ANZMAC Midyear Doctoral Colloquium
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Welcome

Dear Colloquium Attendees

Welcome to the next few days of uninterrupted critical and social engagement in this academic seminary. We are delighted that you have chosen to present your work to your peers and to our mentors and discussants. This is an excellent opportunity to both give and receive informed feedback on your ideas and those of others and to start a series of conversations that will enrich and colour your learning. While I know you will have done some of this with your peers and your supervisors already, putting yourselves forward in a more focussed environment will give you confidence and encouragement to continue constructively on your journey. While you are here, please feel free to wander around the Department and to make contact with academic staff-both those in your area of interest and others-you never know what delightful gems you may come across!

Enjoy, learn, share!

Best Regards

Robert Aitken
# Table of Contents

- Children’s Perception of Physical Attractiveness and their Links with Materialism and Relational Aggression - Tabitha Thomas | 1
- Restoring consumers’ institutional trust in an industry-wide crisis: A perspective of consumers’ perceived legitimacy - Shijiao Chen | 10
- Dealing with Uncertainty in a Turbulent Business Environment - Katayoun Zafari | 18
- Social Norms and Alcohol Consumption: Communicating an Alternative to Excessive Consumption - Rahul Argha Sen | 32
- Role of Cross-Functional Actor’s Interaction and Skills on the Value Co-Creation Process - Donia Waseem | 40
- The internationalisation process of Chinese privately-owned SMEs - Xiao (Cici) HE | 46
- Opportunity Creation in the Internationalisation Process of SMEs - Masoud Karami | 56
- Value Determination Over Time - Henrik Öhli | 63
- Marketing specialist knowledge and its influence: A practice approach - Lee Harrison | 72
Programme

All sessions will be held in Commerce Building Room 6.26.

Thursday 11th June

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.30am</td>
<td>Rob Lawson</td>
<td>The Future(s) of Marketing</td>
</tr>
<tr>
<td>10.00am</td>
<td>Tabitha Thomas</td>
<td>Children's perception of physical attractiveness and their links with materialism and relational aggression</td>
</tr>
<tr>
<td>10.30am</td>
<td>Shijiao Chen</td>
<td>Restoring consumer's insitutional trust in an industry-wide crisis: A perspective of consumers' perceived legitimacy</td>
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<tr>
<td>11.00am</td>
<td>Morning tea</td>
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<tr>
<td>11.30am</td>
<td>Katayoun Zafari</td>
<td>Dealing with Uncertainty in a Turbulent business environment</td>
</tr>
<tr>
<td>12.00pm</td>
<td>Neda Zadeh</td>
<td>How Consumers evaluate online pharmaceutical advertising? Public health and marketing perspectives</td>
</tr>
<tr>
<td>12.30pm</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>2.00pm</td>
<td>John Williams</td>
<td>Knowledge accumulation in Marketing</td>
</tr>
<tr>
<td>2.30pm</td>
<td>Rahul Sen</td>
<td>Social Norms and Alcohol consumption: communicating an alternative to excessive consumption</td>
</tr>
<tr>
<td>3.00pm</td>
<td>afternoon tea</td>
<td></td>
</tr>
<tr>
<td>3.30pm</td>
<td>Donia Waseem</td>
<td>Role of cross functional actor's interaction and skills on the value co-creation process</td>
</tr>
<tr>
<td>4.00pm</td>
<td>Cici He</td>
<td>The internationalisation process of Chinese privately owned SMEs</td>
</tr>
<tr>
<td>4.30pm</td>
<td>Ben Wooliscroft</td>
<td>A 21st Century PhD?</td>
</tr>
<tr>
<td>5pm</td>
<td></td>
<td>Close of day</td>
</tr>
<tr>
<td>6pm</td>
<td>Dinner</td>
<td>Golden Harvest</td>
</tr>
</tbody>
</table>

Friday 12th June

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.30am</td>
<td>Daniela Rosenstreich</td>
<td>Journal Quality and publishing</td>
</tr>
<tr>
<td>10.00am</td>
<td>Masoud Karami</td>
<td>Opportunity Creation in the Internationalisation Process of SMEs</td>
</tr>
<tr>
<td>10.30am</td>
<td>Henrik Öhlin</td>
<td>Value Determination over time</td>
</tr>
<tr>
<td>11.00am</td>
<td>Lee Harrison</td>
<td>Marketing Specialist knowledge and its influence: A practice approach</td>
</tr>
<tr>
<td>11.30am</td>
<td>Morning tea</td>
<td></td>
</tr>
<tr>
<td>12.00pm</td>
<td>Karen Fernandez</td>
<td>Plan to Publish Well – Tales from JCR</td>
</tr>
</tbody>
</table>
Children’s Perception of Physical Attractiveness and their Links with Materialism and Relational Aggression

Tabitha Thomas, University of Otago
Research supervised by Dr Kirsten Robertson and Associate Professor Maree Thyne, University of Otago

Abstract
The present study is the first to understand the links between perceptions of physical attractiveness, materialism, and relational aggression among 6 to 12 year old children. The first part of the research involved a drawing study. 222 children were asked to draw two pictures. Girls were asked to draw a pretty girl and a less pretty girl. Boys were asked to draw a good looking boy and a less good looking boy. The children were also asked (1) to describe the girl/boy in each picture (2) Which girl/boy was most happy? (3) How many friends each girl/boy had? (4) What possessions each girl/boy owned? (5) And which of the children in the two pictures they wanted to be? The preliminary results revealed that the good looking child was associated with being fair, tall, and handsome (beautiful), muscular (thin), rich, owned lots of possessions and was nice and kind to others. On the contrary, the less good looking child was associated with being dark, ugly, fat, poor, and was mean and nasty to others. The research contributes to the concerns around heavily marketing materialistic goods to children and the social concerns around bullying in schools. Furthermore, the research also makes its theoretical contribution towards the consumer socialization literature.

Background
The western cultural representation of female beauty consisted of the “slender and flat chested flappers” in the 1920’s, the “voluptuous sweater girls” in the 1940’s, the “abnormally thin supermodels” in the 1970’s, and the “curvaceous thin body icons” in the 1990’s (Forbes, Collinsworth, Jobe, Braun, & Wise, 2007). Regardless of the time period, ideal body shapes have never represented the bodies of the average woman and women have struggled to conform to such standards (Tiggemann, & Pickering, 1996; Williams, Hudson, Whisenhunt, & Crowther, 2014). Body esteem and body ideal studies have predominantly focused on women, however more recently it has been found that men also pursue beauty ideals; in particular the desire to be tall, lean and muscular (Olivardia, Pope, Borowiecki, & Cohane, 2004; Ridgeway & Tylka, 2005). According to the American Society for Aesthetic Plastic Surgery (2013) more than USD12 billion was spent on cosmetic procedures in 2013 indicating a 471% increase in cosmetic procedures since 1997 in the United States alone, reflecting an increasing trend to spend money in the pursuit of beauty. Furthermore, the failure of attaining such beauty ideals has been associated with negative effects such as depression, eating disorders, and low self-esteem/body image issues in both men and women (Murray & Lewis, 2014; Murray et al, 2012). One explanation of why both men and women seek the beauty ideal is the “beauty-is-good” stereotype which postulates that physically attractive people are superior to others.
The “beauty-is-good” stereotype was introduced by Dion, Berscheid, and Walster (1972) who found that attractive individuals possessed positive traits and characteristics, giving them certain advantages over others. Studies subsequent to Dion et al (1972) found that attractive individuals received higher salaries (Frieze, Olson, & Russell, 1991) and were considered to be better romantic partners (Sangrador & Yela, 2000). In university settings, attractive professors were more likely to get higher student evaluations than their less attractive counterparts (Riniolo, Johnson, Sherman, & Misso, 2006). Furthermore, Lemay et al (2010) and Langlois et al (2000) found that people associated attractive individuals with being intelligent, extroverted, generous, sociable, friendly, warm and kind. Similar to adults, the “beauty-is-good” stereotype has also been found in children. Vermeir and Van de Sompel (2013) indicated that 8 to 9 year old children were more likely to rate attractive children as kind, popular, and intelligent. Given the potential negative outcomes (depression, eating disorders, and low self-esteem) for individuals who internalise beauty ideals, and a dearth of research with younger children, a particularly vulnerable population, the main objective of the current study is to extend the existing body of work on beauty ideals and “beauty-is-good” stereotype by examining the perceptions of physical attractiveness among 6 to 12 year old children. In particular, the study will focus on whether there is a relationship between beauty stereotypes to materialism and relational aggression – two areas of topical concern and have been shown to be associated with beauty stereotypes amongst older children.

Beauty is often associated with materialism in the media (e.g. celebrities endorsing brands). Dittmar (2008) stated that advertisements were filled with idealised images of desirable material goods endorsed by physically attractive people, living an affluent life, reflecting a core cultural idea “the material good life”. Ashikali and Dittmar (2012) conducted experiments with 18 to 24 year old women and found that there was a correlation between two prominent ideals, namely the material good life and the body perfect (ideal thin). The authors indicated that depicting thin advertising models with being wealthy often increased the need and importance of physical attractiveness in women and often resulted in body dissatisfaction and negative body image. Furthermore, research has also shown a relationship between physical attractiveness and materialism amongst children (Duncan 2004; LaFontana and Cillessen, 2002; Lease, Kennedy, & Axelrod, 2002). Lease, Kennedy, and Axelrod (2002) conducted a study with 9 to 11 year old children and found that physically attractive girls were perceived to own expensive clothes, lived in nice houses, and had lots of money to spend. Furthermore, beauty and materialism are also related to relationship behaviours. For instance, LaFontana and Cillessen’s (2002) study with 9 to 13 year old children revealed that popular girls scored high on physical attractiveness and displayed dominant and controlling behaviours to enhance their social visibility among their peers. Such behaviours appear to be viewed negatively and fall under the umbrella of relational aggression.

