

	Kuwait		Turkey	
Statements*	Mean	Std.	Mean	Std.
1. Most advertising insults the intelligence of the average consumer	2.80	1.028	3.12	1.176
2. From advertising I learn about fashions and about what to buy to impress others	3.20	1.151	3.03	1.200
3. In general, advertising helps our nation's economy	3.00	1.093	3.10	1.116
4. Advertising is making us a materialistic society, overly interested in buying and owning things	3.12	1.068	3.21	1.156
5. Advertising helps raise our standard of living	3.41	1.079	3.02	1.160
6. Advertising helps me keep up to date about products/services available in the marketplace	2.74	1.168	3.17	1.137
7. Overall, I consider advertising a good thing	3.59	1.028	3.17	1.110
8. Advertising promotes undesirable values in our society	3.38	1.182	3.08	1.133
9. Advertising results in better products for the public	3.04	1.069	3.03	1.141
10. Mostly, advertising is wasteful of our economic resources	3.19	1.226	3.13	1.142

11. Most advertising distorts the values of our youth	2.99	1.128	3.16	1.199
12. Advertising tells me what people with life styles similar to mine are buying and using	3.08	1.056	3.13	1.112
13. Advertising makes people live in a world of fantasy	3.16	1.170	3.14	1.112
14. I consider advertisements unwelcome interruptions	3.22	1.028	3.11	1.077
15. My general opinion of advertising is unfavorable	2.94	1.151	3.13	1.110
16. Advertising makes people buy unaffordable products just to show off	2.90	1.093	3.09	1.125
17. Advertising tells me which brands have the features I am looking for	3.49	1.068	3.17	1.119
18. Advertising is not an important issue for me, and I am not bothered about it	3.48	1.079	3.16	1.159
19. Because of advertising, people buy a lot of things they do not really need	3.25	1.168	3.33	1.141

* A five point scale was used where 1=strongly disagree and 5=Strongly Agree

Cronbach's alpha was used to assess the construct reliabilities. Table 2 shows overall perceptions towards advertisement, and Table 3 shows social media ad perceptions. The mean values obtained for the statements show great variation among consumers with respect to general ad perceptions as well as the perceptions towards social media ads. Furthermore, analysis of the data regarding time orientation of Turkish and Kuwaiti respondents showed consistent similarities (see Table 4).

Table 3. Descriptive Statistics about Social Media Ad Perceptions

	Kuwait		Turkey	
Statements*	Mean	Std.	Mean	Std.
1. I am willing to rely on information conveyed in Social media advertising making purchase-related decisions.	1.01	.117	2.81	1.280
2. I am willing to make important purchase-related decisions based on the information conveyed on Social media advertising.	2.66	.969	2.74	1.253
3. I am willing to consider the information conveyed on Social media advertising when making purchase-related decisions.	2.61	1.025	2.82	1.241
4. I am willing to recommend the product or service that I have seen in Social media advertising to my friends or family.	3.21	1.039	2.97	1.203
5. Social media advertising is a convenient source of product information.	3.30	1.052	2.89	1.228

6. Social media advertising makes product information immediately accessible.	3.38	1.027	3.10	1.124
7. Social media advertising informs me about the latest products and information available on the market.	3.42	1.041	3.00	1.171
8. Social media advertising supplies relevant product information.	3.74	.929	2.98	1.145
9. Social media advertising is a good source of up-to-date product information.	3.35	.908	2.91	1.168
10. Social media advertising helps me get special product price news.	3.56	.996	2.94	1.181
11. Social media advertising helps me to know which products will reflect my unique personality.	3.43	1.072	2.83	1.181
12. I take pleasure in thinking about what I see, hear or read in Social media advertising.	2.75	1.026	2.84	1.158
13. Social media advertising is more interesting than the content of other media.	3.08	1.045	2.87	1.188
14. Social media advertising tells me what people who share my lifestyle will buy and use.	3.14	1.076	2.90	1.219
15. Social media advertising usually makes people laugh and has great amusement value.	3.10	1.040	2.87	1.173
16. From Social media advertising I learn about fashions and what to buy to impress others.	2.96	1.024	2.77	1.161
17. I consider Social media advertising an unwelcome interruption.	2.94	1.152	2.92	1.212
18. I frequently pay attention to Social media ads.	2.80	.995	2.83	1.208
19. I carefully read the Social media ads.	2.68	1.038	2.78	1.203
20. I frequently visit Social media ad websites.	2.78	1.205	2.90	1.185
21. I always ignore Social media ads.	2.51	1.144	3.07	1.211
22. I wish I had a way to block Social media ads.	3.22	1.221	2.98	1.228
23. I have never noticed Social media ads.	3.13	1.292	2.63	1.238

* A five point scale was used where 1=strongly disagree and 5=Strongly Agree.

Table 4. Descriptive Statistics of Time Orientation Items

	Kuwait		Turkey	
Statements†	Mean	Std	Mean	Std.
I don't like change	2.28	1.087	1.04	.196
Time is money	3.01	1.740	4.68	1.912
I look to the future for success	3.92	1.877	4.83	1.881
I could never contemplate living anywhere else	6.15	1.229	3.88	1.916
There is never enough time in the day	3.71	1.880	4.12	1.815
Children should be taught well the traditions of the past	4.12	1.763	4.55	1.879
I plan all my decisions	5.37	1.625	4.40	1.768
I like things that happen unplanned	5.12	1.469	4.06	1.809
I often try to do more than one thing at a time	4.48	1.791	4.46	1.763
I like to think about what I am going to do in the future	4.87	1.658	4.62	1.795
Things always go up and down even if I work hard	5.80	1.320	4.23	1.778
Others would say I am good at saving money for the future	3.93	1.559	4.33	1.755
I am always in a rush	4.08	1.771	4.21	1.914
I live for today	4.51	1.709	4.15	1.884
The best way to do new tasks well is to rely on what has been done in similar instances in the past	4.46	1.846	4.43	1.753

I use a calendar to schedule events well ahead of time	4.42	1.487	4.38	1.792
It is best to give more attention to what is happening now in the present	4.53	1.706	4.39	1.714
I always think ahead	5.35	1.284	4.48	1.747
I have control over my future	5.17	1.363	4.13	1.806
It is good to be ready to accept new ways to do things, which will help to make life easier and better as I live from year to year	4.49	1.543	4.52	1.742
It is important to be able to do things quickly	5.23	1.348	4.58	1.813
I like to hear my elders talk about the 'old days'	5.25	1.434	4.62	1.764
I like to read about how others see the future	5.03	1.699	4.47	1.756
It makes my life easier just to accept some changes as they come along	4.97	1.617	4.22	1.784
I am constantly looking at my watch	5.10	1.276	4.25	1.704
I know where I want to go in life and I know how I am going to get there	4.59	1.690	4.21	1.753
Others would say I like to spend my money almost as soon as I receive it	4.82	1.452	3.98	1.811
I do not waste my time worrying about a problem until it needs to be solved	4.24	1.872	4.14	1.782
I buy or use many time saving devices	3.81	1.746	4.27	1.728
It is important to know one's family history	4.42	1.545	4.33	1.771
I like to improve my present wellbeing	4.99	1.691	4.67	1.766
The future is dynamic, but we can anticipate most outcomes beforehand	5.79	1.318	4.45	1.743
I use a diary to plan ahead	4.95	1.481	4.28	1.761
Each day has its own worries, so I do not have to think too much about the future	3.97	1.823	4.10	1.806
I am always looking for ways of saving time	4.26	1.635	4.33	1.728
If I could have purchased a product today, but I did not, it is not problem, because the chance for purchase will come again	4.90	1.471	4.31	1.759
It is very important to understand what happened in the past	5.11	1.639	4.59	1.782
I have been thinking a lot recently about what I am going to do in the future	5.19	1.648	4.43	1.771
I am mostly concerned about how I feel now in the present	5.60	1.443	4.20	1.843
I use a diary to see what I am doing today	5.49	1.291	3.86	1.820
It is really no use worrying about the future, because what will be, will be	3.70	1.767	4.04	1.863

†A seven point scale is used where 1=strongly disagree and 7=strongly agree.

Table 5A and Table 5B shows the results of exploratory factor analysis with Varimax rotation and their corresponding Cronbach's alpha values. The scales used in this study reflected reasonable reliability scores based on the fact that the majority of Cronbach's alpha coefficients were above 0.7 with the exception of "Behavior" and "Unwelcome." These results indicate that the scales provided adequate measurement properties and were appropriate for further analyses. Factor analysis results indicate that there are five different factors with loadings within the range of 57% to 78%. The first factor is labeled as "Willingness to Rely" with four different items accounting for 11.8% of the total variance. The second factor is labeled as "Beneficial" which accounted 8.6% of the total variance and it loaded on four items. The third factor is labeled as "Informative" which accounted 8.4% of the total variance and loaded on five items. The remaining factors labeled as "Behavior" and "Unwelcome" contributed weakly to the cumulative variance.

Further analysis shows the correlation coefficients among the constructs used in the study. To calculate these correlations, we obtained average scores for the items in the construct. The correlation matrix shows that all correlation coefficients are significant. Furthermore, most of the items retained in the model had loadings on their corresponding constructs with significant t-values.

Hypothesis Testing

We used confirmatory factor analysis (CFA) and the structural equation modeling (SEM) to test the study hypotheses. CFA results are illustrated in Figure 3.

