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Session 2: Culture Marketing

Effect of Recommendation on Chinese Consumers' Online Purchasing Behavior

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Keywords: *Online Recommendation, Purchase Intention, Target Product, Chinese Consumer*

According to eMarketer, E-commerce retail sales share accounts for 10.1% of total retail sales in China in 2014 and is estimated to be 16.6% in 2018. As the online market becomes another purchasing venue, a thorough understanding of online purchasing behavior is necessary. Among all the tools online stores use, online recommendation is one of the most promising tools (Senecal and Nantel 2004). With a growing number of consumers having found value in online recommendation, representative Chinese online stores like amazon.cn, taobao.com, dangdang.com and jd.com recommend additional products to consumers. Therefore, in the present paper, we study whether online recommendation of a similar product based on the product already selected always help.

Prior work on online recommendation generally elaborates its advantages. For example, Häubl and Trifts (2003) find that consumers screen only 6.6 products before they found what they want when personalized recommendations are provided. However, this number goes up to 11.7 when there is no recommendation, suggesting that recommendation increases the decision making efficiency for consumers. Similarly, online recommendation generates additional sales (Postma and Brokke 2002; Lepkowska-White 2013) or it decreases information searching time and improving decision making quality (Xiao and Benbasat 2007). However, its effects on consumers' purchasing behaviors have not been discussed.

In this study, we investigate whether consumers are always more likely to buy the target product when they are exposed to a recommended product. In particular, we are interested in testing the following two hypotheses in the situation when there is a trade-off between the two products.

H1: When the target product is a form-superior product, consumers show greater purchase intention when the function-superior product is recommended than when it is not.

H2: When the target product is a function-superior product, consumers DO NOT show greater purchase intention when the form-superior product is recommended than when it is not.

We employed a 2 (Recommendation: Yes vs. No) x 2 (Target: Form-superior vs. Functionsuperior) between-subjects design. We recruited 131 Chinese consumers through an online website and asked them to indicate their purchase intentions for the target product.

We obtained an interaction between Recommendation and Target ($F(1,127) = 5.525$, $p = .020$). As expected, consumers indicated greater purchase intention for the form-superior target product when they are exposed to a function-superior recommended product (4.82) than when not (3.82, $t = 2.646$, $p = .005$). However, when the target is function-superior product, purchase intention did not differ between when they are exposed to a form-superior recommended product or not ($M_{YES} = 4.44$ vs. $M_{NO} = 4.72$, $t = 0.718$, $p = .762$).

These findings imply that presenting an online recommendation benefits form-superior products but it does not function-superior products, adding to the growing literature on online recommendation and online purchasing behavior. Marketing implications are discussed as well.

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A Study on the Negative Side of Coopetitive Relationships: Evidence from B2B Firms in China

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Keywords: *Coopetition, Collusion, Conflict Avoidance, Market Orientation, Innovative Performance*

Research Agenda

Researchers have steadily warned against the possibility that coopetition, which refers to the collaboration with competitors, is inherently open for collusion. However, this association lacks empirical evidence, despite its theoretical soundness. To fill this research gap, the present study explores a negative side that a firm's coopetitive relationships cause, with China as the research setting. That is, this study empirically demonstrates that a firm's coopetitive relationships in China, where collectivist tradition is strong and conflict avoidance is prevalent among related members, can constrict the firm's competitive behavior by inducing the firm's conflict avoidance toward its coopetitive competitors.

Data

We examined various B2B manufacturing firms in China, using a survey method. The explanatory variables are a firm's coopetitive relationships with competitors (the independent variable); institutional ties with business associations or government organizations; entrepreneurial risk-taking tendency (the moderators). The main explained variables are the firm's market orientation (the mediator) and innovative performance (the final dependent variable). To reduce the threat of common method bias, we obtained the explanatory and explained variables from different employees in the respondent firms.

Summary of Analysis Results

First, a firm's coopetitive relationships have a negative effect on the firm's innovative performance.

Second, such negative relationship is fully mediated by decreased market orientation. A firm's coopetitive relationships lead the firm to a low practice of market orientation, and this decreased level of market orientation results in poor innovative performance.

Third, the negative link between a firm's coopetitive relationships and its market orientation becomes more negative in case of strong institutional ties.

Fourth, the negative link between a firm's coopetitive relationships and its market orientation becomes less negative in case of strong entrepreneurial risk-taking.

Core Contribution

First, the present study provides empirical evidence on the effect of coopetition on collusive behavior, whose possibility has been steadily raised but not supported empirically.

Second, this study contributes to the accumulation of empirical evidence on the negative sides of guanxi practice in China.

Third, the present study is an exceptional one, in the sense that it clarifies the intermediating variable through which coopetition negatively influences innovative performance.

Fourth, regarding the mechanism of a firm's coopetitive relationships inducing a collusive behavior (i.e., decreased market orientation), this study demonstrates that such inducement is driven by the firm's avoidance of the risk that the coopetitive relationships will break down, by investigating the roles of relevant moderators (i.e., institutional ties and entrepreneurial risk-taking).

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How Do Marketing Activities Influence Online Browsing and Sales? Evidence from China's C2C E-Commerce Market

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Keywords: *China, C2C E-commerce, Browsing, Sales, Marketing Activity*

Consumer-to-consumer (C2C) e-commerce is increasingly being utilized by individuals who buy and sell products to and from one another (Jones and Leonard, 2014). The C2C on-line marketa new business domain of individual business owners. Prior studies which have looked into the C2C market have investigated buyers' purchasing pattern (Bellman, Lohse and Johnson, 1999; Chen and Barnes,2007; Xu, Lin and Shao, 2010), on-line transaction trust (Chen, Zhang and Xu, 2009; Chow and Angie, 2006; Jones and Leonard, 2014; Wu, Vassileva, Noorian and Zhao, 2015), electronic word-of-mouth (Hennig-Thurau and Walsh, 2003-2004), online resale behavior (Chu and Liao, 2008), and C2C on-line auctions (Vishwanath and Barnett, 2005; Stafford and Stern 2002; Ward and Clark, 2002; Amyx and Luehlfing, 2006), but less is known about the antecedents that affect stores' traffic and sales.

The on-line business and mobile commerce in China is experiencing a tremendous growth and warrants business researchers' attention. According to the Chinese Internet Network Information Center (CNNIC), the population size of Chinese netizen has reached 0.65 billion by Dec 2014, ranking number one in the world, and the number of netizens who engage in online business transactions, such as online shopping, shows the highest growth rate (CNNIC, 2015) by leading the growth of the on-line retail market as a whole. For example, Taobao, which has 90% Chinese C2C market share, has experienced a growth from 4.7 million USD in 2003 to 142 billion USD in 2013 (Wu et al., 2015).

The performance metrics for businesses operating on the Internet are traffic (i.e., number of browsers) and sales. As two main drivers of online business performance, number of browsers and sales are two variables of particular interest for marketing managers. However, few studies have investigated how various marketing activities influencing both browsing and sales. This study aims to contribute to the analysis of China's C2C e-commerce market by examining how various marketing activities influence stores' sales and browsing, by using real market data from a major Chinese C2C e-commerce site.

In order to explore the factors that impact on stores' sales and browsing, a set of marketing activity variables were considered in this study, drawing on previous research and practical considerations.We focus on advertisement, reputation, service, and guarantee policies. In the C2C platform, advertisement is considered a direct and effective way to appeal visitors (Yang and Dong, 2007). A buyer may have to rely on the outward appearance of the store site and product advertisement initially. Moreover, unlike B2C commerce, high expense of advertisement is a heavy burden on individual sellers, so relatively small number of sellers can afford to advertise, making the effect of C2C advertising worthy of research attention. Second factor to be analyzed is buyers' evaluation of stores' service, which we call service attitude. Service is a way for sellers to provide help and convenience to their customers. Service is believed to enhance relationship with customers (Rust and Kannan 2003). The third factor is stores' reputation. Past researchon the C2C online auctions area has discussed the role of reputation mechanisms to appeal potential customers (Lin et al., 2006). Reputation can enhance stores' browsing and sales as well. Reputation is built by on-line feedback and recommendation system, which can influence buyers' intentions (Josang et al. 2007; Qu et al. 2008). The fourth factor is stores' guarantee policy. Bower and Maxham (2012) studied the on-line retailer's return shipping policy under the on-line feedback and recommendation system. They suggested that return shipping policy can decrease customer's regret after shopping. We also predict that stores' guarantee policy can influence browsing and sales. Finally, according to Montgomery, Srinivasan and Liechty (2004), as the visiting depth increases, customer can transfer from a browsing state to a purchase state. In our research, we also tested effect of browsing on sales.