Relationally aggressive behaviours include aggressive acts such as meanness, gossiping, social exclusion and ignoring peers (Golmaryami & Barry, 2009). Borch, Hyde, and Cillessen (2010) found that high school students who were physically attractive and who indulged in behaviours such as spreading rumours and ignoring peers were less liked. Lease, Kennedy, and Axelrod (2002) found that relationally
aggressive children gained social visibility by owning expensive possessions and displayed spending power to others. Similarly, Owens and Duncan (2009) stated that adolescent girls who were considered wealthy by their peers manifested mean behaviours such as usage of foul language, spreading rumours, and manipulation. In addition, Currie, Kelly, and Pomerantz (2007) conducted interviews with girls between the ages of 11 and 16 and found that relationally aggressive girls were considered popular, cool and fashionable; they often wore low slung jeans, short denim dresses, tank tops that revealed their belly, low cut tops, and wore lots of makeup. Given the existing links between physical attractiveness, materialism, and relational aggression among adolescents (13 years and above) and preadolescents (9 to 12 year old), the current study aims to investigate how and when these connections are formed by examining beauty stereotypes in younger children. In addition the current study aims to examine beauty ideals in both girls and boys based on increased awareness of the influence of body ideals on men and to extend past research that has predominantly focused on girls and women.

Method

Participants
The participants for the first part of the study were 222 children (122 girls and 100 boys) in Grades 1 to 7 (ages 6 to 12 years old) recruited from three public schools in India. Prior consent was obtained from the school authorities, parents, and the children themselves for the study.

Procedures and Measures
The study used a drawing technique as the research methodology. Drawings are considered to be a mirror into a child’s mind and can be used to explore their ideas and imaginations (Brooks, 2009; Cherney et al, 2006; Ehrlen, 2008). The methodology has been adopted by Chan (2006). Children were asked to draw two pictures. Girls were asked to draw a pretty girl and a less pretty girl. Boys were asked to draw a good looking boy and a less good looking boy. The drawing activity lasted for approximately 45 minutes. After the drawing activity was completed, the children were asked (1) to describe the girl/boy in each picture (2) Are these two girls/boys happy? (3) How many friends each girl/boy had? (4) What possessions each girl/boy owned? (5) And which of the children in the two pictures they wanted to be? Figures 1 and 2 show examples of pictures and descriptive words by a girl and boy respectively.
The McNemar test was used to examine whether there were significant differences between the two conditions – the pretty girl/the good looking boy and the less pretty girl/the less good looking boy. The McNemar test is considered the most appropriate analysis for comparing paired proportions (Eliasziw, & Donner, 1991). The measures were derived from the observations of the images drawn and the descriptive words used by the children. The drawings and the descriptive words were coded as 1 and 0 to indicate whether a particular attribute was present or absent. The variables have been treated as binary response measures for the purpose of analysis.

Results
The preliminary results in this paper include a combined analysis of the drawings and the descriptive words. In future we aim to analyse the drawings and the descriptive words separately. In this study, we have not differentiated between children of all ages. However, we are aware of the developmental differences in children aged 6 to 12 (Chaplin & John, 2007), and, our next set of studies intend to group children based on John’s (1999) consumer socialization model to understand age based differences.
Figure 2 – An example of a drawing and descriptive words by a boy

The McNemar test revealed significant differences between the perceptions of boys towards a good looking boy and a less good looking boy. Specifically, the good looking boy was associated with being handsome ($\chi^2(1) = 43.022, p < .001$), tall ($\chi^2(1) = 30.031, p < .001$), muscular ($\chi^2(1) = 18.893, p < .001$), and having nice hair ($\chi^2(1) = 42.188, p < .001$). The less good looking boy was associated with being ugly ($\chi^2(1) = 49.164, p < .001$), skinny ($\chi^2(1) = 49.164, p < .001$), and as having messy hair ($\chi^2(1) = 39.024, p < .001$). Furthermore, the good looking boy was associated with being nice ($\chi^2(1) = 56.017, p < .001$), rich ($\chi^2(1) = 24.038, p < .001$), owning lots of toys ($\chi^2(1) = 41.023, p < .001$), and wearing fashionable clothes and shoes ($\chi^2(1) = 30.625, p < .001$). Whereas, the less good looking boy was associated with being mean ($\chi^2(1) = 51.410, p < .001$), poor ($\chi^2(1) = 18.893, p < .001$), and dirty ($\chi^2(1) = 29.032, p < .001$).

Similarly with girls, the results from the McNemar test revealed significant differences between the perceptions of girls towards a pretty girl and a less pretty girl. The girls’ described the pretty girl with having light skin ($\chi^2(1) = 49.164, p < .001$), with being beautiful ($\chi^2(1) = 82.102, p < .001$), thin ($\chi^2(1) = 7.500, p < .005$), and the pretty girl had long blond hair ($\chi^2(1) = 13.885, p < .001$). On the contrary, the less pretty girl was described as having dark skin ($\chi^2(1) = 35.021, p < .001$), was considered to be ugly ($\chi^2(1) = 40.024, p < .001$) and fat ($\chi^2(1) = 82.102, p < .001$).

Furthermore, the pretty girl was associated with being nice ($\chi^2(1) = 33.029, p < .001$), rich ($\chi^2(1) = 40.024, p < .001$), owning lots of makeup ($\chi^2(1) = 59.138, p < .001$), high heel shoes ($\chi^2(1) = 26.256, p < .001$), and fashionable clothes ($\chi^2(1) = 87.011, p < .001$). Conversely, the less pretty girl was associated with being mean ($\chi^2(1) = 30.250, p < .001$), and poor ($\chi^2 = 41.023, p < .001$).

Conclusion and Ongoing Research
The preliminary results revealed that the good looking boy was associated with being tall, muscular, and handsome. On the contrary the less good looking boy was associated with being ugly and skinny. Similar results were observed in the case of girls. The pretty girl was associated with being beautiful, thin, blond haired and had light skin. On the contrary, the less good looking girl was associated with being ugly, fat, and had dark skin. Our findings showed that children as young as 6 years old characterized the male/female body ideals previously found to be held by adults (Ashikali and Dittmar, 2012; Helgeson, 1994; Ridgeway & Tylka, 2005). Our findings indicated that the good looking boy owned lots of toys, wore fashionable clothes and shoes, and was seen as rich. On the contrary, the less good looking boy was seen as being dirty, played with broken toys and was considered poor. In the case of girls the pretty girl owned Barbie dolls, fashionable clothes, high heel shoes, jewellery, makeup, and was perceived as rich, whereas the less pretty girl wore torn clothes, flat shoes, and was perceived as poor. These finding are in accordance with Dittmar (2008) and Belk (1984) who stated that owning possessions had a profound impact on an individual's identity.

The preliminary results of our study however does not align with the results of Borch, Hyde, and Cillessen (2010), LaFontana and Cillessen’s (2002), and Owens and Duncan (2009) who found that physically attractive children displayed relationally aggressive behaviours such as being mean and nasty to others. In the current study, our results were the opposite; our findings indicated that children in India associated the less physically attractive child with being mean and quarrelsome, and, the physically attractive child with being nice and kind to others. We presume that the difference in our findings is a result of the differences in the culture of India and the countries in which the earlier studies were conducted (United States and Australia). In India, dark skin is associated with under privileged people, and, black color symbolises hell, uncleanness, and evil in the Hindu religious context; while white skin is associated with purity, happiness, and is a symbol of power and status (Li et al, 2008). Therefore, this could be one explanation why children in India associated the dark skinned child with being mean and nasty, and the light skinned child with being nice and kind. In the next part of our study we aim to replicate the drawing study in New Zealand to allow us to make cross cultural comparisons.

The developmental differences in children play an important role in understanding stereotypes in children. The ongoing research would therefore adopt John’s (1999) consumer socialization model for grouping children based on their developmental stages to understand age based differences on the perceptions of physical attractiveness, and their links between materialism and relational aggression. In the remainder of the research work, we hope to provide strong evidence for these links.

Hence, the next set of studies involves conducting quantitative studies using the scales of Opree et al (2011), Dohnt and Tiggemann (2005) and LaFontana and Cillessen (2002) to triangulate and extend the findings from the drawing study. This research will contribute to a better understanding of how children develop materialistic tendencies as a result of marketing efforts and how such tendencies are related to social concerns like bullying that takes place in schools. The study will add to the consumer socialization literature through a rigorously investigated model of the effect of marketing messages on young children.
References
Duncan, N. (2004). It's important to be nice, but it's nicer to be important: Girls, popularity and sexual competition. Sex Education, 4(2), 137-152.


Restoring consumers’ institutional trust in an industry-wide crisis: A perspective of consumers’ perceived legitimacy

Shijiao Chen, University of Otago

Research supervised by Professor John Knight and Senior Lecturer Damien Mather

Abstract

Food product-harm crises frequently happen in China and rise to an industry-wide level. So far, research about product-harm crises mostly focuses on an individual company scandal, while there is still limited discussion about industry-wide crises. Industry-wide crises involve different levels of institutions and authorities. Restoring consumers’ institutional trust is essential for repairing their brand trust and trust toward the industry after an industry-wide crisis. The current study will adopt qualitative research methods to explore the institutions related to an industry-wide crisis and perceived legitimacy which plays a vital role in institutional trust. This research has the potential to make contributions to institutional theories, the concept of legitimacy in marketing and consumer psychology, and provide implications for crisis management.

Introduction

Food safety is a complex problem and has become one of the biggest concerns in China and many other developing countries. The melamine scandal in 2008, one of the most serious food product-harm crises to happen in the world in modern times, was a deliberate contamination which caused over 290,000 people to be poisoned, and six babies died. Over 22 dairy companies produced contaminated products, including the four leading companies namely Sanlu, Yili, Mengniu and Guangming, and this caused huge losses in the Chinese dairy industry. Similar food crimes are prevalent in China in various types of food production. Many companies have been caught up in other product-harm crises since the melamine scandal. The crises in Chinese dairy industry are serious and continuing at an industry-wide level.