Table 5A. Rotated Component Matrix for Social Media Ad Perceptions (Kuwait)

Social Media Ad Perceptions	Factors				
	1	2	3	4	5
Informative **(α=0.81)**					
• Social media advertising supplies relevant product information.	.792				
• Social media advertising helps me get special product price news.	.731				
• Social media advertising helps me to know which products will reflect my unique personality.	.716				
• Social media advertising informs me about the latest products and information available on the market.	.634				
• Social media advertising is a good source of up-to-date product information.	.591				
• Social media advertising tells me what people who share my lifestyle will buy and use.	.481				
Beneficial **(α=0.83)**					
• I always ignore Social media ads.		-.687			
• I carefully read the Social media ads.		.657			
• I frequently visit Social media ad websites.		.623			
• I take pleasure in thinking about what I see, hear or read in Social media advertising.		.561			
• Social media Advertising is more interesting than the content of other media.		.536			
• From Social media advertising I learn about fashions and what to buy to impress others.		.529			
• Social media advertising usually makes people laugh and has great amusement value.		.493			
• I consider Social media advertising an unwelcome interruption.		-.482			
Willingness to buy **(α=0.81)**					
• I am willing to make important purchase-related decisions based on the information conveyed on Social media advertising.			.768		
• I am willing to consider the information conveyed on Social media advertising when making purchase-related decisions.			.734		
• I am willing to recommend the product or service that I have seen in Social media advertising to my friends or family.			.708		
• Social media advertising is a convenient source of product information.			.566		
• Social media advertising makes product information immediately accessible.			.560		
Dislike **(α=0.84)**					
• I have never noticed Social media ads.				.794	
• I wish I had a way to block Social media ads.				.787	
Willingness to rely					
• I am willing to rely on information conveyed in Social media advertising making purchase-related decisions.					.862
Cumulative Variance Explained	16.52	32.50	44.85	54.48	59.46

Table 5B. Rotated Component Matrix for Social Media Ad Perceptions (Turkey)

	Factors				
Social Media Ad Perceptions	1	2	3	4	5
Willingness to Rely (α=0.783)					
• I am willing to make important purchase-related decisions based on the information conveyed on Social media advertising.	.809				
• I am willing to consider the information conveyed on Social media advertising when making purchase-related decisions.	.746				
• I am willing to rely on information conveyed in Social media advertising making purchase-related decisions.	.742				
• I am willing to recommend the product or service that I have seen in Social media advertising to my friends or family.	.652				
Beneficial (α=0.62)					
• Social media advertising helps me to know which products will reflect my unique personality.		.686			
• I take pleasure in thinking about what I see, hear or read in Social media advertising.		.677			
• Social media advertising helps me get special product price news.		.649			
• Social media Advertising is more interesting than the content of other media.		.547			
Informative (α=0.70)					
• Social media advertising makes product information immediately accessible.			.646		
• Social media advertising is a good source of up-to-date product information.			.631		
• Social media advertising supplies relevant product information.			.596		
• Social media advertising informs me about the latest products and information available on the market.			.502		
• Social media advertising is a convenient source of product information.			.468		
Behavior (α=0.57)					
• I carefully read the Social media ads.				.730	
• I frequently pay attention to Social media ads.				.673	
• I frequently visit Social media ad websites.				.469	
Unwelcome (α=0.58)					
• I wish I had a way to block Social media ads.					.797
• I always ignore Social media ads.					.766
• I have never noticed Social media ads.					.528
Cumulative Variance Explained	11.79	20.41	28.78	36.76	44.72

The CFA analysis shows a satisfactory model fit results with a Chi-square of 156.63 (df=51) significant at p<.009 level. Chi-square is known to be sensitive to sample size, and checking other indices are needed to assess model fit. Other fit indices provided a good level of fit (RMSEA=0.053; GFI=0.965; CFI=0.928). Furthermore, the results showed that all loadings in the model were significant, leading us to conclude that the relationships between the items and latent factors were confirmed by the data.

Figure 3. CFA Results

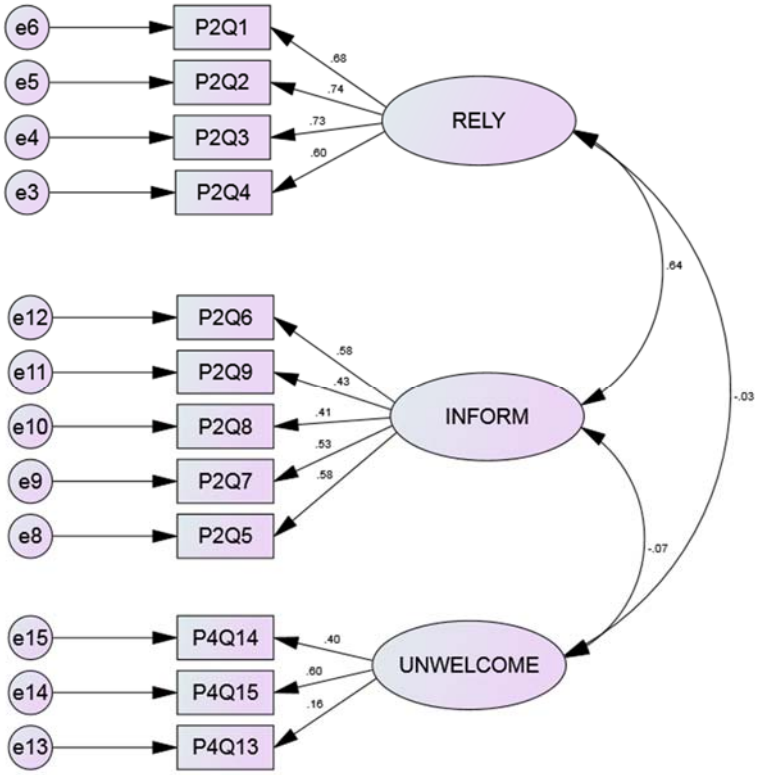
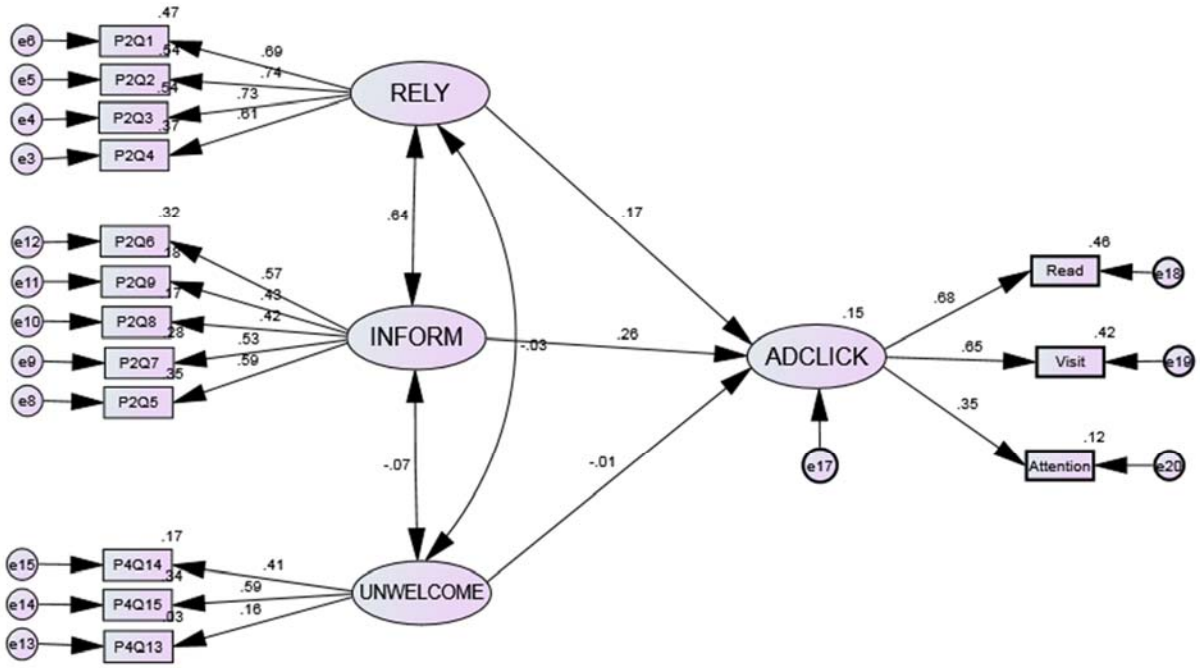


Figure 4. Structural Model Tested



The values for Chi-square (199.79), p-value (0.000), GFI (0.964), CFI (0.933), and RMSEA (0.044) indicate a decent level of model fit. The inspection of Figure 4 revealed that the linkages between "Willingness to Rely" and "Informative" to "Ad Click" were positive and significant, indicating that when Turkish consumers were willing to rely on information provided by the social media ads and considered that those ads were informative, they clicked on the ads. On the other hand, when they considered the social media ads "unwelcome," there was no significant relationship with the ad click behavior (although the sign is negative, it was not statistically significant). These results provide empirical support for H1 and H3. However, there is not sufficient evidence to support H2.

DISCUSSION AND CONCLUSIONS

Considering the significant growth trends in online social media networking has required marketers to refocus their marketing communication strategies to reach their target markets more effectively. This study examined social media users' perceptions and attitudes toward social media advertising. The study used the constructs derived from the existing marketing literature to test the hypothesized relations regarding consumers' social media use behavior. It is our belief that companies need to understand today's social media savvy customers' attitudes and behaviors towards social media ads in order to effectively reach them and capture their attention without annoying them. Informative, beneficial, engaging, and reliable ads may positively affect customers' attitudes towards social media ads and initially lead to the willingness to click on ads.

The findings of this study show that Facebook is the most popular social media platform among Turkish consumers. The majority of the participants indicated that they use social media "to socialize with family and friends," have more than 100 friends, and spend about 1 to 2 hours on social media each day. More than half of them said they ignore social media ads, but about a quarter of them indicated that they click on these ads for a variety of reasons such as curiosity, to purchase, or to search for a product. Finally, two thirds of the subjects indicated that they dislike social media ads.