The data was provided by T company in China. It contains browsing and sales data for cosmetic products on a randomly given day of June 2014. The final dataset has 866 observations. For each store-product combination, we recorded the number of people who browsed the store in the day and number of items has been sold in the day as dependent variables. We used store's advertisement expense, store's service attitude score (0-5points), store's reputation and guarantee policies (compensation in advance, express delivery, return policy in 7 days, fake product compensated triple price) as the independent variables. We used Least Squares regression analysis to examine how these factors influence browsing and sales. Furthermore, we also tested the impact of browsing on store's sales.

Our result showed that advertisement and store's reputation had positively significant effects on both browsing and sales. High reputation ratings also increased number of browsers and sales. However, service attitude had an insignificant influence on both browsing and sales. In addition, among all stores guarantee policies, only compensation in advance policy had a positive influence on browsing and sales. We offer managerial implications to marketers of Chinese C2C ecommerce, based on these empirical findings.

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A Case study of the Internet Haitao Shopping Mall in China: Amazon.cn vs. gmarket.co.kr

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Keywords: *Internet Shopping Mall, Overseas Direct Purchasing, China, Case Study, Haitao*

Nowadays “Haitao(海淘, overseas direct purchasing)” is popular in China, in 2013 “Haitao” consumers spent RMB 74.4 billion (US$12.5 billion), and it increased to RMB 140 billion (US$22.68 billion) in 2014 (China E-commerce Research Center).

This paper explores success factors of Haitao internet shopping mall in China based on a comparative case study of Amazon.cn and Gmarket.co.kr. Given the newly apparent and widely accepted phenomenon of “Haitao”, this paper make contributions in this two field: find out factors influence the success of Z.cn in Chinese “Haitao” market compared with gmarket.co.kr. Secondly, based on the case study results, we initiate in depth interview with both the Z.cn staffs and customers, so that make propositions on the factors influence “Haitao”. Lastly, provide management implications for the oversea online shopping site.

Amazon.com is one of the first online shopping mall, founded by Jeff Bezos in 1994, and launched in 1995. Amazon.com explored its Chinese market, through buying Joyo.com in 2004 at the price of $75 million and turned it into its Main China unit. In 2011, it changed its branding by dropping the Joyo name in favor of Amazon China, and shortened its local Chinese website to "www.z.cn". Z.cn initiated True Haitao business since 11th November, 2014.

While, Gmarket, a Korean online auction and shopping mall website founded in 2000, offered Chinese service since 2012. Due to the popularity of Korean TV Drama series in China, more and more Chinese people prefer Korean fashion items from gamarket.co.kr. According to the marketing research institution, the amount of sales increased to 60% in 2013. <Table1> illustrates the comparison of two Haitao sites.

For further study, we made in-depth interviews for Chinese Haitao users. The interviewees reported that people prefer to shop on Z.cn directly instead of shopping on Tmall.hk, they choose Z.cn because Z.cn is professional and convenient in Haitao, provides trustful quality product, highly efficienct logistics system and good after- sales service, meanwhile Gmarket is not trustworthy for them, the logistic and after-sales service are uncertain. The people who trust Haitao using Gmarket are 5% of the respondents and they all have the experience of living in or visiting Korea.

From the case study and in-depth interviews, we found some factors influencing on the success of Haitao sites in China. Such as original band, detailed product information supply chain management, public relationship, professional impression, and so on. These factors should be tested empirically in the near future.

<Table1> Haitao Business Comparison of Z.cn and Gmarket.co.kr

	items	Z.cn	Gmarket.co.kr
Basic information	Development history	Year 2004 Started operating in Chinese market Year 2011 Began the Haitao business Year 2014 Set a specific Haitao site	Year 2010 Began offering services for Chinese
	Product categories	32	14
	Operating methods	1. Open store on Tmall.hk 2. Offer Haitao service on Z.cn 3. Set specific Haitao part	1. Open store on Tmall.hk 2. Offer Haitao service on gmarket.co.kr
Marketing program	Brand acceptance	Above 50% Haitao customers know Amazon	A few customers know Gmarket
	Price	Promise the same price with its national market	Promise the same price with its national market
	Web labels	Trust products, low prices	In fashion products
	Sales promotion and POS marketing	Z.cn lowest price purchases in a second	Seasonal sales
Supply chain process	Purchasing systems/procedures	Purchasing from overbroad Keep close relationships with the suppliers.	Purchasing from overbroad Keep close relationships with the suppliers.
	Logistics programs	1. Private logistics system 2. Arrival within 3 or 7 days	1. Depends on EMS 2. Arrival within 7days
	Operating centers	13	One in Korea
	Efficiency of logistics system	1. Private logistics systems. 2. Offer arrival in a day or in 2 days for 1400 cities. 3. Second longest logistics distance in the world. 4. 5000 centers for customers fetching the products by themselves.	Combined with EMS, which is the largest, with long history, and government owned express company.
Public relationships	With the general public	1. Z.cn releases their news frequently 2. Launches publicity campaign mainly relating to reading. 3. Using Press Release to communicate with the public	Using Sina web.com to communicate with the public.
	with the competitor	1. Cooperate with the main competitor Tmall.hk 2. Publish their investigation report of Haitao	Cooperate with the main competitor Tmall.hk
	With the government	Cooperate with the government set operating centers in the FTA in Shang Hai and Xiamen.	The Korea government cooperates with Chinese government.

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The Determinants of the Shopping Mall Attractiveness Model in China and Its Application to Beijing

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Keywords: *China Shopping Mall, AHP*

This study aims to explore the factors that determine the attractiveness of shopping mall locations from the developers' perspectives and to evaluate the relative importance of these factors. It also aims to establish a model of shopping mall attractiveness in China. The measurement variables for shopping mall attractiveness decision models from a developer's perspective discussed in the literature review can be summarized as location, store, customer price fit, and mall image. Location was classified into tertiary trade area and proximity. Four different measurement variables such as anchor store, tenant mix, number of stores, and size of shopping mall were used for stores. Shopping mall image was determined by the experience module of product, presentation, publication, and properties. The researchers applied this model to four shopping malls in Beijing. Through the AHP analysis, the researchers found that the relative importance of the variables were in the following descending order: "store attractiveness"(0.339) > "goodness-of-fit between target market customers and prices" (0.287)> "shopping mall image" (0.212) > "location" (0.161).

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A Comparative Study on the Audience of Various Performing Arts

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Keywords: *Performing Arts, Audience, Market Segmentation, Switching Behavior*

Background.

As the industry of musical has been growing in popularity, the market sizes of other performance genres, including classical music, ballet, theatricals, etc, are rising with it. New audience have been brought into the market, while some existing audience have advanced their boundaries toward enjoying various arts.

The objective of this study is to identify the characteristics of audience of various performing arts and compare the differences. The theoretical background is founded on the theory of artistic taste in the cultural sociology and data sources are from the existing audience surveys.

Result

The main results are as follows: First, the audience behavior varies with the frequency of visit. Most heavy users in one genre involve highly in other performances in many ways, especially highbrow cultural activities. Second, the taste of performing arts is divided into two major types such as highbrow taste and popular taste. Further, highbrow taste is composed of two groups: one group with leanings toward classical music and the other group with inclination to switch multiple performing arts. It is interesting that the segment of classical music audience stands alone in contrast with other segments. We assume that it is due to the differences of market size, the diversity of repertoires, and the opportunity of art education. Third, the audience switch genres according to visual or auditory attributes. For example, the classical music audience like to go to the music concerts, while the ballet audience have inclination toward arts with story and visual stage.

Implications

Theater managers deal with many kinds of arts so there is a growing need to do co-promoting with several arts. The result of this study provides the marketing implications on how to package and promote diverse arts for various segments. Theoretically, it has the contribution to introduce the theory of cultural sociology to marketing area and compare the audience behavior among various genres, while the previous audience researches have been limited to one or two genres of performing arts.

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Intentional Social Action and the Reasons Why We Do Things with Others: A Cross-Cultural Study

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Keywords: *Intentional Social Action, Cross-cultural Study, Group Intention, Personal Intention*

This paper introduces the notion of group intentions and adapts the TRA(Theory of Reasoned Action), TPB(Theory of Planned Behavior), and MGB(Model of Goal-directed Behavior).