Previous research about product-harm crisis mostly focuses on individual company scandals. A crisis can cause serious negative impacts on consumers, like diminishing consumers’ brand trust (Cleeren, Dekimpe, & Helsen, 2008) and purchase intention (Lin, Chen, Chiu, & Lee, 2011). Consumers’ reactions toward industry-wide crises are more complicated than toward an individual company scandal. For example, even six years after the melamine incident, Chinese consumers, especially women and members of households with children, still perceive domestic dairy products as insecure, mistrust these products and have no confidence in the institutions that oversee the industry (Jiang & Zhu, 2013; Qiao, Guo, & Klein, 2010). Consumers panic when alarms occur (even false alarm such as Fonterra botulism scare) and feel angry and helpless for they do not know which domestic brand they can trust. On the other hand, Chinese consumers perceive foreign food products to be much safer for they regard foreign food corporations and food safety supervision will have been
performed more properly and lawfully; framing this in the terms of literature-based theory, they perceive foreign food facilities as having higher legitimacy.

Frequent industry-wide crises impair trust relationships and negatively influence social equilibrium. Compared to an isolated crisis, it is more difficult to repair consumers’ trust after repeated crises (Ding, Veeman, & Adamowicz, 2013) since consumers’ trust has been eroded at an industry-wide level; in other words, consumers have a general mistrust towards food production systems (Knight, Gao, Garrett, & Deans, 2008). Industry-wide crisis situations are highly ambiguous and usually involve deep-level institutional factors. This means the crisis is not an isolated problem for a contaminated company (Cheng, 2012) but turns out to be an industrial problem related to supply chains and even government regulations (Qiao et al., 2010).

Therefore, it is difficult for an individual agent to repair trust and make institutional changes. Repairing institutional trust requires collaboration and effort from different levels of institutions and authorities. This research will focus on institutional factors underlying an industry-wide crisis and the loss of trust in the Chinese dairy industry, and explains two core concepts (regulative legitimacy and normative legitimacy) in the context of regaining institutional trust.

**Literature Review**

**The process of trust erosion and trust repair at an industry-wide level**

Based upon positive expectations of the intentions or behaviours of the other, trust is considered as the willingness to be vulnerable to the actions of another party in conditions of risk and interdependence (Mayer, Davis, & Schoorman, 1995; Rousseau, Sitkin, Burt, & Camerer, 1998). The belief of trust highly depends on how individuals perceive and evaluate trustworthiness. At a dyadic level, “trustees” represents those whose trustworthiness is being evaluated, while “trustors” refers to those evaluating the trustees (Kim & Harmon, 2014). In the consumer psychology area, consumers’ trust is a crucial variable to predict their purchase intention and purchase behavior. If consumers trust a brand, they have positive expectations regarding its performance and are more willing to bear the attendant risk compared to less trusted brands.

Trust, especially consumers’ institutional trust, is extremely important in the food industry. Though consumers have high levels of awareness of safe food, it is still difficult for them to observe the quality of food products due to limited information and knowledge about food science (Liu, Pieniak, & Verbeke, 2013). They believe corporations should have a normative obligation to ensure food safety (Sapp et al., 2009) in compliance with regulations and other institutional mechanisms. So their trust towards food products is highly dependent on their trust in regulative and normative institutions.

Consumers’ trust is frequently violated by product-harm crises or service failures. A product-harm crisis results in trustors’ (consumers’) expectations being violated by trustees’ (enterprises’) actions, thereby lowering perceptions of trust and expectations for the future, which may cause consumers’ negative reactions such as anger and scapegoating (Gao, Knight, Zhang, Mather, & Tan, 2012).

It is essential to see repairing consumers’ trust as a main goal after a crisis. Just removing the shadow of distrust cannot ensure the emergence of trust (Lewicki,
McAllister, & Bies, 1998). It is also necessary to restore positive expectations (Kim, Ferrin, Cooper, & Dirks, 2004), demonstrate the corporation’s trustworthiness and reduce consumers’ mistrust belief (Xie & Peng, 2009). Previous research explored different post-violation responses taken by corporations, and found these responses can dramatically influence the way consumers consider and evaluate a brand (Dutta & Pullig, 2011) and in turn affect consumers’ trust (Standop & Grunwald, 2009). When a crisis is at an industry-wide level, corporations, industry, government and even consumers should collaborate and take steps to solve the crisis.

**The role of consumers’ perceived legitimacy in regaining institutional trust**

Theories about institutions and their legitimacy are still very broad for concepts involve many different social processes at the organizational or system level. The concept of legitimacy is still relative new to the marketing and consumer psychology areas; however, it has been widely discussed in the social and political areas for many years. It exerts a central role in the operation of institutional regulations and norms (Jost & Major, 2001).

Institutions related to food industry in China have lost legitimacy to a large extent and this has strongly impaired consumers’ institutional trust. The food crises arose when food facilities (e.g., retailer, manufactures, processor and packers) pursued benefits based on an overly short-term business mind-set, and their business behaviours were not supervised by regulators, which resulted in noncompliance with laws and regulations.

Individuals’ perception can influence institution-based trust in general (Walczuch & Lundgren, 2004). Trustworthiness of institutions can be defined as a collective construct in which a sensemaking heuristic originates from individuals’ perceptions and this can also be aggregated with collective impressions (Gillespie & Dietz, 2009; Morgeson & Hofmann, 1999). Suchman (1995) proposed that trustworthiness of institutions is influenced by their legitimacy which forms a generalized perception that an entity in this institutional environment acts appropriately and complies with a socially constructed system of norms, values, beliefs and definitions. Setting up rules to enhance competence, integrity, and benevolence among institutional actors is vital to repair trust effectively at an institutional level (Kramer & Pittinsky, 2012). This is because institutions consisting of norms and rules helps channel social behaviour into appropriate patterns (Kramer & Pittinsky, 2012). If the institutions enjoy widespread legitimacy, they will be perceived as being deserving of obedience and compliance (Hoffman, 1977), appealing to institutional members based upon their shared purposes and values. This improves behaviours’ predictability, reliability and credibility, provides the system with stability (Tyler, 2008), and then enhances perceived trustworthiness.

According to institutional theory (Scott, 2013), the regulative system, the normative system and the cultural-cognitive system are all conducive to strengthening the legitimacy of the institution. Legitimacy reflects perceived consistency with related rules and laws, norms, or cultural-cognitive frameworks. To explore institutional legitimacy at an industry-wide level, the current study will focus on consumers’ perception of regulative legitimacy and normative legitimacy.

(1) Consumers’ perception of regulative legitimacy
Implementing regulations, norms, contracts, and monitoring processes are likely to ensure the trustworthiness of post-violation behaviour, for these approaches fulfil deterrent or instructional functions (Gillespie & Dietz, 2009; Sitkin & Roth, 1993). Behaviour is shaped by “command and control” approaches “in which regulators tell people what to do by providing clear directives and establish rewards and punishments leading people to engage in these desired behaviours” (Tyler & Blader, 2013). In the institutional environment, how people perceive an industry is largely related to regulators (Nunkoo & Smith, 2013), especially government’s influence and its political objectives, for they are central to regulative legitimacy and determine industry regulations (Bramwell, 2011).

Corporations tend to minimize their costs and maximize their rewards in business activities. This behaviour is the process which underlies deterrence, sanctioning, and social regulation. The ability to deliver coercion and sanctions, especially the heightening of the likelihood of punishment and the severity of punishment, is central to the social regulation (Aalders & Wilthagen, 1997) and can help shape law-related behaviour (Tyler, 2003).

“Governments that base their rule primarily on coercion expend enormous resources to create a credible system of surveillance through which to monitor behaviours” (Levi, Sacks, & Tyler, 2009). A regulative system, usually conducted by governments has a significant impact on strengthening institutional legitimacy, which can reduce consumers’ risk perception. A market with legitimacy contains fair and strict punishment, supervision, and laws and policies, and can exert deterrent and instructive functions, which helps repair trust after a violation (Desmet, Cremer, & Dijk, 2011; Dirks, Kim, Ferrin, & Cooper, 2011) and tends to encourage obedience towards norms (Dirks et al., 2011).

(2) Consumers’ perception of normative legitimacy
A regulative system containing deterrence can build the basis of maintaining the legal order but it is still not enough to gain long-lasting compliance (Ayres & Braithwaite, 1992). The existence of widespread legitimacy depends on the perspectives which are enshrined in institutions and behaviours. Scott (2013) proposed “normative systems contains values (conceptions of the preferred or the desirable together with the construction of standards to which existing structures or behaviours can be compared and assessed) and norms (specify how things should be done and define legitimate means to pursue valued ends)”. Compared with regulative legitimacy, normative legitimacy is more likely to be internalized by people or institutions. Normative legitimacy is dominated by deeper morality and is spread via norms, and the incentives for normative conformity are often both intrinsic and extrinsic rewards (Scott, 2013). Creating and maintaining widely accepted social values among institutions is beneficial for enhancing the effectiveness of governance.

Organizations’ compliance with regulations and norms may sometimes be regarded as an action to avoid sanctions. This compliance will be regarded as an organization’s inner quality if it is done voluntarily (Heider, 2013), implying that the organization has learned the norms and is intrinsically committed to the norms (Nakayachi & Watabe, 2005). Levi et al. (2009) refer to legitimacy as a sense of obligation or willingness to obey authorities (value-based legitimacy) that then translates into actual compliance with regulations and laws (behavioural legitimacy). Ensuring
compliance improves the efficiency, effectiveness, and viability of the authorities and institutions (Tyler, 2003). Thus consumers are more likely to believe corporations have acknowledged and acted on internal values. This will enhance the systemic stability and credibility, reliance on rules and regulations, which is very beneficial to restoring consumers’ institutional trust.

Methodology
Exploring trust repair after a systemic crisis encounters many difficulties, both in the industrial field and the academic field. An industry-wide crisis contains institutional ambiguity which involves multiple stakeholders, and this makes it difficult for corporations and government to respond speedily. This research will focus on institutional factors in systemic crises, the root of crises in the Chinese dairy industry, conceptualize the related institutional factors and clarify how these factors influence the process of trust repair. Specifically, this research will explore the dimensions of consumers’ perceptions of regulative legitimacy and normative legitimacy. We will explore how the perception of regulative legitimacy influences the perception of corporate obedience and compliance (central to normative legitimacy) and how this process then facilitates the process of institutional trust repair.

The current study adopts qualitative case-study methodology for its advantage in refining existing theories and exploring conceptions and meanings (Yin, 2013). We analyse academic papers and other published documents related to China’s food safety and institutional theories. We will also conduct structured interviews with managers and consumers to get more understanding of the crisis management in the dairy industry.