In this empirical research study, we tested the relationships between perceptions, attitudes, and behavior. Findings indicated that general ad perceptions and social media ad attitudes positively influenced ad click behavior, while negative attitudes did not have any significant impact on the behavior. Perhaps more importantly, a large proportion of Turkish consumers perceive such ads as "annoying" and are looking for ways to block them. This finding is not surprising considering that a majority of the consumers use social media to socialize with their so-called "friends." Thus, ads displayed on social media through the news feed are seen as disruptions. According to the 2014 Social Media Marketing Industry Report, most marketers either do not know or indicated that their Facebook marketing is not working. However, such feelings are not supported by our results, considering that the negative attitudes towards such ads did not influence their ad click behavior.

LIMITATIONS AND FUTURE RESEARCH AVENUES

The authors acknowledge the following limitations to this study. First, the research is static in nature and covers one time period. Second, the research was conducted in Istanbul, the largest city in Turkey, which is an urban center. In the future, additional studies may be needed in other parts of the country to create generalizability of the findings. Third, snowball sampling was used in this study. As a non-probability sampling method, it does not calculate a sampling error. Therefore, stratified sampling may be needed in order to reduce a

possible sampling error. Finally, the study relied on consumers' perceptions of social media networks in a particular area of Istanbul. It is advisable to extend the study's boundaries to larger areas. In particular, samples drawn from semi-urban and rural areas of Turkey would produce more illuminating results.

Future research may consider conducting additional studies in order to investigate whether gender differences of emerging-market consumers influence attitudes towards social media advertising. This study investigated the social media phenomenon in a static way in one time period only.

Additional studies are needed to look at the social media in an extended period of time, longitudinal studies. Further studies may also be needed to find an answer to the following questions: Do income and education levels of social media users affect their attitudes towards social media ads? Do different types of social media lead to different attitudinal responses of social media users?

REFERENCES

Alikilic, O., & Atabek, U. (2012). Social media adoption among Turkish Public relations professionals: A survey of practitioners. *Public Relations Review*, *38*, 56– 63.

Attia, A. M., Aziz, N., Friedman, B., & Elhusseiny, M. F. (2011). Commentary: The impact of social networking tools on political change in Egypt's "Revolution 2.0". *Electronic Commerce Research and Applications*, *10*(4), 369-374.

Ang, L. (2011). Community relationship management and social media. *Journal Of Database Marketing & Customer Strategy Management*, *18*(1), 31-38. doi:10.1057/dbm.2011.3.

Casteleyn, J., Mottart, A. & Rutten, K. (2008). How to use Facebook in your market research. *International Journal of Market Research*, *51*(4), 439-447.

Cao, B. L. (2011). Social media: Definition, history of development, features, and future—The ambiguous cognition of social media. *Journal of Hunan Radio &Television University*, *47*(3), 65-69.

Chen, J., Xu, H., & Whinston, A. B. (2011). Moderated online communities and quality of user-generated content. *Journal of Management Information Systems*, *28*(2), 237-268.

ComScore, Inc. (2009, May 27). *Turkey has 7th largest and most engaged online audience in Europe*. Retrieved from http://www.comscore.com/fre/Insights/Press-Releases/2009/5/Turkey-has-Seventh-Largest-Online-Audience-in-Europe

Daily Hurriyet (2014, July 7). Shopping online is moving towards 40 billion Turkish Lira, p. 9.

Denizbank Financial Services Group Annual Report 2012. Retrieved from http://www.denizbank.com/en/about-us/_pdf/annual-reports/denizbank_faaliyet_raporu_2012_en.pdf

Douglas, S. P., & Craig, C. S. (1983). *International marketing research*. Upper Saddle River, NJ: Prentice Hall.

Edosomwan, S., Prakasan, S. K., Kouame, D., Watson, J., & Seymour, T. (2011). The history of social media and its impact on business. *Journal of Applied Management and Entrepreneurship*, *16*(3), 79-91.

Egon Zehnder International (2012). *Digital marketing trends in Turkey*. Retrieved from http://www.egonzehnder.com/files/digital_marketing_trends_in_turkey.pdf

Erdoğmuş, İ. E., & Çiçek, M. (2012). The impact of social media marketing on brand loyalty. *Procedia - Social and Behavioral Sciences*, *58*, 1353-1360.

Fielding, M. (2007). Determine which channels truly engage media customers eliminate waste. *Marketing News*, March 15, 10, and 12.

Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention and behavior: An introduction to theory and research*. Reading, MA: Addison-Wesley.

Işlek, M. S. (2012). *An impact of social media on consumer behavior: Research on social media users in Turkey* (Doctoral dissertation). Karamanoğlu Mehmetbey University Institution of Social Sciences, Karaman, Turkey.

Ionescu-Somers, A., & Enders, A. (2012, December 3). How Nestlé dealt with a social media campaign against it. *Financial Times*. Retrieved from https://www.ft.com/content/90dbff8a-3aea-11e2-b3f0-00144feabdc0

Joos, J. G. (2008). Social media: New frontiers in hiring and recruiting. *Employment Relations Today*, *35*(1), 51-59. doi:10.1002/ert.20188.

Kane, G. C., Alavi, M., Labianca, G., & Borgatti, S. P. (2014). What's different about social media networks? A framework and research agenda. *MIS Quarterly*, *38*(1), 275-304.

Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, *53*(1), 59–68.

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*, *54*(3), 241–251.

Koçak, N. G., & Oyman, M. (2012). Social media usage behaviors of individuals: An application in Eskisehir. *International Journal of Business and Social Science*, *3*(22), 177-188.

Luchman, J. N., Bergstrom, J., & Krulikowski, C. (2014). A motives framework of social media website use: A survey of young Americans. *Computers in Human Behavior*, *38*, 136-141.

Mangold, W. G. & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. *Business Horizons*, *52*, 357-365.

Mucana, B., & Özeltürkayb, E. Y. (2014). Social media creates competitive advantages: How Turkish banks use this power? A content analysis of Turkish banks through their webpages. *Procedia - Social and Behavioral Sciences*, *148*, 137-145.

Nga Ling, C., & Guillet, B. (2011). Investigation of social media marketing: How does the hotel industry in Hong Kong perform in marketing on social media websites. *Journal Of Travel & Tourism Marketing*, *28*(4), 345-368. doi:10.1080/10548408.2011.571571.

Quinton, S., & Fennemore, P. (2013). Missing a strategic marketing trick? The use of online social networks by UK charities. *International Journal Of Nonprofit & Voluntary Sector Marketing*, *18*(1), 36-51. doi:10.1002/nvsm.1450.

Roberson, M. T., & Sundstrom, E. (1990). Questionnaire design, return rates, and response favorableness in an employee attitude questionnaire. *Journal of Applied Psychology*, *75*, 354-357.

Saunders, M., Lewis, P., & Thornhill, A. (2009). Research methods for business students.

Schlinke, J., & Crain, S. (2013). Social media from an integrated marketing and compliance perspective. *Journal Of Financial Service Professionals*, *67*(2), 85-92.

Scheppers, H., Scheppers, R., Stockdale, R. & Nurdin, N. (2014). The dependent variable in social media use. *Journal of Computer Information Systems*, *54*(2), 25-34.

Senecal, S. & Nantel, J. (2004) The influence of online product recommendations on consumers' online choices. *Journal of Retailing*, *80*, 2, 159-169.

Sobaci, M. Z., & Karkin, N. (2013). The use of Twitter by mayors in Turkey: Tweets for

better public services? *Government Information Quarterly*, *30*, 417-425.

Socialbakers (2014, December). *Social marketing report Turkey*. Retrieved from http://www.socialbakers.com/resources/reports/regional/turkey/2014/december/

Toker, A., Seraj, M. & Bıçakçı Ersoy, B. (2012). Social media marketing trends. *Interactive Advertising Bureau (IAB)*. Retrieved December 1, 2015 from http://www.iabturkiye.org/sites/default/files/social_media_markeing_trends_turkey.pdf

TurkStat (2012). *Information and communication technology (ICT) usage survey in households and individuals*. Retrieved January 10, 2015 from http://www.turkstat.gov.tr/HbPrint.do?id=10880

TurkStat (2014). *Information and communication technology (ICT) usage survey in households and individuals*. Retrieved August 26, 2014 from http://www.tuik.gov.tr/PreTablo.do?alt_id=1028

TurkStat (2014), *Information and communication technology (ICT) usage survey in households and individuals*. Retrieved November 30, 2015 from http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=16198

Ugurlu, H., & Ozutku, F. (2014). An Evaluation on the use of social media in Turkey. *Procedia - Social and Behavioral Sciences*, *147*, 453-457.

Wright, D. K., & Hinson, M. D. (2008). How blogs and social media are changing public relations and the way it is practiced. *Public Relations Journal*, *2*(2), -21.

Zeng, B., & Gerritsen, R. (2014). What do we know about social media in tourism? A review. *Tourism Management Perspectives*, *10*, 27-36. doi: 10.1016/j.tmp.2014.01.001.

Zimmerman, J., & Sahlin, D. (2010). *Social media marketing all in one for dummies*. Indianapolis: Wiley Publishing.

Journal of Euromarketing, 26: 128-141, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

"Women Read…. Men Don't (or not so much)!" How Neuroscience Can Help Package Design?

Nicholas Hamelin
Nikhita Kishore
Talha Harcar

ABSTRACT. Traditional package design requires hours of research and creative work. For low involvement products where impulsive decision is often the norm, a well-designed package is a critical success factor. Packages that grab attention are generally highly emotional packages, yet although the concept is well understood, gauging if a package is emotional or not is the real challenge facing a business. Traditional surveys tend to poorly reflect a customer's true emotional response to a given stimulus, for the simple reason that surveys measure a customer's feeling, which is a conscious interpretation of an emotional state rather than the emotion state itself. Once the conscious mind is at work, all sorts of biases may occur: for example, the well known social desirability bias, where the respondents will attempt to please the poll setter. This research provides evidence that autonomic body reaction measurements can offer unbiased insight into the customer's preference without having to rely on surveys. Various packages for antalgic product were tested, and autonomic body reactions were tested. Eye tracking, Facial expression analysis, as well as Galvanic Skin response were found in strong correlation with respondents' preferences and purchasing intentions.