Traditionally, intention has been conceived individualistically as a "person's motivation in the sense of his or her conscious plan to exert effort to carry out a behavior"(Eagly & Chaiken, 1993, p.168). We might term this a personal intention to stress that it refers to an individual's plan to perform an action by him or herself alone. Nevertheless, it seems possible that intentions can also be in some sense social. For instance, a person, referring to the dyad constituted by him or herself and a partner, might speak about "our intention to see a movie together"; a basketball player might mention "the team's plan to implement a new offensive scheme". As these examples illustrate, people often use social notions of intentions in everyday discourse, whether referring to informal or formal groups. We might term these group intentions to emphasize their social nature (Bagozzi and Lee, 2002).

The present article defines what group intentions are and differentiates them from personal intentions. We begins with our interpretation of developments in philosophy in this regard (Bratman, 1992; Tuomela, 1995)), and then specify one form of group intentions. Next, we develop a model for explaining group intentions. The model integrated ideas from attitude theory with social identity theory. Finally, two studies, each cross-cultural, are presented for testing hypotheses implied by the model and the role of group intentions in social psychology. The first study begins with the theory of reasoned action, adapts it to the group intention situation, and integrated it with ideas from social identity theory. Tests of the differential influence of group identity on group intentions are compared across Koreans and Americans. The second study begins with the theory of planned behavior and the model of goal-directed behavior, adapts these theories to the group intention situation, and integrates ideas from social identity theory. Again, test of hypotheses concerning the differential effects of group identity are compared across Koreans and Americans.

Two studies provided support for the proposal that group identification explains group intentions better for people in interdependent-versus independent-based societies.

Study 1 showed that group identification(measured by self-categorization and attachment) significantly increased the variance explained in group intentions over and above the predictors in the theory of reasoned action, and this occurred to a significantly larger extent for Koreans(N=142) than Americans(N=100),

Study 2 also found that group identification(measured by self-categorization, attachment, and collective self-esteem) significantly increased the variance explained in group intentions over and above predictors in the theory of planned behavior, and this again occurred to a significantly larger extent for Koreans(N=182) than Americans(N=130).

Additionally, under the model of goal-directed behavior, group identification was the principal determinant of both desires and intentions for Koreans, but had no impact on these variables for Americans; desires and perceived behavioral control were the principal determinants of intentions for American.

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Cultural Discount and Marketing: Cournot Equilibrium

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Keywords: *Cultural Discount, Taste, Cultural Economics, Cournot*

The concept of cultural discount was originally introduced in the late 1980s by media economists interested in establishing a microeconomic theory of imbalances in cross-market media flow (Hoskins and Mirus 1988; Wildman 1995). The concept refers that the value of the foreign media product would be discounted due to differences in cultural values, the lack of relevant background knowledge, and the problem of language (Lee 2009).

Audience cannot fully appreciate a media product coming from a foreign market due to "unmatured taste." The neoclassical view suggests that tastes are similar between individuals of tastes. Cultural economics, however, suggests that taste can be cultivated and cultural consumption can be interpreted as a process leading both to present satisfaction and to the accumulation of knowledge and experience affecting future consumption (Throsby 1994). Consumers can fully appreciate cultural products such as movie with "matured taste through cultivation of taste." Therefore cultural discount can be weakened by marketing activities which cultivate foreigners' taste.

This study analyzes the effect of marketing activities weakening cultural discount by applying d'Aspremont and Jacquemin (1998)'s model (which employs a simple yet elegant symmetric duopoly model of R&D and spillovers to compare several equilibrium concepts) and subgame perfect Nash equilibrium (through backward induction). At the stage 1, rivalry companies decide the amount of marketing activities weakening cultural discount. At the stage 2, the companies decide the amount of products strategically (Cournot competition). The equilibrium says that the amount of marketing activities weakening cultural discount decreases as the number of rivalry company increases, and that the total amount of products in the market can increase or decrease under conditions of the costs of the marketing activities.

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A Study on the Effect of Flower Shop Attributes on Store Loyalty
: Focused on the Moderating Effect of Shopping Motivation and Purchasing Situation

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Keywords: *Flower Shop, Multi-group Analysis, Shopping Motivation, Shopping Context*

Flower shop managers have put a lot of hard work to give customers a better value to the needs of customers and to build a long-term relationship with customers owing to keep competition triggered by growth slowdown of floriculture industry. Especially, store attributes are one of important influence factors which determine the long-term relationship for small-sized shops. In this study, a store satisfaction and a store loyalty by flower shops' store attributes were examined for flower shops that were not studied a lot in the part of store attributes. This study was also intended to find out that there is a difference in the effect of 8 store attributes on the store satisfaction according to shopping motivation (hedonic vs. utilitarian) and purchasing situation (self-gift vs. self-giving). Hypotheses in this study were verified by empirical study and the analysis results are summarized as follows. First, it was found that a price, freshness, diversity, professionalism, kindness, location and store atmosphere had a significant positive influence on the store satisfaction. Second, as a result of examining the moderating effect of shopping motivation, it was shown that shopping motivation moderates the effect of price, freshness, flower diversity, aesthetics, kindness, location and store atmosphere on the store satisfaction. Therefore the moderating effect of purchasing situation is partially accepted. Third, the influences of store attributes by individual shopping motivation are followed. In the hedonic shopping motivation, price, freshness, diversity, professionalism, location and store atmosphere had a significant positive influence on the store satisfaction, and in the utilitarian shopping motivation, price, freshness diversity, professionalism, kindness and location had a significant positive influence on the store satisfaction. Fourth, as a result of examining the moderating effect of purchasing situation, it was shown that there was a different influence of freshness, diversity, professionalism, aesthetics, kindness, and location according to self-gifts and gift-giving, so the moderating effect of purchasing situation is partially accepted. Fifth, as a result of analyzing the influence of store attributes by purchasing situation, it was found that price, freshness, diversity, kindness and store atmosphere had a significant positive influence on the store satisfaction in the self-gifts. In the gift-giving, it was examined that 7 store attributes except aesthetics which had a significant negative influence on the store satisfaction, all had a significant positive influence on the store satisfaction. Lastly, it was shown that the store satisfaction had a significant influence all on attitudinal loyalty and behavioral loyalty.

Implications of this study are followed from the academic aspects. First, unlike the existing flower shops relevant studies which considered only fragmentary store attributes, this study comprehends diverse store attributes which develop the satisfaction of flower shops through literature review and expert interview so the study is meaningful. Second, unlike the existing flower shop related studies which analyzed only individual relations not from an integrated aspect, this study empirically analyzed the cause and effect relationship between flower shops' store attributes and the store satisfaction and loyalty, so it provides a theoretical foundation for further studies. Lastly, the existing studies focused only on the verification of the effect of flower shop's store attributes on the store satisfaction, but on the other hand, this study was intended to improve the external validity of store attribute effect on the store satisfaction through verification of the moderating effect of shopping motivation and purchasing situation.

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Strategic Customer Satisfaction Management: Does Focusing on Weakness Really Work?

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Keywords: *Customer Satisfaction Management, Customer Satisfaction, Performance Reinforcement of the Strengths, Improvement of the Weakness*

Suppose a firm which manufactures and sells smartphones is here. Its 'product design' is quite excellent, while the 'performance' is relatively less than the design level. Which one, hereafter, will this firm have to concentrate on for more effectiveness, then? Is it better to enhance the design part which shows strength currently? Or is it desirable to try to improve relatively insufficient performance in priority? Of course, 'maximizing the strengths' and 'minimizing the weaknesses' are most ideal, but this firm has not enough resources to take care of both sides. This issue is very important matter. Not only are the majority of firms frequently facing the issue, but also which could be led to very different results by the decision making on it regardless of various conditions.