Conclusion
The national food safety system is vital to protect consumers’ health and safety, but it may be impaired by the absence of adequate legislation, judiciary oversight, surveillance and enforcement (Hadjigeorgiou et al., 2014; Rutsaert, Pieniak, Regan, McConnon, & Verbeke, 2013). Consumers’ initial responses to a potential crisis may cause congruent risk perceptions and affect their trust toward relevant institutions (Bratanova, Morrison, Fife-Schaw, Chenoweth, & Mangold, 2013). Vice versa, institutions in a reliable and stable system are more likely to decrease consumers’ risk perception and trigger less negative initial responses. Consumers’ perceived normative legitimacy encourages them to believe that members of the institution tend to behave in ways that enhance institutional stability and credibility.

Institutional trust, especially trust in regulatory systems and normative systems influences how the public estimates the risk associated with potentially problematic products. Therefore, if consumers regard the industry system as highly stable and each entity inside shows strong adherence to rules and regulations, they are more likely to feel goods and services have been provided systemic and secure guarantees and the attendant risks associated with their interactions with corporations would be diminished.
Overall, consumers’ perception of regulative legitimacy influences their perception of normative legitimacy such as corporates’ obedience and compliance behaviours. This will enhance their perception of systemic stability and credibility, and finally restore industrial trust.

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Dealing with Uncertainty in a Turbulent Business Environment  
Katayoun Zafari, Sergio Biggemann, John Knight

Abstract
Environmental uncertainty has long been viewed as a central problem of organization as it makes challenging for businesses to plan, make decisions, and act. As pace of change and complexity in the business environment aggravates the problem of uncertainty requires more attention. Taking an open system perspective and drawing on the resource base view of the firm, the literature on organisational behaviour and strategy underlines the importance of certain capabilities like scanning, sensemaking, and utilizing interdependencies. Yet, more efforts are required to understand the complicated role of such strategic resources, their development and their dynamics in helping firms deal with uncertainty. To address this issue, this research aims to explore how businesses located in high uncertain environments deal with uncertainty imposed by the socio-political-economical-regulatory changes.

Introduction
One of the main problems firms struggle with when planning, making decisions and taking action is the increasing uncertainty in the business environment. The level of perceived uncertainty is influenced by dynamism and complexity of the environment therefore as the pace of change increases, international markets become more complex and the international trading grows, the problem of uncertainty stemming from the socio-political-economic changes deserves more attention. Although certain capabilities of the firm such as making sense and interpreting the environment or organisational design are proven to be essential in managing the dynamic environment, there is a need to focus on the more strategic ones such as relationship management and its interaction with other resources.

For firms located in highly uncertain and turbulent environments the above described difficulties heightens, which may encourage the development of certain abilities to ensure the resilience and agility required for such environments (McCann & Selsky, 2012). Among them is the retrospective sensemaking of the environment which helps the organization to interpret and enact the environment via retrospective learning (Weick, 2001; Weick, Sutcliffe, & Obstfeld, 2005). Another is the dynamic capabilities helping to create extend, upgrade and protect all the capabilities that firms require to combine internal and external resources to stay competent (Teece, 2007; Teece, Pisano, & Shuen, 1997).

A major source of tangible and intangible benefits to manage change and deal with uncertainty is maintaining inter-firm relationships (Pfeffer & Salancik, 1978); however, as much as relationships are deemed beneficial, firms may find them challenging to manage particularly under uncertain conditions. On one hand, such firms require flexibility in entering and leaving their relationships as the environment changes (Sheffi & Rice Jr, 2005); on the other hand, such environments require close-cooperation which enables open communication, flexibility and timely action (Sheffi & Rice Jr, 2005; Syrett & Devine, 2012). As the disruptive change in the environment increases, it becomes more important to explore the role of relationship management capabilities in dealing with uncertainty and change.
With focus on internal and external resources for managing uncertainty, this research tries to explore: *How do businesses located in turbulent environments deal with uncertainty?*

### Theoretical Background

This research draws on two theories: resource-based theory (RBT) of the firm with focus on strategic capabilities and the social exchange theory (SET). As each of these areas look at the problem of uncertainty and dealing with it from a different angle, it would be necessary to include them when studying uncertainty.

### The Resource Based View of the Firm

The resource-based theory of the firm (RBT) takes an open approach to the organization and argues that as firms cannot acquire all the resources for their survival, they rely on other actors in the environment who have access to those resources (*Thompson, 1967*). As much as this creates dependency, it helps firms to handle the uncertainty and change existing in their economic environment (*Pfeffer & Salancik, 1978*).

While RBT acknowledges that the uncertainty reduces as a result of accessing resources owned by other actors; it also acknowledges that uncertainty increases as the dependence towards the other actors increase. Consequently *Pfeffer and Salancik (1978)* encourage firms to develop capabilities (as internal resources) to understand the environment accurately and then gain control over its resources.

Although the theory acknowledges the importance of internal and external resources to reduce the uncertainty, its approach is rather power-oriented thus the solutions are rather contractual (*Heide, 1994; Pfeffer & Salancik, 1978*); an economic approach which contradicts with today’s business environment. In addition, it takes a rather unrealistic static approach towards the environment and assumes the uncertainty to diminish when the planning and forecasting techniques enhance (*Pfeffer & Salancik, 1978*). Such an approach poses limitations for studying a dynamic concept like uncertainty and necessitates the consideration of more dynamic views like dynamic capability perspective. In addition, to explore the role of inter-firm relationships a value-oriented approach like social exchange theory would be necessary to include.

### Capabilities Addressed by Organisational Behaviour and Strategy

According to organisational behaviour theorists like *Weick et al. (2005)* the highly resilient organizations which survive the unexpected events are not concerned about decision making. They rather worry about making sense of the unexpected and make sure they are prepare for it by paying attention to previous experience, failures, simplification and operations coupled with the attempt to respond adaptively through resilience. For them it’s vital to create a system which has the basic interpretation and resilience capabilities to sense and act upon what comes unexpectedly; the building blocks to improvise upon (*Weick, 2012*).

Unlike the act of strategizing, such organizations are mindful about the past experiences and such retrospective learning experience helps them develop certain culture to notice even small signals about what will happen in future (*Vogus & Sutcliffe, 2007; Weick, 2012*). As a result they deal with uncertainty and unexpected
change, through basic capabilities upon which they can improvise for different situations as they arise (Weick, 2001).

Strategy literature, on the other hand takes a competency-based approach and implies that firms survive external challenges by developing and sustaining distinctive competencies difficult to imitate. Creating, sustaining and modifying these competencies become more challenging under conditions of change. According to the strategy’s learning school, this can be done through constant learning from the environment and creation of so called dynamic capabilities (Hamel & Prahalad, 1993; Mintzberg, Ahlstrand, & Lampel, 2005).

Development of dynamic capabilities helps organizations to react to environment’s dynamics by combining the necessary internal and external resources. Helfat et al. (2007) define dynamic capabilities as the capacity of an organization to purposefully create, extend or modify its resources like exchange partners. As resources and capabilities exist in form of bundles (Penrose, 1959; Rumelt, 1984) managing them is more of an orchestration of the resource or capability bundle (Augier & Teece, 2009).

**Social Exchange Theory**

The Social Exchange Theory developed by Blau (1955,1964), Emerson (1961), Homans (1958) and Thibaut and Kelly (1959), explores the value of non-economic benefits of exchange. It argues that individuals enter social interactions as they seek intangible benefits (Homans, 1961) like information and uncertainty reduction. Providing such benefits lead to reciprocal exchange and the development of norms (Blau, 1969; Homans, 1958; Thibaut & Kelly) which are proven to be efficient non-contractual agreements (Anderson & Narus, 1984, 1990; Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994; Wilson, 1995). Other benefits of reciprocal exchange are the development of trust, commitment and improvement of communication, coordination and decrease in conflicts (Emerson, 1962; Molm, Takahashi, & Peterson, 2000).

Blau (1955) takes a rather utilitarian approach and argues that individuals decide to exchange based on the history of exchange and expected benefits. Likewise Thibaut and Kelly (1959) imply that at any point in the relationships individuals keep weighing the intangible benefits they expect from an exchange partner and compare it with the alternatives before they enter or continue the exchange.

When studying inter-firm relationships, there is also a need to focus on interaction as they are resources through which capabilities become activated. Moreover, the value of each resource is not in itself but in how it is combined and interacts with other resources (Ford & Håkansson, 2006; Penrose, 1959). Also as the interaction is context driven, an actor’s interactions are a determination of its characteristics, capabilities, scope, freedom, obligations, restrictions within the respective context (Ford & Håkansson, 2006).

The combination of above theoretical lenses will help to understand how firms manage the uncertainty and unexpected changes by dynamically creating and combining internal capabilities with external resources in general and inter-firm relationships in particular. Moreover through them we can explore how firms prioritise, negotiate and pull resources and make trade-offs based on the uncertainty imposed by their environment.
Philosophical approach and the Methodology
The nature of the question as well as the complexity in combining different lenses suggests a qualitative approach which deals with social and human complex problems in absence of theories (Creswell, 2012). The research will also take a social constructivism worldview which provides the opportunity to explore subjective meanings of experiences such as handling uncertainty (Creswell, 2012).

Taking the above philosophical assumptions, the phenomenological approach fits this research while the common phenomenon is how participants perceive the disruptive change and uncertainty in the environment of their businesses and how they handle it through dynamically creating and managing internal and external resources within the particular context.

Data will be collected from the United Arab Emirates through documents, observations and 50 semi-structured in-depth interviews with purchase and sales managers of manufacturing companies who have cross-border business relationships. The Middle East region and its business hub United Arab Emirates has experienced a high level of uncertainty due to socio-political unrest in recent years and can thus serve as an ideal data collection site.

Expected Contributions
By combining different bodies of knowledge this research hopes to offer a more comprehensive understanding of problem of uncertainty and the dynamics of how unexpected change is dealt with through dynamic bundle of capabilities. In doing so it hopes to contribute to organizational behaviour, strategy and relationship marketing. In addition, the specific context of the research can contribute to the international business for academia as well as managers.