KEYWORDS. Neuro-marketing, Neuroscience, Packaging design, organic food, India, Organic food market, visual Saliency, Galvanic Skin Response, Imotions, facial expression, emotion.

INTRODUCTION

Organic food is food that is produced with the objective of producing healthy, wholesome and quality produce without the use of synthetic chemical products (Gracia & de Magistris, 2013). Organic agriculture, which stems the production of organic food, is better for the environment, provides a natural and chemical-free source of nutrition. The expansion of the organic food industry is perceived to be better for the rural farming community (Gracia & de Magistris, 2013).

Organic Food Industry in India

Within India, in 2015, sales of organic packaged food grew by 20% to reach Rs 2.4

Nicholas Hamelin, Ph.D. is an Assistant Professor of Business Administration at SPJAIN School of Global Marketing, Sydney, Australia and Adjunct Professor of Marketing, Franklin University Lugano, Switzerland; Nikhita Kishore is a postgraduate MBA student at S P Jain School of Global Management, Sydney, Australia; Talha Harcar, Ph. D. is a Professor of Marketing at Pennsylvania State University at Beaver, Monaca, PA, USA.

Address correspondence to Dr. Nicholas Hamelin, School of Global Marketing, SPJAIN, 5 Figtree Dr, Sydney NSW 2127, Australia, E-mail: nhamelin@fus.edu,

billion (Euromonitor, 2016). As one of the top 10 countries in the world with regards to cultivable land that is organic certified, India has an organic food market estimated at around Rs 1,000 crore. Per the research body Assocham and TechSci Research, the organic food market in India is set to touch the $1.36 billion-mark by 2020 (Roy, 2014). The sharp increase in demand for organic products was largely fed by the growing popularity among urban consumers. Among the organic packaged food category, the key products were organic sauces, dressings, and condiments. The average price of organic packaged food has continued to rise, largely due to commodity prices increasing in India. Sresta Natural Bioproducts remained the market leader of organic packaged food in 2015.

Trends

Indian government initiatives (through conferences and events) towards organic farming and production of organic packaged food has resulted in an increased popularity of organic packaged food in India during 2015. There is also a proliferation of manufacturers who claim their products are organic. Increased penetration and distribution has resulted in a swell of customer awareness year-on-year. More and more traditional grocery stores in India have begun stocking organic packaged food, which also contributed to growing awareness and value growth in 2015.

Organic sauces, dressings, and condiments are the biggest products within the Indian organic packaged food industry (Euromonitor, 2016). Coincidentally, Sresta Natural Bioproducts also widened the variants within the organic sauces, dressings, and condiment products, which helped contribute to these figures (Euromonitor, 2016).

Generally, organic packaged food is positioned as more premium and are also more expensive. In-store, they tend to be in separate aisles or shelves within modern stores in the organised sector, generally in areas near the upper middle-class consumers.

Competitive and Economic Landscape

Sresta Natural was the dominant player in the organic foods industry. Sresta had a wide presence in many retailers across the organised, urban sector. Their brand loyalty has also grown this year (Euromonitor, 2016). As per Euromonitor's analysis, in the organic industry, packaged food brands do not compete directly as premium, standard, or economy products; however, they are priced higher when compared to traditional products in each category. Most of the market has been captured by domestic manufacturers with limited presence from international players.

LITERATURE REVIEW

Neuroscience – "What Can't Speak, Can't Lie"

Neuroscience is a new technique to gauge the impact of marketing efforts on the consumer. By using a variety of different biometric sensors and sophisticated software, neuroscience can track exactly what a person is looking at (attention), whether he is experiencing positive or negative emotional arousal, and what these emotions are. Use of neuroscience is growing in popularity among the big brands like Unilever and Coca Cola (Weber, 2016).

When it comes to packaging, consumers view a product as a collection of cues that are processed with varying degrees of effort, rapidity, and accuracy (Novemsky et al., 2007). Prior research has shown that consumers base their judgments on the available cue information and on the ease with which this information can be processed and generate related thoughts and introspection (Schwarz 2004). A study also found that consumers often pay more heed and rely on cue information that feels easier to process when forming opinions

and ultimately making decisions (Shah & Oppenheimer, 2007). One would wonder if emotional cues are easier to process and would have more of an impact than plain statements of fact.

Literature on Organic Food & Purchase Intention

Von Alvesleben (1997) proposed a framework for the purchase of food that outlined that product information, product perception, and attitudes were the main driving forces. The consumer behaviour was driven by attitudes. These attitudes were formed based on 4 key attributes: perceptions of health, trustworthiness, attractiveness, and price. These factors are heightened by the information about the product or the knowledge of the product (Bigne, 1997).

Other studies have also found that consumers need to have some significant health attitudes to want to purchase organic food (Padel & Foster, 2005). Their environmental attitudes were also key. Moreover, some studies found that locally produced labels on organic food products also influenced consumers' decisions to purchase organic foods (Onyango et al., 2006).

In order to be able to differentiate between normal food products and organic ones, product knowledge is important. This further helps to form positive attitudes and quality perceptions toward these products (Bigne, 1997). Public administration, mass media, ecological associations and information on digital platforms are also important in promotion of organic product knowledge (Bigne, 1997). Therefore, the amount of organic product knowledge depends on socioeconomic characteristics, demographic characteristics, lifestyles, and the amount of information on organic products available in the market. Lastly, whether or not there were elements that stirred emotion or provoked emotions associated with historical events was also procen to be important (Chen, 2014)

In-store. The complex, in-store retail environment provides a wealth of opportunities for marketers. Marketers can seek to provide cues and information that will benefit the natural evaluative and choice processes of their consumers (Bettman, Luce, & Payne, 1998). With consumers now making 82% of their purchase decisions inside the store, the packing of organic food products must justify its higher price point and provide sufficient impact to drive purchase intent (Point of Purchase Advertising International, 2014).

When considering only the packaging of the product, there is a wealth of space for marketers to play with. Two online studies and two retail laboratory studies showed that the impact of a non-comparitive and comparative environments are different. Moreover, they showed that the effects of front-of-package information varied depending on the type of cue, objective vs. evaluative.

Objective cues provide product information that is factual, measurable, and objective but lacks any component that would allow interpretation (Prabhaker & Sauer, 1994). In contrast, evaluative cues provide consumers with subjective and interpretive information that a consumer can interpret as they choose. This would depend to a certain extent on the person's experiences, personality, and demographics. For example, evaluative health cues could help consumers with a subjective evaluation of the product's overall healthfulness (e.g., a star) or particular product attributes (e.g., low or high fat; low or high calories) (Prabhaker & Sauer, 1994). These cues are designed to lighten the perceptual and interpretation load on the human brain, thus making them easier to process and rendering them more impactful. This is especially useful in settings like supermarkets where consumers are assaulted with a breadth of cues and stimuli and only the most effective ones would work (Feunekes et al., 2008).

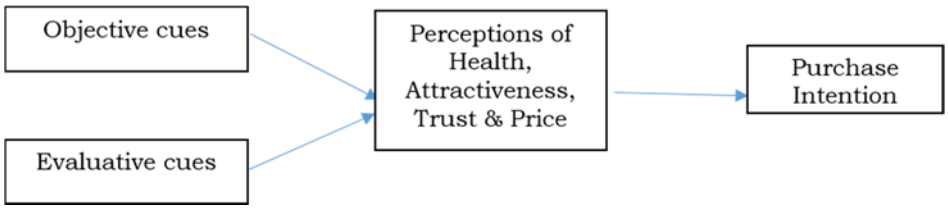
As per the results of the study, when consumers evaluate a single food packaging in a noncomparative context, objective and factual

cues that offer detailed quantitative information lead to better evaluations and higher purchase intentions than do evaluative nutrition cues. However, in a more realistic comparative context where consumers evaluate multiple products simultaneously, evaluative cues that reduce the cognitive load on the shopper work better.

Although the stated purpose of front-of-packaging nutrition labelling regulation is to "educate consumers and help them make healthier food choices" (Federal Register 2010; see also Food and Drug Administration [FDA] 2015), it is unclear what the best practices are as far as marketing on packaging is concerned. The cues that engage and influence consumers' product evaluations and decision-making processes are barely understood (Andrews, Burton, & Kees, 2011; Institute of Medicine [IOM], 2010).

Figure 1. Effect of Economic Integration on Consumption

Figure 1. Research Model



RESEARCH METHODOLOGY

The objective of this research is to investigate and analyse the importance of the packaging of the organic packaged food industry in India and the consumer decision-making process to identify and analyse the factors within the packaging of organic packaged food that influence purchase intention. The research also aims to recommend effective packaging design strategies for organic firms' brand managers based on factors identified in the study. Prior studies have shown that evaluative cues (such as imagery, icons, colour, etc.) have proven to drive more purchase intent than objective cues (factual statements about the product). It is the objective of this study to identify if these cues on the packaging can impact the attitude the consumer develops towards the product. Neuroscience methods like eye-tracking and skin conductance will be used to evaluate the impact of these two cues on the consumer.

Per Von Alvesleben (2001), the factors that drive attitude are formed by whether the packaging can communicate the nutritional and health perception (health), enjoyment, convenience (attractiveness), safety, transparency, and environmental motives (trust), but also by the product perception. The perception of a product is formed from the cues and product information present on the packaging. Ultimately, we would want to test what cues would have an impact on the health, price, attractiveness, and trust measures of a product and how that would in turn impact purchase intention.

Hypothesis

H1: Consumers spend more time viewing evaluative cues over objective cues.

H2: Within evaluative cues of imagery, icons, and text, consumers will spend most time viewing the images.

H3: Attitudes developed towards the brand are impacted by evaluative and objective packaging cues.

H4: Positive product emotions result in a higher purchase intention.