Therefore, we investigate the strategies of both 'reinforcement of the strengths' and 'improvement of the weaknesses' and finaly suggest the insight of which one is needed for the performance of the firm, more thoroughly for 'Customer Satisfaction'. The reasons of selecting CS as the corporate performance are as follows: First, CS has been recognized as the most effective marketing tools for purchasing behavior and financial performance (Luo and Homburg 2007; Szymanski and Henard 2001). Many previous studies also found CS enhancement could improve not only the attitudinal performances such as purchase intention (Anderson et al. 1997, Stock 2005, Homburg et al. 2005) and repurchase intention (Anderson et al. 1994, Mittal et al. 1998, Szymanski and Henard 2001), but also the behavioral performances, such as purchasing behavior and loyalty (Dholakia and Morwitz 2002, Kamakura et al. 2002, Keiningham et al. 2003). That's why many firms recognize CS as a very important Key Performance Index (Mittal and Kamakura 2001) and investment to CS (Simester et al. 2000). Second, due to the ceaseless efforts of the firms, CS has been improved to the fairly high level, but the degree of increase on CS level has been gradually blunted as well as the level difference between firms has been diminished comparing with that in the past. Unlike in the past, CS couldn't be improved easily, in comparison with the effort put into it. Despite most firms recognize the need of agony on what kinds of marketing strategies they have to establish in such a situation, they are just staying in where they conclude that making the efforts to enhance CS less than the present level is effective. Therefore, we argue that it is time to concern about the startegic directions of CS management in earnest, in the aspect on differentiating from competitors. CS itself is a very important performance factor, and the firms' interest about which one (strengths VS. weaknesses) is desirable to concentrate on is greater factor than other performance ones.

To investigate where the firm resources should be focused for the effective CS improvement, we collected and produced the data through 2 steps. To collect the raw data first, we evaluated the level of CS and marketing activities on 26 Industries(9 durables, 4 nondurables and services 13), and 104 Brands(2 to 7 by individual industry), collecting 30 samples per one brand to secure the statistical significance. Furthermore, to measure the alteration degree on each evaluation level, we collected the two-year data(2012, 2014) in the same way, the total 6,240 samples (104 Brands × 30 samples × 2 years) were procured as a result. In succession of above processes, we calculated the average values on the evaluation level of each brand on the raw data, and typed the summary data applying individual brands to the case, finally it was refined into a total of 208 samples (104 Brands × 2 years). In terms of the analysis on the CS level alteration based on the marketing activity change, the finally drawn summary data were used. As a result, we found interesting trend for CS and acquire the meaningful answer for our research question. Our findings suggest that the modification is necessary on the existing CS strategies which have concentrated on improving the weaknesses rather than reinforcing the strengths, and provide theoretically and practically valuable implications.

Our research is the first study empirically having analyzed on that which strategies (reinforce the strengths vs. improve the weaknesses) the firms should focus on to improve the performance with the limited resources. Presently, not only are most firms frequently facing a decision making problem on which one should be concentrated, strengths or weaknesses, but also they could be led to a very different result by the decision making. However, the empirical study related to this has never been carried out so far. Starting with this study, we expect that extended researches are progressed such as 'the studies on the strategic utilization of the internal resources' in various conditions

In addition, in terms of CS, our study presents meaningful results. The existing studies have not taken much note of 'strategic direction' of CS management. For example, where firm A and B all were analyzed as a shortage of 'employee kindness' at some point of time, in the existing point of view, the solutions in terms of the CS improvement on both firms were very similar to each other. "Improve the employee's kindness". This sight occurs because of ignoring the fact that A and B are essentially different firms with different characteristics. If A's strength is 'food taste' B's strength is 'service', must the solutions on these firms be the same, though? We suggested that 'strategic direction' is necessary on the existing CS studies as showing that different solutions are presented depending on the characteristics of the firms. These results are more meaningful, at the present time, when the CS effectiveness, comparing to input, is gradually decreasing. Our findings suggest the way to improve CS level itself more efficiently and effectively, getting out of the present sight that 'Increasing CS level became more difficult, so it is the best way to minimize the resource input, aiming at keeping up of CS.

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The Impact of an Employer's Predominant Status Abuse on Consumers' Purchase Intention

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Keywords: *Empathy, Emotional Contagion, Empathic Concern, Purchase Intention, Attitude*

These days, employer's predominant status abuse, such as Korean Air's airplane return happening in front of a taxi-way and Wemakeprice.com's illegal dismissal of employees, is becoming a hot social issue and the focus of criticism. Unfair behavior by firms and business administrators based upon their predominant status affect consumers' attitude toward the firm and empathy with the weak persons, and which is likely to influence consumer product purchase intention.

Previous research on firms' unfair behavior focuses on business to business relationship, subcontracting, monopoly company's unfair behaviors. However, research on employer's predominant status abuse in labor and management relationship and its impact on consumers' attitude toward the firm and product is sparse. The objective of this research is to examine the impact of employer's predominant status abuse in relation with employees on consumer purchase intention. In particular, this study focuses on consumers' corporate attitude and the mediating effect of consumers' empathy with the weak.

Previous research on employer's predominant status abuse in labor and management relationship (e.g., Joo and Wu, 1997) pointed out that unbalance among the industries, gap between prices and living expenses, and problematic relationship between labor and management are revealed issues during the high growth period in South Korea. Basically, employers or business administrators have human resource management decision power and resultantly have predominant status. To achieve a power balance between labor and management, the labor dispute right was secured (Im, 2015). More radical debaters grasp a laborer as a being of class (der Mensch als Klassenwesen) rather than a person and argue that the class struggle originates from the subordination of labor (Lee, 2003). In this vein, current happenings in business practice show that diverse forms of unfair behaviors based upon employer's predominant status are prevalent.

On the other hand, psychology and organization research remarks empathy as a key factor of social intelligence that functions effectively in a social context. A comprehensive approach of empathy grasps the empathy as a multi dimensional structure with both affective and cognitive dimension (Davis, 1994; Duan and Hill, 1996). In particular, the most extensively discussed variables as a component of multi dimensional structure of empathy are 'emotional contagion' and 'empathic concern'. Empathic concern is likely to influence consumers to be empathetic and sympathetic with employees in the vortex of unfair relationship between labor and management.

Based upon the above discussion of conceptual background, a research model is provided. The model posits that employer's predominant status abuse influences consumers' purchase intention negatively and this relationship is mediated by consumers' attitude toward the company and their empathy with the weak.

To test the hypotheses, an experiment toward 285 convenience samples subjects is executed. The subjects are directed to read scenario cases about simulated airline service companies with different degrees of employer's predominant status abuse. The subjects are requested to answer the survey questions on attitude toward the company, empathy with the employees, airline service purchase intention. Reliability and validity of the measures are checked and secured. A regression analysis and a mediation analysis by PROCESS (Hayes, 2013) are executed to confirm the causal effect and mediating effect.

Employer's predominant status abuse may provide serious impact to marketing. An effective internal marketing is essential to minimize employer's predominant status abuse and its negative impact toward consumer behavior and marketing performance.

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Effects of the CEO's Leadership as a Human Brand on Customers' Attitudes: The mediation Role of Trust

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Keywords: *CEO Human Brand, Transformational Leadership, Multidimensional Trust, Corporate Image, Purchase Intention, Job Research Intention*

As various media have been developed and the CEO's roles are extended, the value of the CEO in a company has been extended to human brand to have direct influences on the public, as well as the final decision maker, to have influences on the consumers' attitude or behavior. However, even though the CEO's influences go beyond the boundary of a company and reaches into the public, researches for Strategies to take advantage of the CEO as a human brand and to influence the public have been limitedly conducted.

Therefore, this study aims to make strategies to strengthen the CEO's influences on the public's attitude and examines the CEO leadership types, which have been discussed in the HR area, by extending into the marketing area to identify the CEO's influence on the consumer's attitude. This study examines the influences of the CEO's transformational leadership factors on the public, whose effectiveness in an organization has been verified from various aspect, and suggests a model that will ensure that each dimension of the CEO's transformational leadership can enhance the customer's attitude toward the company, ultimately a key to enhance the company's value through increasing the consumer's trust. This study verifies the effects of four dimensions of the transformational leadership (charisma, inspiration motivation, intellectual stimulation and individualized consideration) on the consumer's attitude, such as having positive company image, intention to purchase products/services, and intention of pursuing a job opportunity through the mediation of credibility based trust and benevolence based trust. The results show as follows:

It is found that charisma leadership has positive influences on credibility and benevolence. In case of motivation leadership, it has positive influences on benevolence but it does not have effects on credibility. The study shows that intellectual stimulation leadership has positive influences on credibility and individualized consideration leadership has positive influences on benevolence. Each dimension of trust on the CEO is found to have positive influences on the consumer's attitude. In addition, credibility and benevolence are found to have positive effects on having positive company image and also to have positive influences on intention to purchase products/services operated by the CEO and also to have positive influences on intention to seek a job opportunity in the company whose CEO is trusted by job seekers. In addition, the moderating effects of the company size is verified and significant results are drawn after dividing companies into small/medium companies and large companies.