References:


How Consumers Evaluate Online Pharmaceutical Advertising?  
Public Health and Marketing Perspectives

Neda Khalil Zadeh, University of Otago, email: khane327@student.otago.ac.nz  
Dr. Kirsten Robertson, University of Otago, email: kirsten.robertson@otago.ac.nz  
Dr. James Green, University of Otago, email: james.green@otago.ac.nz

Abstract
Pharmaceutical advertising faced noteworthy changes in the past decade with the emergence of online direct to consumer advertising of drugs (DTCA), a marketing strategy that positively impacts the economic capability of pharmaceutical companies. The challenge for pharmaceutical companies is the need to balance their commercial goals with public health goals which can sometimes conflict and global concerns have been raised about the public health effects and ethics of online DTCA. Since DTCA is self-regulated in New Zealand (NZ) and online DTCA is available to everyone without any strict regulation, consumers are left to determine quality of online DTCA themselves. Accordingly, there is a need to realize how consumers appraise the quality of online DTCA. Past research has focused on quality assessment of online DTCA, but there is a gap in exploring consumers’ discernment on quality of online DTCA, and their behavioral intention. Consequently, this research intends to address this gap.

Keywords: DTCA, Social Media, Quality Assessment, Content Analysis, Consumer Perceived credibility

1. Research Background
Pharmaceutical companies are flourishing in the commercial world. This success is partly due to the emergence of direct to consumer advertising (DTCA); a strategy banned worldwide with the exception of the United States (US) and NZ (Spake & Joseph, 2007), however, websites and social media have enabled worldwide access to DTCA irrespective of a country’s regulation. Since there is little or no regulation of DTCA, it is up to the consumer to evaluate the quality of this information. Past research has identified specific criteria for assessing the quality of DTCA (Denecke, & Nejdl, 2009; Williams & Brown; Yang et al., 2012); however, reviewing existing literature revealed that there is a dearth of work examining how consumers assess the quality of DTCA, an important area given the potential effects of DTCA on health and wellbeing. Thus, it is fundamental to explore the sources of online DTCA, discover whether and how consumers determine the quality of online DTCA, and finally help marketers to offer socially responsible advertising by disseminating information on how consumers perceive the quality of DTCA and making recommendations to pharmaceutical marketers accordingly.

2. Literature Review
2.1. An Overview of DTCA
DTCA had its origin from the patients’ rights campaign of the 1970s when the “learned intermediary model” of health care modified to a “partnership model” where patients actively manage their health and the treatments (Donohue, 2006).
DTCA of prescription drugs became common in the US during the late 1990s and is similarly allowed in NZ (Spake & Joseph, 2007). However, the regulations of DTCA differ between the two nations and NZ depends more on self-regulation than the US (Cohen, 2002). The NZ system does not present systematic evaluation of DTCA and rigid supervising on pharmaceutical promotions (Hoek, 2008) so it is imperative for consumers to evaluate the quality of these advertisements correctly. There has been heated debate in both countries concerning sources, contents, and quality of DTCA, and its influence on consumer behavior and public health.

2.2. Debate for and against DTCA
DTCA of pharmaceuticals is “among the most significant marketing phenomena of the past decade” (Farris & Wilkie, 2005, p. 3), and is presently one of the most controversial health care subjects (Gu et al., 2011). Commonly, DTCA causes concerns regarding patients’ knowledge of drugs, the relationship between physicians and patients, and whether commercial and public health goals can be balanced (Hoek, 2008). Those in favor of DTCA argue that DTCA could augment treatment of under-diagnosed diseases, notify consumers of novel treatments, advance patients’ knowledge of medical circumstances, and assist patients to make superior health related decisions (Mintzes, 2006; Williams and Brown, 2012; Blinn & Kühne, 2013; Ding et al., 2014). Furthermore, Campbell (2011) discussed that prohibition of DTCA can decrease consumers’ awareness in terms of accessibility of novel medicines which would be beneficial for them. Opponents of DTCA claim that such advertising may mislead patients, increase health care costs, and raise consumption of the novel, costly, or even unnecessary branded drugs over previous, inexpensive, and more reliable drugs (Mintzes, 2006; Mackenzie et al., 2007; Ding et al., 2014). There are also some concerns with respect to patients’ understanding of medical information included in DTCA (Sumpradit et al., 2004). Moreover, adversaries claim that DTCA does not offer apparent information on risks and symptoms (Ding et al., 2014) and patients may face undetectable biased or unfair information on DTCA (Almasi et al., 2006). Emergence of DTCA on the Internet has raised even further new concerns.

2.3. DTCA on Internet
Searching for health information is one of the top uses of the web (Ding et al., 2014). Consequently, pharmaceutical organizations have invested considerably in online marketing (Freitas et al., 2013). The absence of regulation on online DTCA (Mackey & Liang, 2011) coupled with the comparatively cheaper expenditures of novel online DTCA (Chisholm-Burns, 2012) has paved the way for both licit and illicit suppliers using online DTCA. There is the risk that consumers will be influenced by imprecision, misinformation, imbalances, non-fulfilment of scientific standards and other confusing information which may bring adverse effects to them, such as increased health care costs, injury, or even death (Freitas et al., 2013). This poses challenges for consumers in terms of discovering the best and most reliable source (Mackey & Liang, 2011). Moreover, development of interactive forms of online DTCA through the use of social media is a growing apprehension in worldwide health (Mackey & Liang, 2011) and there are calls for further investigation in this domain.
2.3.1. DTCA on Social Media
Use of social media and advertising expenditure on social media are increasing simultaneously (Chu & Kamal, 2011). DTCA on Social media influences relationships among physicians, brands and patients (Synthesio, 2010). In contrast with offline DTCAs that are generally regulated, advertisements on the Internet, especially on social media cannot be controlled (Yang et al., 2012). Consequently, it is critical for researchers, regulators, medical experts, and marketers to understand the effects of online DTCA on consumers and public wellbeing. To achieve this objective, it is indispensable to assess the quality of this advertising.

2.4. DTCA Quality Assessment
There have been many efforts to establish criteria to evaluate quality of health information or advertisements. For instance, in 1998, The DISCERN handbook was developed to evaluate the quality of medical information (Charnock, 1998). However, due to a lack of strict rules on online DTCA, it is highly challenging to evaluate this kind of advertising. Overall, two main indicators in assessing the quality of online DTCA are trust (Moturu et al., 2008) and credibility (Einsiedel & Geransar, 2009) but realizing the qualified online health information posted by experts is not a simple task (Moturu et al., 2008).

With the development of Health 2.0, and specially “user-generated content” in this domain, an issue of trust assessment is becoming more noticeable. To assess trust, it is necessary to check the source of information and precisely distinguish facts from viewpoints (Moturu et al., 2008). Over the past decade, a number of studies have attempted to evaluate the credibility of online DTCA. As an illustration, Macias and Lewis, (2003) in a census of 90 websites offering DTCA revealed that online DTCA encompassed superior and more comprehensive information compared to offline DTCA, so online DTCA is influential in educating viewers. On the contrary, Geransar and Einsiedel, (2008) assessed DTCA of Genetic Tests on the Internet and they discovered that presented disease related information was not precise, relevant or comprehensive. Moreover, a content analysis of health-related web sources found that there are considerable variations in their content (Denecke & Nejdl, 2009). In a subsequent study in 2010, Steinberg et al., analyzed the quality of information regarding prostate cancer and rated it as excellent, fair, or poor according to “the title, length of the video, number of views, viewer rating, author of the video, affiliation of the author, intended audience, and references to a web site or other resource” (Steinberg et al., 2010, P. 620). They indicated that the majority of information was unclear and unfair so that the content of information was fair or poor in 73% of all videos. Accordingly, they concluded that YouTube is an unsatisfactory and untrustworthy source of information. Likewise, a study examining safety of DTCA of Statins found that numerous prospective buyers from a diverse range of countries other than the USA and NZ are exposed to many websites with unsatisfactory quality and imperfect safety criteria (Williams & Brown, 2012). In addition, in a study by Williams and Brown, (2012), a sample of sites promoting Statins was observed by centering on “quality (Q)” and “safe medicine use (SMU)”. In their study, Q scores of most evaluated websites were lower than half the highest Q score, average overall SMU scores for each class were lower than half of the
maximum, common contraindications were not presented in 92.4% of websites, most sites mentioned side effects inadequately and discretely, and two-thirds offered information in nonprofessional language. Hence, this study showed poor quality of Internet DTCA for Statins. Furthermore, Yang et al., (2012) performed a cross-sectional content analysis of prescription medicines’ videos demonstrated on YouTube, and they identified that 11.4% of videos were FDA-regulated and 88.6% were FDA-unregulated advertisements, and they observed that unregulated videos had more average visits. They pointed out that viewers are exposed to numerous FDA-unregulated DTCA on YouTube, so it is critical for consumers to be able to determine reliable and regulated sources. Given quality uncertainty of online DTCA, exploring consumer perceived credibility makes significant contributions to the decision making process of health policy makers and marketers.

2.5. DTCA and Consumer Behaviour
To date, several studies have investigated the effects of DTCA on consumers’ insight and behaviour and their findings have been conflicting. Some research has found relatively positive associations with DTCA. For instance, a survey explored consumers’ viewpoints towards DTCA reported that in NZ, 91% of respondents supported that DTCA made them become familiar with novel drugs; 64% considered it caused them to have better discussions with their physicians; and 52% thought DTCA directed them to better decision making regarding their health (Hoek et al., 2004). Another relevant study by Iizuka and Jin (2005) recognized a positive, statistically significant influence of DTCA on patient appointments. Subsequently, Hosken and Wendling (2013) detected that DTCA is a significant cause of peoples’ “check-up” visits which can help recognition of unknown illnesses. On the contrary, other research has indicated quite negative consumers’ viewpoints on DTCA. In a study performed by Hall et al., (2011) with regard to NZ participants’ outlooks about DTCA, over 80% believed that most consumers do not have the scientific knowledge to realize whether an advertised drug is safe. Additionally, the outcomes of a survey pointed out that an evaluation of consumers’ interpretation after observing a DTCA is essential since DTCA may result in “false positives”, or “false negative” perceptions (Davis & Meader, 2009). Variances in reaction to DTCA among patients may be owing to diverse levels of access to advertising, different categories of health care and diverse stages of their requirements (Ding et al., 2014). Thus far, research has not explored the strategy that individuals apply to find and evaluate online DTCA and it needs further investigations. For realizing consumer perceived credibility, it is first necessary to explore the nature of online information that can be accomplished by applying novel data mining techniques.