Secondary Research

Industry reports. In the study of the Indian organic foods industry, their packaging practices, and consumer trends, several industry reports from India and elsewhere in the world were used. These papers examine broad trends and competition and outline success criteria. Some of the sources include material from Euromonitor, Neilsen, and Marketline. To test the hypothesis proposed, a neuroscience study with an accompanying survey was used to examine the test parameters to be quantitatively verified with the score. The neuroscience study used iMotions Biometric Research Platform and involved an eye-tracking measure, a heartrate tracker, and a skin conductance measure. All-in-all, the neuroscience study was used to measure unconscious response to the packaging stimuli in order to gauge whether what the participants responded with in the survey was in line with what was asked.

Primary Research

Neuroscience Study with Survey Instrument.

In additional to industry reports, a detailed study of academic research work was undertaken. These papers were used to form the foundation of the results of this paper. These papers were published in reputable journals of marketing and related fields of study. Further, only peer-reviewed papers were considered for the academic papers. These papers examine the various variables being tested and conclusions have been scientifically examined and pronounced sound.

There were a total of 45 participants tested (30 male and 15 female). This study only chose to consider male and female citizens of India who were students of a global MBA program. They are typical organic food consumers and an ideal target for organic firms.

The data was collected with a convenience sampling of 45 students to get a good representation of the target audience. The respondents were screened by their nationality and familiarity with organic products. The data was then analysed using a regression model to evaluate the strength of the impact on purchase intent of organic packaged food.

Figure 2. Packaging Pictures

Packaging Cues

The study used 5 brands of organic cereal as test cues. They were selected based on a wide range of types of cues present on each packaging. The packaging selected was sourced from Australia to prevent the impact of brand recognition on purchase intention among the students. The packaging ranged from "Lean on Me" that provided information like a human face and a weighing scale, and is the packaging with the most subjective and evaluative cues, to, on the other end of the spectrum,

Australia's Own Organic, which provided mostly objective cues or statements of fact. Each cue was presented for a duration of 3 seconds. In various studies conducted, researchers found that participants were able to make purchase decisions about food stimuli in 500-2000ms (Krajbich et al., 2010; Hare, Camerer, & Rangel, 2009; Litt, Plassmann, Shiv, & Rangel, 2009). In multi-choice scenarios (displays with 16 items), another study found that participants could make accurate choices in less than 3 seconds (Reutskaja, Nagel, Camerer, & Rangel, 2010).

Questionnaire

A simple survey with five questions was used with one question used to measure each of the key variables: 4 independent variables (IV) and 1 dependent variable.

Table 1. Statements

Price (IV)	I will pay more for this product
Attractiveness (IV)	I think this package is attractive
Health (IV)	I think this product is healthy
Trust (IV)	I trust this product
Purchase Intention (DV)	I would buy this product

Figure 3. Brands of Organic Cereals

DATA ANALYSIS & INTERPRETATION

Heatmaps

The initial eye tracking study yielded very interesting results. Each cue was flashed for 3 seconds each, and all 5 images were flashed in random order, one after another.

Male Participants. Across most the packages, the heatmaps show that male participants spent most time viewing the evaluative cues, rather than the facts. The only exception in this case is the Five:am packaging where people spent most amount of time on the brand and the flavor listing, both of which are facts. A summary of the results are:

- Lean on me: Men spent most of their three seconds focusing on the face of the woman. Less time, yet significant enough, was spent on reading the phrase "Lean on me" and lesser so on "Nutritious living." All 3 of these are evaluative cues: cues that allow the viewer to make their own interpretation and derive meaning relevant to themselves alone.
- Australia's Own Organic: While the packaging had a great amount of objective and factual cues, most male participants chose to

focus on the "From the organic farm" line, which is a subjective cue because most people would attach their own emotive value to the phrase.

- Buckinis: Again, most people spent most time viewing the name of the product, which is a play on the word "bikinis." It is not improbable that this will trigger a subconscious liking to the brand due to the word bikini.
- Mom's Best: As the trend seems to be, most people spent their time viewing the name of the product, "Mom's best," as well as the product type, which is Crispy Cocoa Rice. The brand name Mom's Best has an emotive attachment to it, because it might cue participants to think of their own mothers.
- Five:am : Given that this packaging had very few subjective cues that the participant could focus on, most people focused on the brand name and the name of the flavor.

Female participants: Lean on me: Unlike the male participants, the female ones spent most of their time reading the "Lean on me" brand name, which is a subjective cue. They also spent slightly less, but just as significant, time on the face of the woman, weighing scale, and the "nutritious living."

- Australia's Own Organic: While men mostly only focused on the claim "From the organic farm," women also spent a minor amount of time on the objective name of the brand.
- Buckini's: Like the men, women also spent most of their time on the name of the product "Buckinis," which is play on the word "bikini."
- Mom's Best: Like the male participants, women participants also focussed most of their attention on "Mom's best" and the type and flavor of the product.
- Five:am : Once again, we can see that the women participants focused most of their attention on the brand name and product flavor, presumably due to the lack of any other major cues on the packaging.

Survey Instrument and Findings

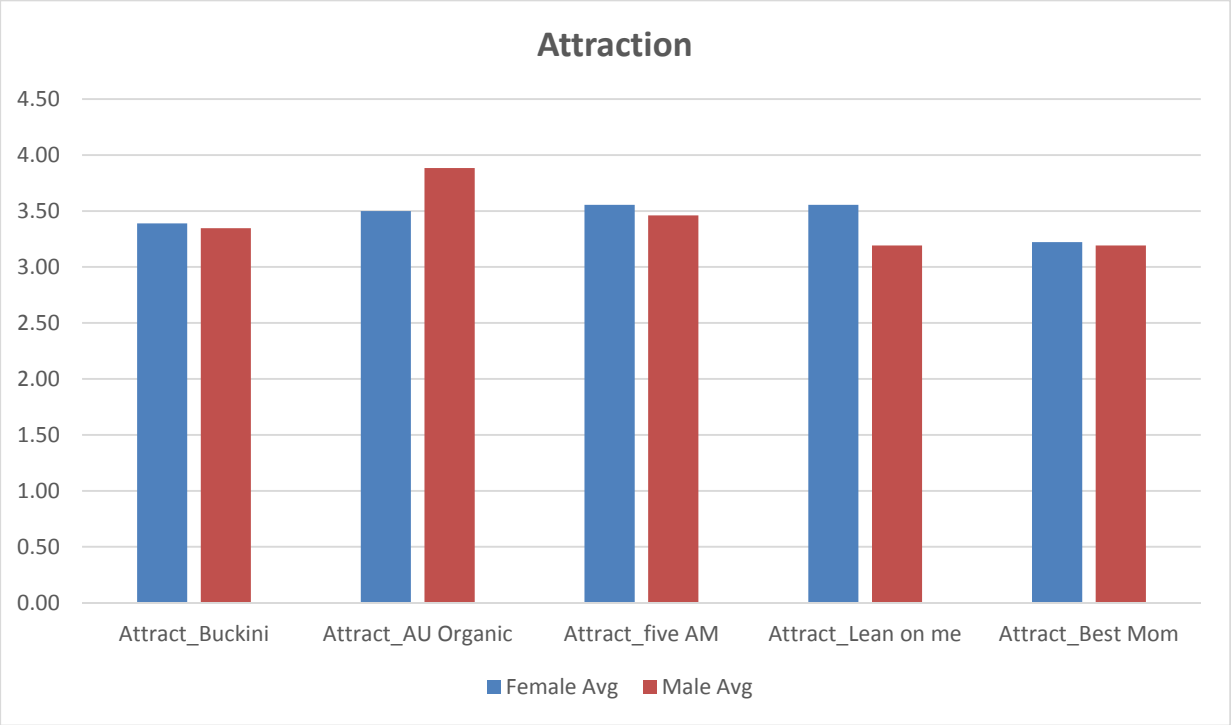
All the survey questions were measured on a 5-point Likert scale, with answers ranging from "Strongly disagree" to "Strongly agree." All answer choices were coded on a scale of 1 to 5. Tests of ANOVA were run on all the survey data to test for significant differences between the brands and within the genders.

Price. The question "I would pay more for this product" was employed to measure how much value they perceived from the product. When we consider the first variable, the question measured how likely each participant would pay a high price for the packaging they viewed. The p-value for the difference between the means of genders was 0.05, proving that there was a 90% significant difference between the mean scores of the different genders. The p-value of the average mean scores between designs was 0.09, which is also significant to a 90% confidence level. On this scale, we see that women are most likely to pay a higher price for the Lean on me packaging, whereas men would pay a higher price for the Australia's Own packaging. Interestingly, across both genders, Mom's Best packaging scored the lowest in terms of commanding a higher price.

Attraction. Attractiveness was measured by asking "I think this packaging is attractive". In terms of attraction, there were no significant differences in attraction scores between genders and between different designs of packaging (p-values of 0.82 between genders and 0.29 between designs).