This study has implications as an interdisciplinary study, which accesses to leadership study in the marketing strategy dimension, which used to be addressed mainly in the HR area and it will give insights of marketing strategies that may optimize values by extending the CEO's competence from inside the company to outside the company.

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Why are Model Students More Problematic?
A Study on Influences on Moral Decoupling Process and Differences of Celebrity Images on Consumer Support after Transgression

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Keywords: *Moral Decoupling Process, Celebrity Image, Consumer Support, Transgression*

Yoo Seungjun, Kim Yong-man, Hwang Soojung, Psy, Kim Joon-ho, and Hyun Young have similarities and differences. They are similar in that they have all been involved in what are socially regarded as acts of transgression, such as military service corruption, gambling, and drug use; the difference is that while the latter three were allowed to return to their professions, the former three lacked such support and have yet to return. Previous studies indicate that the type of transgression (Kim, 2004), the severity of the act (Laufer et al., 2005), orientation (Money et al. 2006), relevance to the profession (Bhattacharjee et al., 2013), attribution type internalized in the public (Park et al., 2014), and the type of moral reasoning (Bhattacharjee et al., 2013) determine the difference in the levels of support after the transgression.

Transgressions pose a dilemma for loyal consumers or supporters who have developed a deep emotional attachment to public figures (Thompson, 2006). People are strongly motivated to maintain a positive view of an individual or brand toward whom or which they have developed a personal attachment. However, people also strive to maintain positive a self-regard and view themselves as morally upstanding (Baumeister, 1998). Moral judgments arise through relatively automatic intuitive processes, and moral reasoning processes are employed post hoc to construct reasons supporting the intuitive judgment (Hadit, 2001; 2007). When the consumer makes a subjective decision to continue supporting a celebrity they like, they engage in moral reasoning to justify the celebrity's transgression to maintain support for the celebrity and reinforce the consumer's own moral standards. To further this concept, Bhattacharjee et al. (2013) classified the moral reasoning process into moral rationalization and moral decoupling, and suggested that the moral decoupling process, where the celebrity's performance and morality are decoupled, avoids conflict with existing moral standards, thus making it easier to maintain support after the transgression.

This study began by questioning whether the known effects might differ depending on the celebrity's image. Those with sincere or virtuous brand personalities may be especially damaged by transgressions (Aaker et al., 2004), while some celebrities with a "bad boy" image, such as Charles Barkley, tend to gain consumer support from transgressions (Bhattacharjee et al., 2013). Hence, this study sought to verify four effects: 1) whether consumer support after similar transgressions is affected by different celebrity images, such as the model celebrity versus the "bad boy" celebrity; 2) whether the preference for the celebrity's adopted image has a direct impact on support after transgression; 3) whether the consumer's moral decoupling process mediates the relationship between the consumer's preference for a specific celebrity image and support after transgression; and 4) whether the difference between specific celebrity images moderates the relationship between consumer's preference for a specific celebrity image and support after transgression.

The respondents were 221 male and female adults aged between 20 and 39 (66.1% female, average age 29.3) gathered using an Embrain online panel. Of the respondents, 109 were randomly assigned to the "model" celebrity condition, and 112 to the "bad boy" celebrity condition (between subject designs). To verify the study hypothesis, the respondents read three news article-type scenarios containing the fictional celebrities' performance, acts of transgression, and return to the public eye after a period of penance, and answered questions about the celebrity's capability, preference, willingness to support after transgression, and agreeability with moral reasoning on a 7-point scale.

SPSS 18.0 was utilized to analyze the data.

The study results are as follows. First, support after transgression depends on the differing celebrity image (model vs. bad boy); the model celebrity gained greater support than that for the bad boy. Second, there is a direct effect on the preference for a particular celebrity image and the degree of support after transgression. That is, consumers who prefer a specific celebrity image displayed higher levels of support despite transgression. Third, the consumer's moral decoupling process partially mediates the relationship between specific celebrity image preference and support after transgression. Lastly, the difference in celebrity image moderates the preference for a specific celebrity image on support after transgression. This indicates that while there is a greater degree of support after transgression for the model than the bad boy when there is a low preference for a specific celebrity image, the degree of support after transgression for the model is lower than that for the bad boy when there is a high preference. Moreover, a post hoc analysis through the PROCESS macro (Hayes, 2013, Model 5) confirms the co-existence of a moderating effect from the difference in celebrity images and a mediating effect from the moral decoupling process.

This study examined the influences of the moral decoupling process and engraved celebrity image differences in support after transgression. While the moral decoupling process, which does not require the consumer to sacrifice their own moral standards or make a cognitive effort to justify the celebrity's actions, may play a role in increasing support after transgression, the effect may be insignificant, depending on the previously held image of the celebrity. This indicates that a model celebrity image may have a negative effect on post-transgression support. As such, these factors should be strongly considered when building an image and in risk management communications.

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The Effect of Negative Stereotype and Future Orientation on Retirement Saving Plans for Younger Generations

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Keywords: *Negative Stereotype, Future Orientation, Retirement Saving Plan, Younger Generations*

A recent OECD research report shows that approximately 49% of Korean seniors suffer from relative poverty (OECD 2014). Despite the dismal reality, today's young adults (20s and 30s) are not preparing themselves well enough for their future compared to their older counterpart (40s and 50s) as measured by their subscription rate in the national pension plan (KOSTAT 2015; National Pension Service 2015). This problem of young adults saving too little for their later phase of life is a potential economic problem not only in Korea, but also in the US and many other countries (Rhee 2013; Sharf 2014; European Center 2010). Unless today's young adults start increasing their saving rate, they will eventually expose themselves to dangers and risks associated with insufficient retirement saving.

Even among young adults, members of minorities are especially vulnerable to such dangers and risks. Findings that Black and Hispanic workers face a greater risk of losing their jobs in their pre-retirement years (Flippen and Tienda 2000) and that LGBT elders find themselves at a disadvantage in retirement compared to their straight counterpart (Cahill and South 2002) support this argument. Thus, saving for retirement should be a matter of particular importance for minority young adults.

Which situational factors, then, may encourage minority young adults to save for retirement? Our research examined negative stereotype activation and temporal orientation as such situational factors: the former because minority members are frequently exposed to them; the latter because it is positively associated with retirement saving (Hershey and Mowen 2000; Jacobs-Lawson and Hershey 2005). Previous research found that activation of a negative stereotype can induce threats to individuals (Steele and Aronson 1995; Wheeler and Petty 2001). In response to such threats, individuals focusing on future (present) may attempt to protect their future (present) selves. When a negative stereotype is activated, young adults may consider retirement savings as a resource to protect themselves in the future. In support of this view, researchers found that money can provide sense of control (Duclos et al. 2013; Zhou et al. 2009) and act as a psychological buffer (Johnson and Krueger 2006). However, only individuals focusing on future will perceive such instrumentality of saving. In contrast, individuals focusing on present are more likely to seek short-term solutions, and thus fail to appreciate instrumentality of saving. We thus hypothesize that negative stereotype increases retirement saving for young adults focusing on future, because they will perceive saving as a way to cope with the threat induced by negative stereotype.

To test our hypothesis, we recruited participants through Amazon Mechanical Turk limiting location of the participants to the United States. Participants were randomly assigned to a one-factor (positive vs. negative stereotype activation) between-subjects design (N = 143; ages 20-39, M = 30.4; 44% female). To activate positive or negative stereotype, we first asked participants to name one meaningful group membership. Then, participants wrote about either a negative stereotype or a positive stereotype regarding their meaningful group and their personal experience of the stereotype.

Next, we simulated a realistic setting for retirement saving decisions by having participants suppose that their employer started a new individual retirement account (IRA) plan and gave them a form to fill out. Participants viewed the form with terms of agreement regarding their contribution to IRA and then answered the question, "What percent of your current pay would you contribute to your IRA?" with answers ranging from "0%" to "30% or more" in multiples of 3% (11-point scale). Participants' answer served as the dependent measure, retirement saving rate. Finally, we measured the extent to which participants were present- and future-oriented using Temporal Orientation Scale

(Holman and Silver 1998).