2.6. Data Mining
“Mountainous amounts of data records are now available in science, business, industry and many other areas” (Fu, 1997, P. 18). To recognize, analyze and employ this data, a multidisciplinary approach called data mining has been proposed (Fu, 1997). “Data mining is the process of discovering interesting knowledge from large amounts of data stored either in databases, data warehouses, or other information repositories” (Han & Kamber, 2006, P. 7). Two important and novel applications of data mining are text mining and web mining (Mitra, & Acharya, 2003):
1) Text mining is commonly applied to scrutinize large quantities of natural language text and discovers lexical or linguistic usage patterns to find useful information (Sebastiani, 2002).

2) Web mining applies data mining techniques to automatically recover, extract, and evaluate information from the web documents and services (Chitraa et al., 2010). In this study, text mining and web mining will be employed to explore the nature and content of pharmaceutical advertising, especially in relation to social media.

2.6.1. Mining social Media
The appearance of novel systems has generated numerous new social and universal platforms for mining data, information, and ultimately knowledge (Gundecha & Liu, 2012). As a result of growth in user interests in social media, research interests in examination of medical social media have also been augmented during last years. As an illustration, Denecke and Nejdl, (2009) implemented a content analysis of medical posts in health care social question answering services, weblogs reviews, and wikis to review the outline of their contents. The outcomes demonstrated significant variations in the content of diverse medical resources. Furthermore, Tang and Yang (2012) recognized dominant users of medical social media by integrating users’ response relationship, discussion content, and reply adjacency to find clear and hidden interaction among users. Moreover, Blooma et al. (2014) conducted a research by applying “Graph theory”, “concept mapping” and “cluster analysis” to inspect the connections among medical queries, responses, askers and answerers. Similarly, in this research, social media mining will be applied to explore the content of drug advertising.

3. Research Questions
Considering the mentioned concerns regarding online DTCA and dearth of literature in exploring consumers’ discernment on quality of online DTCA, and their behavioral intention, the following research questions have been proposed:
- RQ1. Where is pharmaceutical promotion taking place, especially in relation to social media?
- RQ2. What are the main quality indicators of online DTCA?
- RQ3. How do consumers assess and interpret the quality of online DTCA?
- RQ4. Does consumers’ perceived credibility of online DTCA influence their behavior?
- RQ5. Given knowledge of consumers’ discernment of quality, how can marketers ensure their online DTCA is socially responsible?

4. Research Methodology
The methodological approach taken in this research will be a mixed methodology and has three different stages. In phase one, after reviewing existing research on quality assessment of DTCA, an exploratory content analysis by data mining approaches will be implemented to scrape DTCA off the Internet, examine the content of these advertisements, and explore their important features and key messages. Since extensive textual contents exist on the Internet, “text mining” and “natural language processing” (Hotho et al., 2005) methods along with “web mining” can be applied for performing “semantic analysis” and “sentiment detection”
(Moturu et al., 2008). Besides, classification and clustering are applicable in “feature selection” and data preparing (Liu & Motoda, 2008). Then, in phase two, in-depth interviews with pharmacists will be performed to attain detailed information regarding quality indicators of online DTCA. Ultimately, in phase three, analysis of a comprehensive consumer behavior survey and experimental manipulation is required to investigate individual-level perceived credibility and their behavioral intention.

5. Research Contributions
This research will develop new quality indicators for online DTCA, which will be used to assess the quality of online pharmaceutical information, and compare this with consumers’ assessment of credibility. Subsequently, it will determine how consumers’ perceptions influence their behavioral intention. The results will provide valuable recommendations for health care professionals and policy makers to have a guide for their future policy frameworks, as well as pharmaceutical companies and marketers to help guide them to present socially responsible advertising.

6. References


Social Norms and Alcohol Consumption: Communicating an Alternative to Excessive Consumption

Rahul Argha Sen, University of Otago, email: rahul.sen@postgrad.otago.ac.nz
Dr Kirsten Robertson, University of Otago, email: kirsten.robertson@otago.ac.nz
Dr Leah Watkins, University of Otago, email: leah.watkins@otago.ac.nz

Abstract
Excessive alcohol consumption has become a global burden that brings significant harm to individuals, communities and societies at large. The challenge for governments and concerned individuals is to promote sustainable and healthy approaches to alcohol consumption especially in contexts where binge drinking is a dominant trend. Researchers have suggested that abstinence from alcohol may be an unrealistic health promotional goal and have employed other techniques to encourage safer drinking behaviours. In particular, an upstream social marketing approach to encourage the production of low alcohol products has been undertaken in some countries to promote safer drinking behaviours. However, research to date has not focused on investigating the perceptions of low alcohol products or trialling downstream social marketing interventions to complement upstream changes, an approach which may offer a successful approach to reduce binge drinking. Consequently, this research intends to address this gap in literature.

Keywords: binge drinking, low alcohol products, perception, social norms approach, social marketing intervention

1. Research Background
Binge drinking poses an important public health problem worldwide (WHO, 2015) and public health professionals face a major challenge in promoting sustainable and healthy approaches to alcohol consumption (Plant & Plant, 2006). Research indicates that the promotion and consumption of low alcohol products will have many public health and safety benefits (Jones & Bellis, 2012; Segal & Stockwell, 2009), and upstream social marketing approaches (Hoek & Jones, 2011) have been undertaken in some countries to encourage the production of low alcohol products and promote safer drinking behaviours. However, a review of existing literature reveals that downstream social marketing approaches (Hoek & Jones, 2011) to promote low alcohol products as an alternative to full alcohol products, have not been evaluated or undertaken. Moreover, normative perceptions towards such low alcohol products are unknown. There is an opportunity to determine the social norms towards low alcohol products, and develop and implement an intervention using the social norms approach and social marketing techniques in order to promote low alcohol products as an alternative to excessive alcohol consumption.

2. Literature Review
2.1 Binge drinking and alcohol related harms
Excessive alcohol consumption in both developed and developing countries has become one of the most pressing global problems that brings significant harm to individuals, communities and societies at large (Farrell & Gordon, 2012). The premature mortality rates for individuals who drink excessively are two to four times
greater than that of the general population (Room et al., 2005), and it has been estimated that approximately 3.3 million deaths every year (5.9% of all deaths) result from harmful use of alcohol (WHO, 2015). Approximately half of the world’s population drinks alcohol (Narconon International, 2015) and although it may not be a problem for some people, excessive alcohol consumption can lead to serious health problems (Narconon International, 2015), such as heart and blood disorder, pancreas damage, liver cirrhosis, sexual dysfunction, mouth cancer, (Cargiulo, 2007), and also contributes to injuries and death caused by car accidents (Cismaru et al., 2009), sexual assaults and family problems (Hill et al., 2005). Excessive alcohol consumption has become a global burden (Room et al., 2005) and the promotion of sustainable and healthy approaches to alcohol consumption especially in contexts where binge drinking is a dominant trend, is a major challenge facing governments and health professionals worldwide (Plant & Plant, 2006). Research indicates that social marketing techniques have been effectively used to promote safe drinking behaviours and reduce alcohol related problems (Cismaru et al., 2009; Grier & Bryant, 2005; Kotler et al., 2002).

2.2 Social Marketing
Social marketing focuses on the application of well-known marketing tools and techniques to promote social change (Wymer, 2011) and achieve socially desirable goals (Kotler & Zaltman, 1971). It helps to encourage socially beneficial behaviour in society by developing and integrating marketing concepts with other approaches (ISMA ESMA and AASM, 2013). In recent years, social marketing has become a widely recognised behaviour change tool for shaping a culture of responsible alcohol consumption (Kotler et al., 2002) and it has been effectively used to develop campaigns that aim to reduce problems caused by excessive alcohol consumption (Cismaru et al., 2009; Grier & Bryant, 2005; International Center for Alcohol Policies, 2011; National Social Marketing Centre, 2010a; Tay, 2005). For example, an award-winning social marketing project named ‘Sub21’ implemented in North Tyneside (UK), has been successful in reducing underage street drinking and antisocial behaviour (National Social Marketing Centre, 2010a). The ‘Road Crew’ project of rural Wisconsin is another example of a successful social marketing campaign which helped to reduce alcohol-related automobile crashes by 17% in one year (Rothschild et al., 2006). The program designers created a ride service that transported individuals from their homes to the bars, between bars, and back home again, and then communicated it to the public (Rothschild et al., 2006).

However, the overall goal of any social marketing intervention is not just changing the behaviour of the target audience, but also supporting them to sustain this change over time (French et al., 2010; Kotler & Roberto, 1989; Kotler et al., 2002; National Social Marketing Centre, 2010b). Previous research indicates that social marketing interventions can be easily used to promote behaviours that need to be changed once or only a few times (Evans, 2006), however it may be difficult to promote behaviours that need to be repeated or maintained, such as alcohol consumption (International Center for Alcohol Policies, 2011). To overcome this, Kotler et al. (2002) suggest the use of reminders, recognition and existing infrastructure to support the target audience in sustaining their behaviour change over the long term.
2.3 The Social Norms Approach (SNA) and Social Norms Marketing (SNM)

The social norms approach (SNA) has its roots in psychological and social psychological theories of conformity (Burchell et al., 2012), and suggests that the behaviour of individuals in society is influenced by the incorrect perceptions of how other people think or act (Berkowitz, 2004). Misperceptions arise when individuals overestimate the permissiveness of peer attitude and/or behaviour with respect to smoking, alcohol use or other drug use, which increases the problem behaviours in society, or underestimate the extent to which peers engage in healthy behaviour, which discourage individuals from engaging in them (Berkowitz, 2004). SNA campaigns are used to correct the misperceptions and shape behaviour by informing people about what other people actually do in society (Burchell et al., 2012). Sometimes the standard social marketing techniques are used to present the actual healthy norms, through specially designed media (Berkowitz, 2005). This approach is known as Social Norms Marketing (SNM).