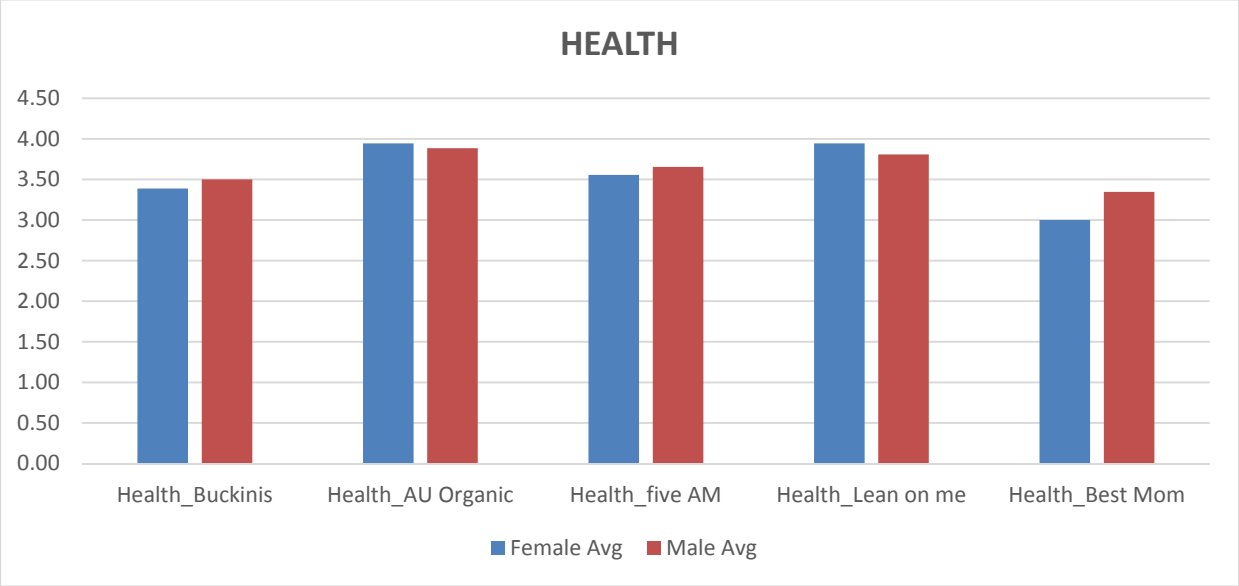
Figure 4. Price

Figure 5. Attraction



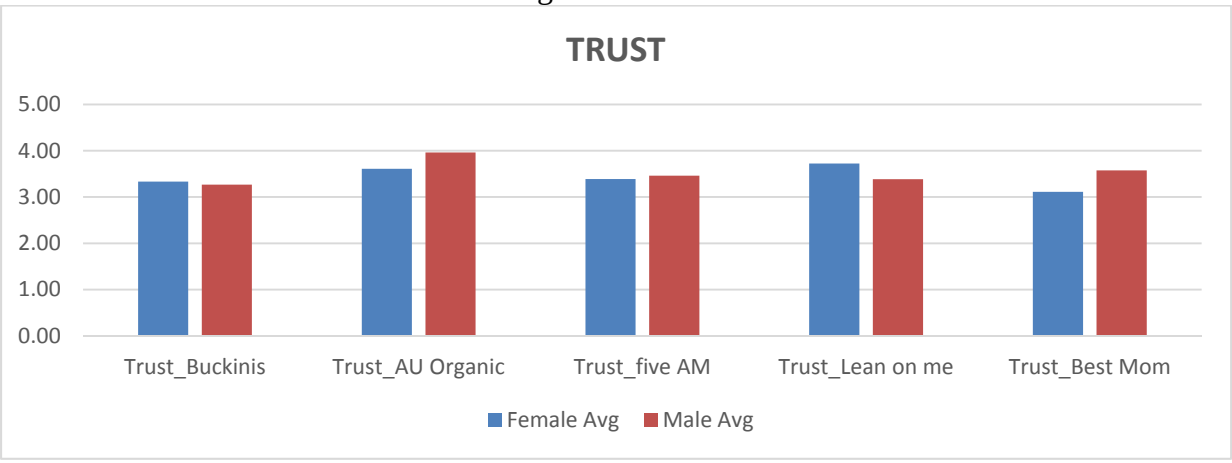
Health. Health perceptions were measured by gathering responses to "I think this product is healthy." While there is no significant difference in mean health scores between genders, there was a significant difference in health perceptions between packaging designs (p-value = 0.02). From this we can infer that across all participants, Australia's Own and Lean on Me were perceived to be significantly higher than the other packaging.

Figure 6. Health



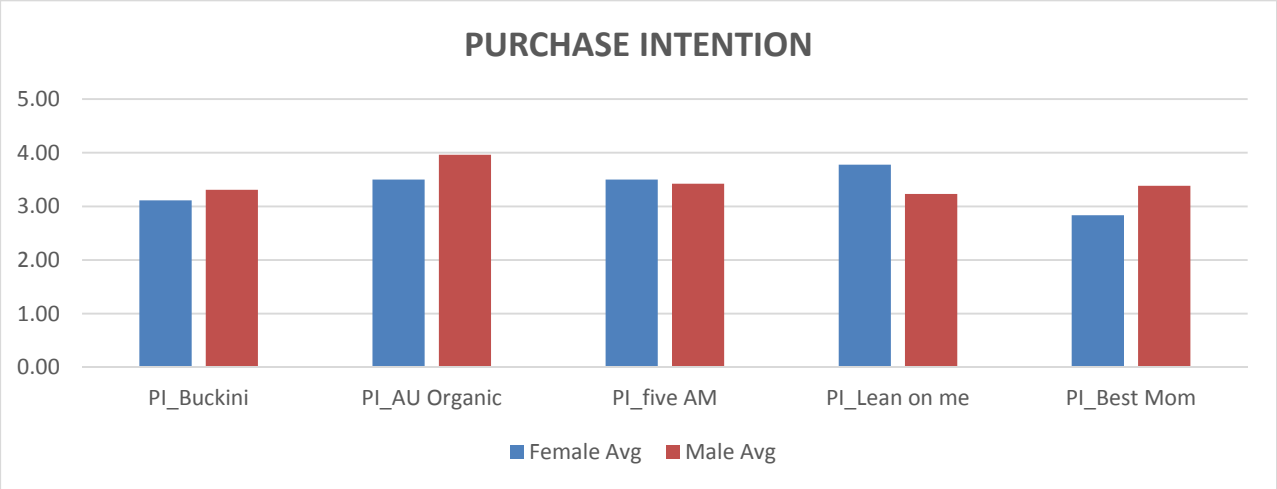
Trust. Perception of trust was measured by gathering responses to "I would trust this brand." While there were no significant in trust perceptions between genders, the packaging designs between the different options did see differences that were 90% significant with p-values between brands 0.07. This implies that the design on each packaging inspired different levels of trust with Australia's Own, inspiring the most.

Figure 7. Trust



Purchase Intention. Lastly, when we examine the mean scores for our purchase intention, the dependent variable, we see that there is no significant difference between the genders. However, when we examine the mean scores between the brands, it is highly significant with a p-value of 0.03. Within the brands, we see that Australia's Own scores the highest on average, followed very closely by Lean on Me.

Figure 8 Purchase Intention



Regression Test

A test of regression was conducted to chart whether the respective four independent variables would have a significant impact on the purchase intention for each brand. The table plots the R2 values for each brand. All brands have relatively high R-square figures with most being 50% and above. Lean on Me has the highest R2 value with the significant variables of Price & Trust being able to explain 72.2% of the results. Other points to note are that Australia's Own packaging was the only one to have significant "Health" perceptions and had the highest overall average Purchase Intention. "Lean on me" had the highest purchase intentions among the female participants.

Table 2. Regression Results

		p-Values				Average Purchase Intention		
	R-square	**Price**	**Attract**	**Health**	**Trust**	**All**	**Female**	**Male**
Buckini's	0.624	-	0.0102	-	0.0002	3.20	3.11	3.26
AU Organic	0.498	0.0081	0.0328	0.0589	-	3.77	3.50	3.96
Five AM	0.535	-	0.0040	-	-	3.45	3.50	3.42
Lean on Me	0.722	0.0037	-	-	0.0110	3.45	3.78	3.23
Mom's Best	0.606	0.0318	-	-	0.0001	3.16	2.83	3.23

GSR Findings

When we look at the skin conductance or GSR readings, we can understand exactly which packaging caused the highest average and significant emotional arousal with the participants. Across the packaging, we see that Buckinis caused the highest arousal peaks among the men, followed by Five:am and Lean on Me. Among the women, the only packaging that caused a peak in GSR scores (above the threshold) was Five:am.

Table 3. GSR Findings

		Duration (sec)	HasPeak	PeakCount	Peaks/Min
Buckinis	**FEMALE**	3.00	0.00	0.00	0.00
Buckinis	**MALE**	3.00	0.12	0.15	3.12
AU Organic	**FEMALE**	3.00	0.00	0.00	0.00
AU Organic	**MALE**	3.00	0.04	0.04	0.74
Five AM	**FEMALE**	3.00	0.06	0.06	1.12
Five AM	**MALE**	3.00	0.07	0.07	1.47
Lean on Me	**FEMALE**	3.00	0.00	0.00	0.00
Lean on Me	**MALE**	3.00	0.07	0.07	1.49
Mom's Best	**FEMALE**	3.00	0.00	0.00	0.00
Mom's Best	**MALE**	3.00	0.04	0.04	0.74

AFFDEX

While the GSR scores give us the hormonal-level emotional arousal, the iMotions software uses the eye-tracking and facial recognition tools to map and give meaning to the broad reactions people felt towards the cues. The face provides a rich canvas of emotion. Humans are innately programmed to express and communicate emotion through facial expressions. Affdex scientifically measures and reports the emotions and facial expressions using sophisticated computer vision and machine learning techniques. iMotions identifies the following main features: Smile (Enjoyment), Brow Furrow (Concentration, Confusion, Dislike), Brow Raise (Surprise), Lip Corner Depressor (Sadness), and many more

From this, we can see that Australia's Own, which had the highest average purchase intention scores, also had the highest scores on attention and engagement. Moreover, their five strongest manifested emotions (highlighted in green) were also broadly positive (smile, inner brow raise, joy). When we look at the results of the packaging with the lowest purchase intention scores (Mom's Best), we see that their highest scores were on factors like contempt and smirks, which are quite negative.