We first conducted hierarchical regression analyses to determine the effects of negative stereotype activation and its interaction with temporal orientations on IRA contribution rate beyond the effects of temporal orientations alone. In step 1, participants' mean-centered scores of present and future orientation were entered as predictors of their IRA contribution rate. Results revealed that although the association between present orientation and IRA contribution rate did not reach statistical significance ($\beta = .12$, $p = .15$), higher future orientation did lead to marginally higher IRA contribution rate ($\beta = .16$, $p = .06$), consistent with earlier research findings. In step 2, we added three additional predictors of IRA contribution rate: positive vs. negative stereotype activation as a dummy variable (0 = positive, 1 = negative) along with its interactions with mean-centered present- and future-orientation scores. Whereas the initial regression model in step 1 explained only 3.3% of variance in IRA contribution rate, adding the three predictors in the second regression model in step 2 increased the explanatory power of the model to 8.3% (R2model 1 = .033, R2model 2 = .083; $F(3, 137) = 2.49$, $p = .063$), thus accounting for additional 5% variance in IRA contribution rate beyond temporal orientations alone. A closer examination of results revealed that negative (vs. positive) stereotype activation marginally increased IRA contribution rate ($\beta = .15$, $p = .07$), and that, more importantly, it interacted with future orientation to significantly affect IRA contribution rate ($\beta = .25$, $p = .045$). However, negative vs. positive stereotype activation did not interact with present orientation to significantly affect IRA contribution rate ($\beta = .02$, $p = .84$).

To further probe the significant interaction effect of future orientation and stereotype activation on IRA contribution rate, we conducted a separate spotlight analysis at 1SD below and above the mean of future-orientation (Aiken and West 1991), regressing IRA contribution rate on positive vs. negative stereotype activation, future orientation, and their interaction. Among relatively more future-oriented participants (1SD above the mean), activating a positive vs. negative stereotype resulted in a greater IRA contribution rate (Mnegative = 5.08 vs. Mpositive = 3.58; $b = 1.51$, $t = 2.86$, $p = .005$). However, among relatively less future-oriented participants (1SD below the mean), positive vs. negative stereotype activation did not result in a significance difference in IRA contribution rate (Mnegative = 3.85 vs. Mpositive = 3.72; n.s.). In other words, among future-oriented participants, activating a negative stereotype increased the IRA contribution rate by 4.5% as compared with activating a positive stereotype.

Study 2 is in progress and we intend to achieve three purposes. First, to ensure that negative (rather than positive) stereotype activation caused the effect on IRA contribution rate, we will compare the negative stereotype condition with a control condition. Second, we created two new dependent variables: one measuring participants' general intent to save rather than consume the imaginary $500 that they received from a tax cut; another measuring their preference for retirement saving over present consumption. With the first, we aim to investigate whether the proposed effect can apply to general tendency to save (beyond saving for retirement), and with the second, we aim to replicate our finding in study 1. Finally, we included potential mediators of the proposed effect (e.g., the need for self-affirmation, self-protection, impression management, etc. after being the target of a negative stereotype) to shed light on the underlying mechanism through which the activation of a negative stereotype and future orientation interact to increase saving rate.

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The Influence of Color Names on Consumer Judgments

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Keywords: *Color Naming, Incongruency Theory, Schema-Congruity, Pleasant Surprise*

This research examines how types of color names affect consumer judgments. We consider two types of color names: common descriptive color names and unexpected descriptive color names. Using laboratory and field studies, we demonstrate that consumers who engaged in cognitive decision-making were more favorable toward products for which common descriptive color names were used; in contrast, consumers who engaged in affective decision-making were more favorable toward products for which unexpected descriptive color names were used. Practical and theoretical implications are further discussed.

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Dynamic Effect of Customer Equity on Firm Performance: Comparison between Leaders and Followers

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Keywords: *Customer Equity, Newly Acquired Customer, Retained Customer Equity, Firm performance*

Customer management based on Customer Equity has emerged as the most effective way of running business due to the ability to foster profitable CRM. Along with the studies of customer relationship management, customer lifetime value and customer equity has recently been important topics. Marketing practitioners realize that the ultimate measure of firm performance is customer equity, which is the sum of the customer lifetime values of their individual customers. Although there has been widespread conceptual evidence of the positive link between customer equity and firm's performance either directly or through improved customer outcomes, the majority of studies are cross-sectional ones.

Moreover, no comparison of relationships between leader company and follower company of customer equity and firm profitability were established and there is an increasing demand for research investigating the comparison between firms. Therefore, this research examines the dynamic effect of customer equity on the firm profitability by comparing the company type such as leader and follower.

We classify a Customer Equity into two types: newly acquired customer equity and retained customer equity. Each has a differential effect on the firm type.

We use a time-series transaction data in Korea. Based on customer equity models of previous literatures, we first estimate the individual CLV by each time period and then the customer equity of the company. Then, we develop a model for examining the relationship between the estimated firm's customer equity and firm's profitability by each time period using distributed lagged model of Koyck (1954).Then, we examine the effect of CE on the firm's profitability over time with a sliding window regression. Finally, we compare the relationship between two firms.

The results show that the effect of newly acquired CE of follower firm is stronger than that of leading firm. The effect of retained CE of leading firm is stronger than that of follower firm. Overall, the findings offer strategic implications for firms to implement a successful customer equity strategy in this competing world of changes.

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A Moderation Study of Organizational Integration and NPD Process Proficiency in the U.S. and Korean Heavy Construction Equipment Industries

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Keywords: *New Product Development, New Product Market Success, NPD Process Proficiency, Organizational Integration*

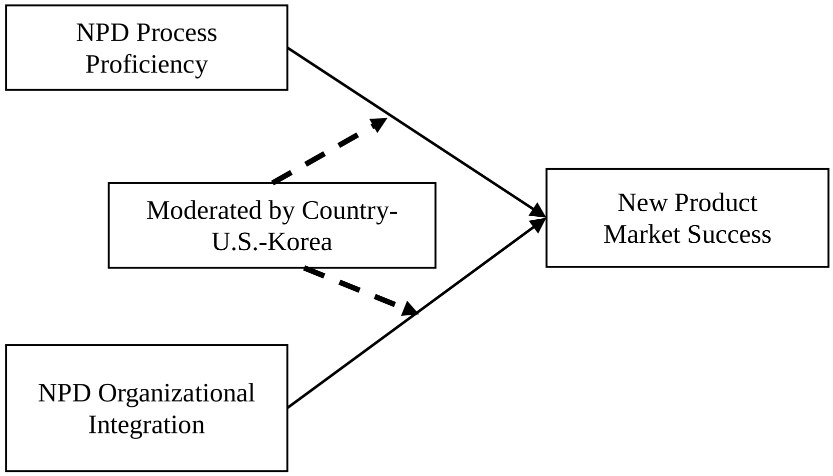
There have been myriad articles published regarding business or business-related activities regarding the United States (U.S.) and Korea. This study explores potential differences between the relationships relating the market success of new products, the proficiency with which new product development (NPD) activities are executed during NPD processes, and the degree of organizational integration among various groups during NPD processes in the United States (U.S.) and Korea. This research addresses three major research questions: (1) Does NPD process proficiency impact new product market success in U.S. and Korean firms?; (2) Does organizational integration impact new product market success in U.S. and Korean firms?; and (3) Does country moderate the relationships between NPD process proficiency and new product market success, and between organizational integration and new product market success? This study is based on new product development data related to new product projects from the heavy construction equipment industries in the U.S. and Korea.

The sampling frame for this study included 389 firms which represent all of the heavy construction equipment companies comprising the U.S. heavy construction equipment industry documented in the Standard & Poor's Register of Corporations, Directors, and Executives Directory. The sampling process chosen was simple random sampling without replacement. A sample of 150 firms was randomly selected from the sampling frame of 389 firms. The sampling frame for the Korean data included 178 firms that were the members of Korea Construction Equipment Manufacturers, as of July, 2009. Some of these firms were not eligible for this research since they did not develop new products. They were found to be trading companies or building subcontractors. Therefore, after eliminating 32 such firms, 146 questionnaires were sent to potential respondents.

Based on our combined model, it was found that NPD process development proficiency significantly impacts new product market success but organizational integration does not impact new product market success. Additionally, it was found that country moderates the NPD process proficiency-NPD market success and NPD organizational integration-NPD market success relationships. Study implications and recommendations are provided for NPD managers based on this research.

To analyze this study's data, a regression model based on the relationships depicted in Figure 1 was constructed. This model is comprised of the primary study constructs portrayed in Figure 1.