Research suggests that the SNA approach is often discussed in psychology and social psychology literatures as a form of behaviour change, rather than in social marketing (Burchell et al., 2012). It is practised by a small group of dedicated practitioners and social psychology researchers and has not received much practical, theoretical or critical attention from a marketing perspective (Burchell et al., 2012). The SNA is neglected or undervalued in marketing or social marketing literature, and so Burchell et al. (2012) attribute a Cinderella role to it. Although the analysis of SNA remains a lacuna in the marketing and social marketing literature, Burchell et al. (2012) clearly highlight that the basic marketing principles that apply to marketing and social marketing programs are also required for implementing SNA campaigns, and so the SNA falls within the context of social marketing.

However, it is important to note that the SNA differs from traditional behaviour change strategies. A social norms intervention disseminates information about the actual healthy norms of a population back to that population, rather than informing them about how they ‘should’ behave (Berkowitz, 2004; McAlaney et al., 2010), and it does not depict the negative consequences of behaviour (McAlaney et al., 2010), which may sometimes be ineffective, counterproductive or perceived as unethical (Arthur & Quester, 2003; Foxcroft et al., 2003; Prevention First, 2008; Ruiter et al., 2014; Ruiter et al., 2001). Furthermore, the members of the population become actively involved in the collection of data and design of the social norms intervention materials (McAlaney et al., 2010). By providing accurate information about the norms in a believable and credible manner, social norms interventions create a cognitive dissonance by informing individuals that what they believe is ‘atypical’. This can catalyse a process of change, thereby helping them to act differently without feeling that the change in attitude or behaviour is being imposed from outside (Berkowitz, 2005).

2.4 Applicability of the social norms approach (SNA)

Social norms interventions are theoretically sound (Berkowitz, 2004), and they have been used extensively in the past to increase the prevalence of positive behaviours. Some of the problems addressed by social norms interventions include (but are not limited to) safe drinking and abstaining (Haines, 1996), reducing tobacco use and/or
were introduced in the 1980’s, which led to lower retail prices of less than 2.8%.

In the case of Australia, the reduced tax rates for low alcohol beer were achieved. The governments in some countries have undertaken upstream social marketing approaches to promote the production of low alcohol products and encourage safer drinking behaviour. For example, in the UK, new legislation was passed to tackle “problem drinking” (HM Revenue & Customs, 2011), including a new duty to be paid for producing beer with an alcohol by volume of 7.5% or higher, and a reduced rate of only 50% of the general beer duty for low strength beer with an alcohol by volume of less than 2.8%. In the case of Australia, the reduced tax rates for low alcohol beer were introduced in the 1980’s, which led to lower retail prices (Stockwell & Crosbie, 2013).

2.5 Low alcohol products as an alternative to moderate and high alcohol content beverages

At a population level, health benefits for drinkers can be achieved by lowering the alcohol content of drinks, and implementing policies that promote the production, distribution, sale and consumption of lower alcohol products in society (Jones & Bellis, 2012). A study conducted by Saliba et al., (2013) indicates that there exists a demand for low alcohol products in the market which varies based on individual characteristics and context (e.g. if one has to drive, to lower the total alcohol consumption, and for overall health benefits). A steady rise in the demand for low alcohol products in the world has led alcohol companies to introduce lower alcohol content alternatives to common brands of beer, lager, cider, wine, etc., in recent years (Jones & Bellis, 2012). A study conducted by Lesjak (2009) in Australia investigated the effect of a voluntary agreement to sell only low and moderate alcoholic drinks over the weekend when St. Patrick’s day was celebrated. Results indicate the benefits of consuming low alcohol drinks as the number of intoxicated individuals decreased from previous years, and there was a drop in the number of individuals who presented at the emergency department as compared to the previous year. Similarly, Segal and Stockwell (2009) suggest that if individuals can be encouraged to select low alcohol products over higher alcohol products, through effective promotions and the right incentives, public health and safety benefits can be achieved.
2001) and an increase in the sale of such products (NPHT, 2008). Low alcohol beer now represents 20% of the beer market in Australia (NPHT, 2008).

Researchers have suggested that abstinence from alcohol may be an unrealistic health promotional goal and have employed other techniques such as promoting episodic non-drinking to encourage safer drinking behaviours (Conroy et al., 2015). Similarly, the promotion of low-alcohol products over full-alcohol products could be an alternative to excess consumption that may promote safer drinking behaviours among individuals. Although upstream social marketing approaches have been undertaken in some countries to encourage the production of low alcohol products and encourage safer drinking behaviours, downstream social marketing approaches that focus on individual-level behaviour change (Hoek & Jones, 2011) have not been undertaken to promote these products in an effort to reduce problem drinking. Previous research has not focused on determining perceptions of low alcohol products, or identify consumer segments who might consider choosing low alcohol products over full alcohol product. Moreover, there is a dearth of work in examining how the SNA and social marketing techniques can be utilised to promote low alcohol products as an alternative to excessive consumption.

3. Research Questions
Governments and health professionals face major challenges in promoting sustainable and healthy approaches to alcohol consumption especially in contexts where binge drinking is a dominant trend (Plant & Plant, 2006). In this context, the promotion of low alcohol products over full-alcohol products could be an alternative to excessive consumption. The aim of this research study is to determine consumer perceptions toward low alcohol products and explore a SNA to promote low alcohol products as an alternative to excessive consumption. The following research questions have been proposed:

RQ1: Who drink’s low alcohol products?
RQ2: How do at-risk individuals view low alcohol products?
RQ3: How do at-risk individuals perceive consumers of low alcohol products?
RQ4: Can a downwards social norms campaign be successfully used to encourage at risk drinkers to select low alcohol products rather than full alcohol products on some occasions?

4. Research Methodology
The research study will be divided into three different stages. In stage one, a segmentation study will be conducted to identify groups of individuals who are open to consuming low alcohol products. Stage two will focus on identifying the perceptions toward low alcohol products by determining how at-risk individuals perceive low alcohol products and the consumers of low alcohol products. Their perception will be compared to the perception of moderate drinkers and abstainers to determine the misperceptions prevalent in society. Stage three will focus on developing a social norms message and implementing an intervention to communicate an alternative to excessive consumption.

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Social Norms National Research & Resources. Social Norms and Sexual Assault Prevention.


Role of Cross-Functional Actor’s Interaction and Skills on the Value Co-Creation Process

Donia Waseem, University of Otago
Research Supervisors: Dr. Sergio Biggemann & Dr. Damien Mather, University of Otago

Abstract

The research study aims to better understand the role of cross-functional individual actor in the process of value co-creation. Several research studies such as Service Dominant (SD) Logic (Vargo & Lusch, 2004), Service (SL) Logic (Grönroos & Gummerus, 2014), Customer Dominant (CD) Logic (Stauss et al., 2010) and co-creation paradigm (Prahalad & Ramaswamy, 2004a; Ramaswamy & Gouillart, 2010) have studied more or less explicitly the value co-creation but the role of the individual actors is still very unclear in the widespread literature. This study aims to extend the existing knowledge by understanding the role of cross-functional individual actor’s interaction, specialized and generalized skills in value co-creation process. Furthermore, it aims to review the impact of value co-creation on business performance. The research also proposes to provide managerial implications for value co-creation process.

Introduction

The service science has deepened marketing with a sequence of broadening conceptions such as the merger of goods and services into service, value in exchange and value in use as value in context and producers and consumers as co-creators (Gummesson, 2011). The significant transformation as suggested by Ramaswamy (2011) is moving beyond the service mind-set towards an experience mind-set where value is defined in terms of human experience rather than service or business processes.

Co-creation of value and value co-creating activities has gained enormous significance in the marketing field. Scholars and marketing practitioners are becoming increasingly aware of the importance of their cross-functional collaborations and an individual actors contribution towards the co-creation of value. Organizations co-create value but on the face of every organization are individual actors and behind these individuals exists a wider network of individual actors that support them in co-creating value.

There exists extensive literature on the cross-functional actors’ interaction and skills in the past where the role of individual actor has been studied. Grönroos and
Gummerus (2014) highlights there has been little theoretical and empirical focus on the cross-functional interaction of the actors’ contribution in the value co-creation process. This study therefore attempts to add value to the existing literature by exploring the role of cross-functional actor’s interaction and skills on the value co-creation process.

Research Objective

The purpose of this research study is to gain an enriched understanding on the role of cross-functional actor’s interaction and skills on the value co-creation process.

Research Questions

- How do cross-functional individual actors interact to co-create value?
- How do cross-functional individual actor’s generic and specialized skills impact co-creation of value?
- What is the impact of value co-creation on the firm’s performance?

Literature Review

Recently, the scholars have extensively reviewed the literature on co-creation of value (Gummesson, Mele, Polese, Galvagno, & Dalli, 2014; Ranjan & Read, 2014). This brief literature review section does not intend to repeat the reviews on the value co-creation literature but it would like to only review the literature relevant to this research study. Firstly, it explains the co-creation process and explains its focus on the stakeholders. Secondly, it explains the role of interaction in co-creation of value. Lastly, it explains the impact of an actor’s specialized and generalized skills.

Value co-creation

Ramaseswamy and Gouillart (2010) suggest co-creation is a shared creation of value with the stakeholding actors which are facilitated through the platform of engagement and developed through the ecosystems of competences and they are represented in the sphere of experiences while they expand in the wealth-welfare well-being. A firm facilitates a platform for the process of engagement for the creation of value. The engagement results in interactions which are facilitated through dialogues. Individual actors as being active stakeholders are participating actively in the value co-creation process than ever before. Prahalad and Ramaswamy (2004a) suggests co-creation experience therefore is a collaborative process in which the values of both the stakeholding actors are stretched and it is primarily based on the context. The context is personalized which is further dependent upon the level of involvement of actors. The level of involvement therefore varies upon the individual actors that are part of the co-creation experience. The engagement process ends up in the form of a human experience.
Ozcan and Ramaswamy (2014) proposes three major elements of co-creation namely; engagement platforms, human experiences and the individual collaborative process of co-creation. They argue that the power of these platforms arise the mutually valuable insights, knowledge, skills and creativity. If the practitioners base their focus of value on experiences then they should focus on interactions and strategize their products, processes and management functions to enhance those experiences. They suggest that the basic human experiences come from interactions and it varies for every individual. Also, the organizations create value together with the individuals which includes input from the internal and external stakeholders. An organization’s strategic engagement structure of the interactions further depends upon the social linkages of human actors inside the organization which results in an organization’s capacity to grow.