Table 4. AFFDEX Findings

	Buckinis	**AU Organic**	**five AM**	**Lean on Me**	**Mom's Best**
Sadness	0.73	1.11	0.07	0.58	0.00
Disgust	0.39	1.13	0.22	0.84	1.96
Joy	1.11	3.49	0.24	0.18	1.49
Surprise	0.00	0.00	0.00	0.00	0.38

Contempt	3.41	0.78	1.29	0.89	4.44
Engagement	4.98	5.76	2.67	1.09	2.13
Attention	46.41	46.71	45.13	45.33	46.16
Brow Furrow	1.11	1.87	0.00	0.78	1.04
Brow Raise	0.00	0.00	0.09	0.00	0.00
Lip Corner	0.66	0.00	0.00	0.93	1.07
Smile	1.39	3.60	0.29	0.20	1.51
Inner Brow Raise	3.00	3.56	4.20	3.62	2.33
Eye Closure	0.36	0.31	0.36	0.20	0.24
Nose Wrinkle	0.32	0.98	0.04	0.69	1.96
Upper Lip Raise	0.20	0.00	0.00	0.00	0.84
Lip Press	2.84	2.22	1.58	1.93	3.76
Mouth Open	0.11	1.24	0.22	0.13	1.11
Chin Raise	4.50	2.56	1.87	1.29	2.36
Smirk	4.43	1.29	1.42	1.36	4.93
Lip Pucker	3.73	3.02	1.48	2.58	2.67

CONCLUSIONS AND RECOMMENDATIONS

When we consider each of the packaging designs within the context of the heatmaps, we see some interesting patterns. For example, Australia's Own had a significantly higher purchase intention when compared to other brands. This is matched by the fact that there was an emotional arousal to the packaging and that only positive AFFDEX scores were tracked. This is all because of the person only viewing the evaluative cue.

With Buckinis, most people viewed the evaluative cue of "Buckinis" and felt an emotional arousal that was most akin to surprise and attention. Neither of these are strong enough to be positive impacts on purchase intention and this reflects in their purchase intention scores. While Buckinis is an attempt to be "emotive" with its play on words, the impact is not felt.

Interestingly, Lean on Me made the highest purchase intention scores among the women, but the GSR scores show that there was no significant emotional arousal, and this is supported by the AFFDEX index, which shows that most people seemed to be uncertain or doubtful about the product. This is interesting because from the survey and regression analysis, people seemed to think that they would like to purchase the product, but their body and emotions seem to suggest otherwise.

The study therefore provides significant proof for the hypothesis that consumers spend more time viewing evaluative cues over objective cues. Moreover, attitudes developed towards the brand are impacted by evaluative & objective packaging cues. The host of different cues present on the different packaging designs had vastly different impacts on the purchase intention. Lastly, it has been proved that positive product emotional arousal results in a higher purchase intention.

This study has implications for how marketers approach the naming of their brands and products. Moreover, the right amount of emphasis should be given to it on the packaging. The study proves that the factual statements hold very little bearing when marketing to consumers in a competitive environment. Evaluative and emotional cues very greatly impact

how a person emotionally and rationally evaluates the appeal of a product and whether they will purchase it. Specific to organic food products, the only product that was perceived to be healthy ultimately had the highest purchase intention score. All this was gleaned simply from the emotive statement from the packaging, which is what most people spent their time viewing. Therefore, marketers should very carefully design their product packaging to appeal to consumers in the competitive in-store environment.

LIMITATIONS

The main limitation of this study was that it was not conducted in a retail environment where the participants could touch, feel and interact with the product in a competitive environment. Further, this study does not test the exact "type" of emotive cue that is the most powerful, be it imagery, text, etc. One potential scope of research would be to design and test very combinations of emotive cues to see which would yield the highest purchase intention.

REFERENCES

Ajzen I., (1991). The theory of planned behaviour. *Org Behav Hum Decision Processes*, *50*, 179-211.

Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behaviour*. Englewood Cleffs, NJ: Prentice-Hall.

Andrews, J. C., Burton, S., & Kees, J. (2011). Is simpler always better? Consumer evaluations of front-of-package nutrition symbols. *Journal of Public Policy and Marketing*, *30*(2), 175–90.

Bettman, J. R., Luce, M. F., & Payne, J. W. (1998). Constructive consumer choice processes. *Journal of Consumer Research*, *25*(3), 187–217.

Bigne, J. E. (1997). El consumidor verde: Bases de un modelo de comportamiento. *Revista Internacional de Economía y Empresa*, *96*, 29-43.

Chen, J. C. (2014). The impact of nostalgic emotions on consumer satisfaction with packaging design. *Journal Of Business & Retail Management Research*, *8*(2), 71-79.

Feunekes, G. I. J., Gortemaker, I. A., Willems, A. A., Lion, R., van den Kardes, M., Frank R., Sanbonmatsu, D. M., Cronley, M. L., & Houghton, D. C. (2002). Consideration set overvaluation: When impossibly favorable ratings of a set of brands are observed. *Journal of Consumer Psychology*, *12*(4), 353-61.

Kommer (2008). Front-of-pack nutrition labelling: Testing effectiveness of different nutrition labelling formats front-of-pack in four European countries. *Appetite*, *50*(1), 57–70.

Gracia, A., & de Magistris, T. (2013). Organic food product purchase behaviour: A pilot study for urban consumers in the South of Italy. *Spanish Journal of Agricultural Research*, *5*(4), 439-451.

Labroo, A. A., Dhar, R., & Schwarz, N. (2008). Of frog wines and frowning watches: Semantic priming, perceptual fluency, and brand evaluation. *Journal of Consumer Research*, *34*(6), 819–31.

Labroo, A. A., & Lee, A. Y. (2006). Between two brands: A goal fluency account of brand evaluations. *Journal of Marketing Research*, *43*(3), 374–85.

Newman, C. L., Howlett, E., & Burton, S. (2016). Effects of objective and evaluative front-of-package cues on food evaluation and choice: The moderating influence of comparative and noncomparative processing contexts. *Journal of Consumer Research*, *42*(5), 749-766. doi:10.1093/jcr/ucv050

Novemsky, N., Dhar, R., Schwarz, N., & Simonson, I. (2007). Preference fluency in

choice. *Journal of Marketing Research*, *44*(3), 347–56.

Onyango, B., Halmann, W., & Bellows, A. (2006). Purchasing organic food in U.S. food systems: A study of attitudes and practice. AAEA Annual Meeting, July 23-26.

Padel S., & Foster, C. (2005). Exploring the gap between attitudes and behaviour. *British Food Journal*, 7(8), 606-625.

Point of Purchase Advertising International (2014). *2014 Mass merchant shopper engagement study*. http://www.popai.com/wp-content/uploads/2014/02/2014-Mass-Merchant-Study-Media1.pdf.

Ritson, C., Albisu, L. M. (Eds.). (1997). *Agro-food marketing*. CAB International Association Mediterranean Agronomic Studies (CIHEAM).

Roy, T. (2014). A critical appraisal of organic food market in India. *Global Journal Of Enterprise Information System*, *6*(2), 96-100. doi:10.15595/gjeis/2014/v6i2/51852

Schwarz, N. (2004). Meta-cognitive experiences in consumer judgment and decision making. *Journal of Consumer Psychology*, *14*(4), 332–48.

Shah, A. K., & Oppenheimer, D. M. (2007). Easy does it: The role of fluency in cue weighting. *Judgment and Decision Making*, *2*(6), 371–79

Von Alvensleben, R. (1997). Consumer behavior. In *Agro-food marketing*, D. I. Padberg, C. Ritzon, L. M. Albisu, CAB International in association with the Mediterranean Agronomic Studies (CIHEAM).

Von Alvensleben, R. (2001). Beliefs associated with food production methods. In L. J. Frewer, E. Risvik, & H. Schifferstein (Eds.), *Food, people, and society: A European perspective of consumers' food choices* (381-399). Berlin: Springer.

Journal of Euromarketing, 26: 142-143, 2017

ISSN: 1049-6483 print / 1528-6967 online

IMDA Press

BOOK REVIEW

Research Handbook on Export Marketing by Craig C. Julian (Ed.). (2016). Cheltenham, UK: Edward Elgar Publishing. 440 pages. ISBN: 978-1784210804 (paperback).

Reviewed by Claude Cellich, Vice president International University in Geneva, Switzerland

The *Research Handbook on Export Marketing* is a timely contribution to the body of knowledge in the field of marketing, particularly in relation to globalisation. The handbook contains 17 chapters written by 29 leading researchers from all around the world. Their findings are expanding our understanding of the various aspects of export marketing at a time of increasing competition, higher risks, and rapidly changing market conditions in volatile environments.

A number of chapters deal with export marketing issues of Small- and Medium-sized Enterprises (SMEs) reflecting their increasing role in international trade. The growth of SMEs is one of the main drivers of economic expansion and contributes significantly to the creation on national wealth (Lu & Beamish 2012). As globalisation has opened new opportunities for SMEs, it has also led to greater risks. To maintain a sustainable global competitive advantage, enterprises have to adapt quickly to changes in international markets. One of the most critical elements for a firm to remain competitive internationally in today's turbulent operating environment is to develop a global response capacity (Cellich & Borgeon, 2012). In other words, SMEs need to be flexible, adapt rapidly and respond quickly to market requirements, and deliver on time. Over the long term, export-oriented SMEs can adopt more sophisticated business models such as joining a supply chain network or consortium, establishing a joint venture, or negotiating strategic alliances.

Besides articles dealing with SMEs, the handbook contains a wide range of excellent papers covering key issues in export marketing such as the influence of strategic orientation on export marketing; the role of pricing capabilities; the impact of globalisation drivers on strategy-performance relationships in international markets; the impact of knowledge management, brand orientation, and global marketing strategy on performance; and the influence of strategic orientation on export marketing strategy. An article comparing the organisational characteristics and performances of two public export promotion agencies highlights how one agency was more effective by being outward-looking, being client-oriented, and taking a business approach. The shift from traditional promotion activities to innovative tools and adoption of a pro-active business orientation significantly improved the performance of one trade promotion organisation. Their findings are in line with some of the most dynamic trade promotion agencies, which have similarly had to change their mode of operation. To reflect their new roles, several trade promotion agencies have been renamed, including the Irish Export Board, now called Enterprise Ireland, and International Enterprise Singapore, previously known as the Singapore Trade Development Board.