Figure 1 The Influence of NPD Process Proficiency and NPD Organizational Integration on New Product Market Success



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The Effect of Conflict on Performance in Network Relationships

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Keywords: *Buyer-seller Relationship, Vertical Conflict, Horizontal Conflict, Network Embeddedness*

For the decade the phenomena of conflict in distribution network have been given by important implication to marketing researcher. In earlier studies concerning buyer–seller relationships within networks, the trade-off between cooperation and competition has been emphasized as a mean of creating progress among actors involved in long-term relationships.

Conflict is tension between two or more social entities which arises from incompatibility of actual or desired responses. Vertical and horizontal relationships are totally different types of relationships, and it is obvious that the trade-offs among parties and conflict in vertical and horizontal relationships are of different natures and accordingly have to be managed differently.

Vertical conflict is tension between two or more channel member of different level in network, but horizontal conflict is tension between channel competitors in same type. Previous researches are relied on competitive to conflict between the channel members of different level in networks. However, this research investigates that different level of conflict then figure out effect on performance.

Moreover, this research defines the performance as the search cost in the competitiveness and income of the company. The performance is directly affected by the vertical conflict and horizontal conflict. Two types of conflict make search cost that incurred by retailers and producers to find each other and establish a viable relationship. However, by network embeddedness, vertical conflict and horizontal conflict will be more mitigated than before status.

In this research, we supposed that vertical conflict affect to negative effect to the performance, but horizontal conflict affect to positive effect to the performance among channel members. In addition, network embeddedness has the moderating effect on the relationship between vertical conflict and horizontal conflict positively on performance. For the social relationship, network embeddedness encourages trust each other and reduces opportunism. Network embeddedness emphasizes on the role of social relations and structures of these relations in generating trust and discouraging opportunism.

In vertical relationship, vertical conflict occur problem with other channel members of different level. Although vertical conflict affect to negative effect to the performance among channel members, network embeddedness affect to positively performance. Therefore, high level of network embeddedness will be mitigated in vertical conflict. In addition, low level of network embeddedness will be strengthening the effect of horizontal conflict on performance.

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Goal-Relevant Emotions for Charity Ad: Happiness vs. Sadness

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Keywords: *Regulatory Focus Theory, Psychological Benefit, Joy of Giving, Alleviating Feelings of Guilt, Donation Behaviors*

Charitable giving has stagnated over decades in many countries. The bulk of givers are older adults, whereas there has been a tremendous increase in the number of charitable organizations and the CSR activities of firms. This raises the competitive intensity among firms and non-profit organizations competing for a share of a limited pool of donor funds. The key challenge for marketers is to attract new and younger givers and increase the amount of giving among current givers as well (Cha and Yi, 2014). In many cases, donation may contribute to one's psychological benefits: intangible benefits that donors bestow on themselves as a result of donating and the intangible costs that donors avoid by donating. Donation is closely connected with an almost automatic emotional response, producing a positive mood (joy of giving), alleviating feelings of guilt, reducing aversive arousal, satisfying a desire to show gratitude, or to be a morally just person.

The goal of this study is to investigate the influence of emotional appeals (happy vs. sad) of charity advertising on donation behaviors (donation intentions, actual donations). Specifically, this paper thus seeks to shed light on the differential effects of emotional appeals of charity advertising on donation intention depending on a moderator. We investigate how emotions of charity ad influence donation behaviors as a function of consumers' goals. We consider regulatory focus as a moderator. By manipulating specific emotions that correspond closely to two basic categories of human goals (achievement vs. protection), we extend affect-as-information theory and show that donation behaviors are a function not only of the valence of evoked emotions but also of the correspondence between specific emotions and consumers' goals.

This research examines the effect of emotional appeals on subsequent charitable giving decisions by eliciting happiness and sadness through charity ad emotional appeals. This study conducted experiments, following a 2×2 between-subject design, crossing an emotional appeals (happiness, sadness) and regulatory focus (promotion focus vs. prevention focus) with the donation intentions and actual donations. When consumers are promotion-focused (i.e., achievement), achievement-related emotions (happiness) are more informative for evaluations than protection-related emotions (sadness); the opposite is true when consumers are prevention-focused.

Moreover, this research investigated the indirect effect of emotional appeals in charity ad on consumer donation intention and actual donation through underlying dual mechanisms depends on regulatory focus as individual characteristic. The results show that the dual mediation effects of joy of giving and alleviating feelings of guilt between emotional appeals and consumer response is moderated by regulatory focus. The results show that for consumers with promotion focus, the happiness appeal advertisement has the more positive effect on donation intention and actual donation via joy of giving than sadness appeal advertisement. On the other hand, for consumers with prevention focus, sadness appeal advertisement has the more positive effect on donation behaviors via alleviating feelings of guilt than happiness appeal advertisement. Overall, the findings offer strategic implications for NPOs engaged in charity marketing.

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Effects of Technological Uncertainty and Volume Uncertainty on Supplier's Performance: The Moderating Effect of Structural Holes

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Keywords: *Uncertainty, Technological Uncertainty, Volume Uncertainty, Performance, Structural Holes*

A supplier's concern about environmental uncertainty is important for their entire strategy. Also Supplier's performance can be varied depending on the environmental contexts such as technological uncertainty and volume uncertainty.

Since the importance of concerning environmental uncertainty has been argued, a growing body of research employs network approach in industrial marketing filed. But studies investigating effects of technological uncertainty and volume uncertainty on supplier's performance under structural holes, which contributes to both buyer and supplier, are still rare.

This study examines how supplier's performance is influenced by technological uncertainty and volume uncertainty under conditions reflecting structural holes. The empirical test was conducted with a Korean engineering firm's major first-tier suppliers in the context of internal network entities, manufacturer-supplier-subsupplier relationships. Construct measures were based on existing measures and previous research.

And this study hypothesizes that technological uncertainty is positively related to supplier's performance and is negatively related to volume uncertainty. The study also hypothesizes that these relations are moderated by the structural holes. The statistic results demonstrate that all of the hypotheses of this study turn out to be significant.

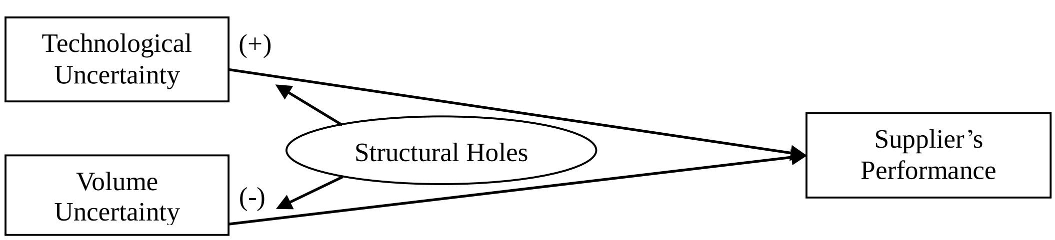
The conceptual model, put to empirical test, is provided in Figure 1.

This study's specific contribution to literature, then, is in two ways. First, the study empirically examines effects of technological uncertainty and volume uncertainty on supplier's performance under structural holes, which contributes to both buyer and supplier. Yet little empirical researches about this effect have examined so far. Second, the study empirically explains structural holes influence differently, according to the contextual environments.

The study propose that technological uncertainty has positive effect on supplier's performance, if suppliers have the capability to cope with the technological uncertainty. However, In the volume uncertainty circumstance, it is better to cooperative with its parties than accepting new information through the structural holes.

Therefore, firms should carefully consider how they deal with environmental uncertainties when they make a business decision under structural holes situation.

<Figure 1>. Conceptual Framework



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Necessary Evil Behavior to Customers and Interpersonal Sensitivity in Service Encounters

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Keywords: *Necessary Evil Behavior, Interpersonal Sensitivity, Service Encounter, Empathy*

Services can be failed by service providers as well as customers who behaved wrong way or misunderstood. Should service providers always have treated customers politely so that they can give a good impression to the customer when services failed? Service providers have big burden when they take all the responsibility and obligation for customers faults.

Service failure is not always from the service providers' fault and/or poor service systems. It can be from the customers' fault as they misunderstood the system or had immature experience. Most service providers take good care of the customers who complains the service failure although the service failure was part of the customers fault. In fact, service providers should manage some of bad customers, so called black consumers. Although it is necessary to harsh on the bad customer for the company, service providers have some burden in the necessary evil situation. Most previous studies have focused on the right behavior or roles of service providers how to maintain good relationships with customers although service providers have many burdens and stresses with the customers (Gwinner, Gremler, and Bitner 1998; Pilling and Eroglu 1994; Doney and Cannon 1997). Previous studies about customer complaint have also focused on why and how service providers behave well, not focused on the emotion of service providers dealing with bad customers (Suna La and Jongman Lee 2011; Eun Kyung Park, Young Ho Yang, and Byung Kil Choi, 2010; Bungsung Baek, 2009; Seunghee Im 2011). Past studies only thought that service providers should recover the failure although the failure can be from bad customers. None of studies have been focused on the relationship between service providers and bad customers. The service providers psychological feelings and emotions in the necessary evil situation should be focused as well. The role of customers are very important to increase total service quality as customers are aggressively participated in the service system in these days. Therefore, it is necessary to think of the strategies how service providers deal with the bad customers. Especially, it is necessary to investigate providers' psychological states and emotional stress when the service providers deliver some of bad news to the customers.

Based on necessary evil concept (Molinsky and Margolis 2005; Dubinsky, Kim, and Lee 2011) this study is to apply the necessary evil concept into services situation, to investigate service providers' psychological factors, and to suggest the relationships among the factors, interpersonal sensitivity, and relationship quality when they engage in behavior that may have adverse consequences on customers.

Structural equation model was conducted by using AMOS 20 program. As a result, service providers have more sympathy feelings when they experienced more responsibility, perceived more justifiability, and experienced more task difficulty for causing the customer harm or discomfort. Derived sympathy feelings influenced on interpersonal sensitivity. However, the relationship between guilty feeling or cognitive load and interpersonal sensitivity was not supported. The reason why it was not supported may be because the services situation where providers response customers is very different from the organizational situation where supervisors should give bad news to subordinates. In fact, service providers may have some difficulties to retrieve past experiences having guilty and cognitive load in their service situation while they were answering the questionnaire. In addition, unlike supervisors, service providers may not have much guilty feelings and/or cognitive load when they explain why not providing or recovering something in a good way for customers. Duration of relationships and relationship intimacy may also be considerable factors as well.

One of the limitations is that this study did not take account of the reciprocal way of relationship between service provider and customers. This study was just focused on the providers' side. In addition, respondents may have hard time to recall necessary evil situation in the services relationships so that each item scales was hard to answer and further measurement of each construct was not accurately measured.

Scenarios methods might be better to measure psychological feelings while providers give necessary evil comments to the customers in various situations. Qualitative studies should be needed to develop appropriate scenarios. For example, various service experiences from service providers should be collected by using in-depth interview or FGI. Besides, types of services should be considerable to get better quality of data. Necessary evil situation might be happened better in the expert services such as education service, medical service, and/or legal advice service. Hopefully, this study will be helpful to understand better emotional labors and rethink of coping strategy against bad customers in our society.

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Cultural Differences between Korea and China in the Symbolic Consumption of Economic Powerlessness

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Keywords: *Cultural Differences, Economic Powerlessness, Power-symbol Consumption, Symbolic Consumption, Compensatory Consumption*

Consumers tend to respond to a product's symbolic meaning. If a product symbolized a human value they have positive attitude for the product. For example, consumers have a positive attitude for the luxury brands such as Louis Vuitton because the luxury brands symbolize social status or power.

Interestingly, the sales of luxury brands have increased during the period of economic difficulties. Korea Consumer Agency reported that an average consumer in Korea possesses average of 9 luxury brand products. Although national economy is going steadily downhill, the Korean luxury brands market is growing by 6% to 13%.

Why are sales of such type of products (luxury brands) growing under economic recessions? Because people naturally want to control their own circumstances, losing control can cause undesirable situations which in turn sometimes lead people to experience a feeling of powerlessness. Since experiencing powerlessness is likely to cause negative emotions such as frustration, sadness, and anger, people try to come up with coping strategies to reduce the feeling of powerlessness. One of the coping strategies that people use is compensatory consumptions for power products such as luxury shoes and bags as a means of recovering and showing their power (Rucker and Galinsky 2008; Talyor 1991).

Main objectives of the study are to examine how consumers show compensatory consumption behaviors when they experience economic powerlessness compare with social powerlessness. The objective of study 1 is an exploratory study to find out when consumers feel economic powerless. study 2 is to examine the relationship between the economic powerlessness and symbolic consumption.

There are significant academic contributions made by the current study. The first contribution is that divided the power types; economic power and social power. Second, this study revealed the sources of economic powerlessness. Finally, there are differences of amount of expenditure when consumer feel the economic power compare with social power.

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An Empirical Study on Korea Buying Products Directly through SNS and Taking Advantage of Chinese Consumers

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Keywords: *Social Network Service, China, Direct Purchase*

Number of users of social networking services worldwide being about 15 million and for the number of people who are one of the six billion people, or a quarter of the population of the world. China SNS users can show rapid growth in 2013 is estimated to be enough to reach about 400.005 million people. Information through the SNS is has more of an effect on product purchases so reliable information obtained through the people they know more than just information. This study reveals the influence of factors Korea products online direct purchase through SNS, further reveal whether these factors will affect how the online auction.

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The Effect of Inter-firm Network Intensity on Control Mechanisms

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Keywords: *Network Intensity, Inter-firm Network, Control Mechanism, Transaction Cost Theory*

Network intensity is becoming an increasingly important phenomenon in marketing research. Among the various types of phenomena observed in networks, network intensity is an incrementally important characteristic that explains inter-firm relationships (Tellefsen and Thomas, 2005; Rindfleisch and Moorman, 2001; Capaldo 2007). Network intensity refers to the strength and quality of relationships among firms (Granovetter, 1995).

Many studies have shown that strong ties are important conduits for useful knowledge (Hansen 1999; Szulanski 1996; Uzzi 1996, 1997); through repeated interactions, constituent firms are better able to assess their partners' resources and capabilities, making complementarities more visible and helping firms organize transactions in ways that maximize synergy (Bell et al. 2009). Although the concept of relationship intensity is useful for understanding inter-firm networks, it does not concretely explain how tie strength effects within the networks. Especially in most Transaction specific investments (TSIs) researches has placed less emphasis on the effectiveness of network intensity (Gebhardt 2013; Yu, Liao and Lin, 2005; Jap and Ganesan 2000).

TSIs are specialized to a particular transaction and cannot be converted easily in other transaction relationships (Williamson 1981; Heide and Wathne 2003). According to transaction cost theory (Williamson 1983, 1985), because these investments are partially sunk, they lock in the investor to a particular relationship. In sum, this permits the receiver to opportunistically expropriate part of their value. At the same time, the potential benefits of specific investments are considerable. Such investments play a key role in realizing particular value propositions and positions of competitive advantage (Ghosh and John 1999). As such, specific investments are "valuable but vulnerable" (Ghosh and John 1999). In this research, we examine the role of transaction-specific investments on the contractual relationships-formal and informal contracts.

The purpose of this study is to examine the influence of tie strength on inter-firm relationships. This study hypothesizes that the relationship between transaction-specific investments (TSIs) and contracts are moderated by network intensity. In this research, we investigate individual term-tie strength as the network point-of-view where the strength of the ties depends on whether or not network members develop good relationships with inter-firm relationship.

An empirical test was conducted on manufacturing companies in the context of manufacturer–supplier relationships. The construct measures were based on existing measures and previous research. Measurement reliability and validity were established using exploratory and confirmatory factor analysis, and the overall measurement model was assessed with structural equation modeling using AMOS.

The results of our study empirically prove that supplier TSIs enhance the use of informal contracts, whereas the use of formal contracts has an undermining effect on supplier TSIs. Additionally, we found that firms with weak ties with their partners in the network are more likely to utilize both formal and informal contracts.

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To Smile or Not To Cry? The Effect of Planet- versus Self-Framing on Attitude toward Reusable Products

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Keywords: *Self-construal, Implicit Attitudes, Self-regulation, Sustainability*

This study examined the effect of self-regulatory goal, self-construal, and implicit attitude on sustainable product evaluations. Two experiments were conducted to test how compatibility between a temporarily activated goal and self-construal increases product evaluations. The findings reveal that individuals evaluate sustainable products as more favorable when a promotion goal is activated and goal-recipient compatibility is met. In addition, implicit attitude toward the product category moderates the effect of goal-recipient compatibility. Therefore, environmental messages promoting sustainable products should maintain not only the compatibility but also take into consideration recipients' hidden attitude toward a product category.

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