Advances in communication technology and greater access to information sources have

revolutionised how business is carried out. For example, the International Trade Centre provides up-to-date trade statistics of 200 countries and 4,000 products (www.trademap.org). Although strategic information is now readily available, it is how well a firm is able to interpret and integrate it in its market strategy that will contribute to its success in foreign markets. Due to insufficient financial and human resources, too often SMEs fail to benefit from these information sources.

Two chapters (15 and 16) highlight the pioneering research in export marketing strategy theory by Cavusgil and his colleagues over the past three decades. An early key contribution by Cavusgil and his research team was the development of CORE (Company Readiness to Export), a self-assessment diagnostic tool aimed at helping potential exporters realise what additional resources are needed to succeed in foreign markets. Since then, CORE has been adapted and adopted by trade promotion agencies and businesses in a number of countries. Their research has not only contributed to the evolution of the literature of export marketing but also provided the foundation for other researchers to enrich the existing body of knowledge in the field.

The collection of excellent articles in the *Research Handbook on Export Marketing* advances our understanding in the ever-growing field of export marketing. It also raises a number of challenging research issues particularly in the trade of services which is the fastest growing sector of world trade and the increasing role of intangibles in a firm's export performance. Other variables such as cultural distance and language differences merit further research as they can influence the choice of market entry strategies. Another area for consideration is longitudinal studies as there is a time lag between investing in export activities and becoming a committed/experienced/established/exporter. Postgraduate students, scholars and trade officials will find valuable ideas and challenging thoughts for exploring new fields in export marketing.

References:

Lu, J., & Beamish, P. (2012). The internationalisation and growth of SMEs. ASAC, Winnipeg.

Cavusgil, S. T., Knight, G., & Riesenberger, J. R. (2008). *International business: Strategy, management, and the new realities*. Upper Saddle River, NJ: Pearson Education.

Cellich, C., & Borgeon, M. (2012). *Trade promotion strategies: Best practices*. New York: Business Expert Press.

Export potentials map. *Trade map: Trade statistics for international business development*. Retrieved from http://www.trademap.org

JOURNAL OF EUROMARKETING

Author Index to Volume 26

Numbers 1-4, 2017

Albaum, G., III-IV: 78
AlSalah, D. A., III-IV: 106

Carmon, F. J., III-IV: 81
Cellich, C., III-IV: 142

Doumpos, M., III-IV: 97

Grigoroudis, E., III-IV: 97

Hamelin, N., III-IV: 128
Harcar, T. D., III-IV:: 128

Kara, A., III-IV: 81, 106
Karasiewicz, G., I-II:38
Katharakis, M., III-IV:
Kaynak, E., III-IV: 78, 106

Lal, A. K., I-II:17
Lee, S-H., I-II:17

Nowak, J., I-II:38

Peterson, R. A., III:4

Trojanowski, M.., I-II: 38

Vargas-Hernandez, J. G., I-II:61

Waheeduzzaman, A. N. M., I-II:4

Wyk, J. V., I-II:17

Xanthos, G., III-IV:97

Zatarin, A. O., I-II: 61
Zopounidis, C., III-IV:97

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 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 and analytically. The unique position of the region provides 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 and European countries and other nations. The articles submitted 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 28 full and 6 associate members, EU is the world's largest internal market possessing nearly $13 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.

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 and 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 (this is in addition to an abstract which emphasizes on the managerial and/or public policy implications of the article) to either Editor-in-Chief Erdener Kaynak at ek9@comcast.net or Associate Editor Jan Nowak at jnowak@ibd.pl . 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 APA Style 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.

Erdener Kaynak, Ph.D. D. Sc.
Editor-in-Chief
Journal of Euromarketing
The IMDA Press
P.O. Box 399
Hummelstown, Pennsylvania 17036
U.S.A

Telephone: (717) 566-6586 (Journal)
(717) 948-6343 (Office)
Fax: (717) 566-1191 (Journal)

Business, Consumer Research, Economics, Advertising, Management, Marketing, Public Administration, Finance, International Business and Communication Faculty:

Please share the following information with your colleagues and graduate students. (Excuse us if you've received more than one announcement).

CALL FOR PAPERS - COME TO FASCINATING HONG KONG SAR, CHINA THIS SUMMER! June 10-14, 2018
Hang Seng Management College, Shatin, Hong Kong

TRANSFORMATION, COOPTATION, AND SUSTAINABILITY IN THE ERA OF GLOBALIZATION, ENGAGEMENT, AND DISTRUPTIVE TECHNOLOGY

The 27th Annual World Business Congress of the International Management Development Association (IMDA) will be held in Shatin, Hong Kong, from June 10-14, 2018. This unique opportunity is organized and hosted jointly by the IMDA and Hang Seng Management College in partnership with a number of Hong Kong and mainland Chinese companies. Scholarly papers, panel/special session proposals, and case study exercises for presentation and possible publication in the refereed Congress proceedings are invited. Theoretical, conceptual, and empirical papers (using qualitative/historical and quantitative methodologies) are solicited. Those on the conference theme are most desirable, although all aspects of business (including marketing, management, international business, finance, economics, and public administration) are of interest.

Manuscripts submitted must be complete papers, ready for blind review, to be considered for inclusion in the Congress proceedings. A work-in-progress may be reviewed and considered for presentation, and published in the Congress proceedings as a short abstract. In addition to scholarship, the Congress is designed to offer an excellent opportunity to meet colleagues from around the world and exchange information and ideas on a variety of global business development topics.

Hong Kong is considered as a pearl of Asia and a gateway to mainland China and other greater China countries. Hong Kong is considered as the shoppers' paradise. Attendees will also have the chance to partake in a planned regional tours. This is a great organization and a great venue to develop new contacts and friendships.

MUCH MORE INFORMATION IS AVAILABLE ONLINE AT THE IMDA WEBSITE: http://www.imda-usa.org

Submission Deadline Extended to: Monday, April 9, 2018

A complete call for papers in PDF format is available at the IMDA website

INSTRUCTIONS FOR AUTHORS

Aims and Scope. The *Journal of Euromarketing* aims to meet the needs of academicians, practitioners, and public policymakers in the discussion of marketing issues pertaining to Europe. It helps to increase our understanding of the strategic planning aspects of marketing in Europe and the marketing aspects of the trading relationship between European and foreign firms. Today's Europe is going to play an increasingly more important role in the global economy, so the unique position of the region is certain to provide fascinating reading material. The *Journal of Euromarketing* fosters a conceptual understanding of the European markets and marketing systems, provides analytical insights, and highlights the past, present, and future of European marketing.

Manuscript Submissions. Authors are strongly encouraged to submit manuscripts electronically. If submitting a disk, it should be prepared using MS Word or WordPerfect and should be clearly labeled with the authors' names, file name, and software program. Manuscripts should be submitted in triplicate to Dr. Erdener Kaynak, Editor, *Journal of Euromarketing*, School of Business Administration, Pennsylvania State University at Harrisburg, 777 West Harrisburg Pike, Middletown, PA 17057 or by e-mail at k9x@psu.edu or ek9@comcast.net

Each manuscript must be accompanied by a statement that it has not been published elsewhere and that it has not been submitted simultaneously for publication elsewhere. Authors are responsible for obtaining permission to reproduce copyrighted material from other sources and are required to sign an agreement for the transfer of copyright to the publisher. All accepted manuscripts, artwork, and photographs become the property of the publisher.

All parts of the manuscript should be typewritten, double-spaced, with margins of at least one inch on the all sides. Number manuscript pages consecutively throughout the paper. Authors should also supply a shortened version of the title suitable for the running head, not exceeding 50 character spaces. Each article should be summarized in an abstract of not more than 100 words. Avoid abbreviations, diagrams, and reference to the text in the abstract.

References. References, citations, and general style of manuscripts should be prepared accordance with the APA Publication Manual, 4th ed. Cite in the text by author and date (ex: Smith, 1983) and include an alphabetical list at the end of the article. Examples: Journal: Tsai, M. & Wagner, N. N. (1978). Therapy groups for women sexually molested as children. *Archives of Sexual Behavior, 7*(6), 417-427. Book: Millman, M. (1980). *Such a pretty face*. New York: W. W. Norton. Contribution to a Book: Hartley, J. T., & Walsh, D. A. (1980). Contemporary issues in adult development of learning. In L. W. Poon (Ed.), *Ageing in the 1980s* (pp. 239-252). Washington, DC: American Psychological Association.

Illustrations. Illustrations submitted (line drawings, halftones, photos, photomicrographs, etc.) should be clean originals or digital files. Digital files are recommended for highest quality reproduction and should follow these guidelines: 300dpi or higher; sized to fit on journal page; EPS, TIFF, PSD format only; and submitted as separate files, not embedded in text files.

Color Illustrations. Color illustrations will be considered for publication; however the author will be required to bear the full cost involved in color art reproduction. Color art can be purchased for online only reproduction or for print + online reproduction. Color reprints can only be ordered if print + online reproduction costs are paid. Rates for color art reproduction are: Online Only Reproduction: $225 for the first page of color; $100 per page for the next three pages of color. A maximum charge of $525 applies. Print + Online Reproduction: $900 for the first page of color; $450 per page for the next three pages of color. A custom quote will be provided for articles with more than four pages of color.

Tables and Figures. Tables and figures (illustrations) should not be embedded in the text, but should be included as separated sheets or files. A short descriptive title should appear above each table with a clear legend and any footnotes suitably identified below. All units must be included. Figures should be completely labeled, taking into account necessary size reduction. Captions should be typed, double-spaced, on a separate sheet.

Proofs. Page proofs are sent to the designated author using IMDA Press's Article Tracking System (ATS). They must be carefully checked and returned within 48 hours of receipt.

Reprints and Issues. Reprints of individual articles are available for order at the time authors review page proofs. A discount on reprint is available to authors who order before print publication. Each contributing author will receive 1 complete issue in which the article publishes and a complimentary PDF. The file is for personal use only and may not be copied and disseminated in any form without prior written permission from IMDA Press.