Beyond a single-function
Spohrer, Vargo, Caswell, and Maglio (2008) focus on the crucial element of collaboration which includes all the actors of the value co-creation process. The literature on Randall, Ramaswamy, and Chopra (2014) value co-creation highlights the need for resourceful collaboration, enriched communication and enhanced synchronization among stakeholders. Ramaswamy and Gouillart (2010) suggests that enterprises must create value together with the individuals these may include employees and other internal stakeholders as well as customers and other external stakeholders. Viewing the broader scope of value co-creation, it extends beyond a single-function and becomes an institution wide management process. Furthermore, Gummesson and Mele (2010) highlights the importance on the need for integrating multiple actors across the value co-creation process.

Cross-functional actors
Grönroos and Gummerus (2014) suggest that more empirical studies are needed to explore the cross-functional actor’s participation in the value co-creation process. Furthermore, the recent research studies appears to be a very ambiguous on the role of individual actors involved in the co-creation process (Ranjan & Read, 2014). Therefore, exploring and understanding of cross-functional actor’s role provides an opportunity for further exploration.

Interaction

Ramaswamy (2011) suggests the insights incorporated from the lived experience of consumers provide deeper insights to the interactions. Prahalad and Ramaswamy (2004b) highlights that an emerging reality of co-creation is the firm and customer interaction. The key objective of interaction is the co-creation of value through persuasive co-creating experiences as also through the economic value extraction which can occur anywhere and anytime in the system. To highlight the importance of interaction in the value co-creation context Prahalad and Ramaswamy (2004a) suggests to understand the building blocks of interaction through a model known as DART (dialog, access, risk-benefits and transparency). Even though the author mentions the consumer-company interactions, they also note that the multiple interaction points in the value co-creation process are equally critical to examine the
co-creation of value. The discussion about the cross-functional interactions is not new in the marketing literature as mentioned earlier however using a metaphorical lens of co-creation to examine and understand cross-functional interactions as it affects the value co-creation is very crucial for the development of the phenomena.

In the context of Service Dominant Logic, Lusch and Vargo (2014) emphasizes on the actors’ interaction, integration and exchange as the basis of value co-creation and recognizes value co-creation as a collaborative process. They emphasize on the actors’ collaboration that help them for mutual or non-zero-sum gain of value and enhances co-creation experiences. They propose that when actors collaborate with each other they learn better through dialogues.

The Industrial and Marketing Purchasing (IMP) group researchers have explained the concept of interaction in detail and theoretically contributed towards it by developing an interaction model (Campbell, 1985; Cunningham, 1980; Ford, Gadde, Håkansson, Snehota, & Waluszewski, 2008). The model developed by Ford et al. (2008) enlists three layers of the interaction process namely activities, actors and resources and lays out two dimensions namely time and space.

In the context of Service Logic, Grönroos and Gummerus (2014) divides the interactions into direct and indirect interactions. Direct interactions are collaborative and dialogical processes in which two or more actors in a network merge. Whereas indirect interactions are non-dialogical and non-collaborative processes that occurs between an actor and a standardized system or a product. The scholar suggests that if the value co-creation is analytically examined rather than discussing it metaphorically. We should observe the concept of interaction very carefully. The author urges that interaction in co-creation is a crucial function and it is not explicitly discussed in the co-creation literature and requires more attention of scholars. Grönroos and Voima (2012) suggest that a customers’ creation of value-in-use is referred as value creation and co-creation is a function of interaction. The scholar emphasizes on the crucial role of direct interactions in a value co-creation process for the development of co-creation opportunities.

**Skills**

According to Lusch and Vargo (2014), every individual in a society has different physical and mental skills. These skills are distributed unevenly among the individual actors. An individual’s skills alone are not sufficient for his/her survival hence they exchange their skills with others to co-create value. An individual human actor limited valuable skills make them specialize and exchange their abilities. Through specializing in specific fields they exchange their abilities with other individuals. Organizations are created to facilitate the exchange process and make these interdependencies more effective and efficient. They exchange their skills with one another as they have limited but often advantageous skills which results in systematic exchange and interdependencies. Therefore, it can be extrapolated that if specialization is so important what is the role of generalized skills in individuals in
value co-creation process? The literature on the organizational context and its focus on skills of individual actors have not been explicitly addressed.

Grönroos (1988) suggests service is provided to the customers either through the system or through the representative of the firms. Similarly, Maglio, Kieliszewski, and Spohrer (2010) highlights some individuals specialize in some areas and gain wider understanding of their specific areas whereas some individuals have the ability to apply complex communication skills across different areas of the organization. A deeper understanding at an individual and organizational level is required to view the role of specialization and generalization in an organization. Are generic skills a substitute for specialized skills or vice versa? The study therefore proposes to understand how individual human actor’s specialized and generalized skills in cross-functional areas contribute to the co-creation of value.

**Conclusion**

In sum, the research study aims to explicitly address the role of cross-functional actor’s interaction and skills in the co-creation of value. The research intends to provide a broader understanding of value co-creation being a management wide process which influences the cross-functional departmental interactions and its impact on the business performance (Grönroos & Gummerus, 2014).

A better understanding of the role of interaction by zooming in their day-to-day activities would enrich the understanding individual actors and their impact on the value co-creation process. It aims to understand the role of an individual actor in the process of value co-creation thereby highlighting the role of an individual actor’s specialized and generalized skills in value co-creation process.

In an organization, a wide diversity of individual actors exist that contribute to the overall process of value co-creation and the individual contribution of each actor is necessary for effective and efficient value co-creation process. The research study therefore aims to add value to the existing literature by highlighting the role of individual actor in co-creation process and understanding if it has any impact on the performance of the business.

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The internationalisation process of Chinese privately-owned SMEs

Xiao (Cici) HE, Otago University, New Zealand

Abstract
This thesis aims to explain the internationalisation process of Chinese privately-owned SMEs by integrating network theory and institutional theory. In the international business research, SMEs in emerging economies show distinct differences to the firms in mature Western economies. However, the existing research lacks a holistic approach to understanding their internationalisation process. This research addresses this research gap by studying the topic in the context of Chinese SMEs. It is designed to be a theory building research based on multiple case studies. The data collection process has been conducted in eight SMEs in China through twenty-five interviews. All the owners of these SMEs have been interviewed twice during a two year period. The data analysis is in progress and the preliminary results show that integrating network and institutional theory could deepen our understanding and help explain Chinese SMEs’ internationalisation process.

Introduction and background
This thesis focuses on the internationalisation process of small and medium-sized enterprises (SMEs). Based on the review by Coviiello and McAuley (1999),

“More recently, there has been a shift from interest in exporting per se, to understanding the processes and patterns that explain how smaller firms increase their international involvement over time” (p.223).

Taking the internationalisation as the process, this implies its dynamic perspective, indicating that individual international transactions form part of a greater whole.

In recent decades, it is a widely held view that it is necessary to extend the existing internationalisation theory to one of the most important emerging economy, China. There are a large number of SMEs in China and they have engaged in the internationalisation of their business more than ever. There is no doubt as to the importance of China due to its great contributions to, and significant influence in, the global economy. More importantly, China has the reputation of being a traditional relationship-based society (Cao, Hartung, Forrest & Shen, 2011; Luo, 2000) and a typical transition institutional environment (Luo & Tung, 2007; Peng, Wang & Jiang, 2008). At the same time, it lacks an integrated network and institutional approach to study Chinese SMEs’ internationalisation, which is the research gap this study aims to address. The reasons for this gap could be that the interest in Chinese SMEs has just emerged in the last decade, as well as the difficulty of doing in-depth study into SMEs in this emerging economy due to the lack of research knowledge among most Chinese entrepreneurs. In summary, studying Chinese SMEs’ internationalisation could be an effective choice for this study.

In the field of international business studies, the recent significant studies undertaken by scholars into SMEs from mature economies has provided some meaningful approaches and theoretical fundamentals, which could be used in
studies of SMEs in emerging economies. Among these theories, the Uppsala model is recognised as the most prominent process theory of internationalisation (Johanson & Vahlne, 1977; 2009). It has been widely used in the studies on SMEs’ internationalisation. In addition, the network approach is chosen as it has been proved to be important in both SMEs’ internationalisation (Coviello & McAuley, 1999; McAuley, 2010) and Chinese firms (Amal & Filho, 2010; Zain & Ng, 2006). When focusing on an emerging economy, the other significant and important theory in institutional theory (Peng, 2003; Peng & Health, 1996). The institutions are not only the basic context of firms’ activities in an emerging economy, but also have a great impact on the networks these firms are involved in. In Jansson’s book (2007a), an institutional network approach was labelled as combine these two theories in the study of multinational enterprises’ (MNEs’) internationalisation. It presented us with the idea that integrating both network and institutional theory might be a more comprehensive and effective way to understand SMEs’ internationalisation process in China.

Research Objective
The purpose of this study is formulated as follows:

*To explain the internationalisation process of Chinese privately-owned SMEs by integrating network theory and institutional theory*

Literature Review
Based on the research objective, the literature review focuses on the three main theories of this thesis: Internationalisation process theory; network theory; and institutional theory.

Internationalisation process theory
In the studies of SMEs’ internationalisation process, the Uppsala model (Johanson & Vahlne, 1977; 2009) has been widely used as a fundamental theory. It is a traditional stage model and argued to be a more dynamic establishment chain model of internationalisation (Coviello & McAuley, 1999). However, when studying SMEs’ internationalisation process, the findings for SMEs are mixed comparing to the fundamental theory (Coviello & McAuley, 1999; McAuley, 2010). As stated by Shuman and Seeger (1986), SMEs definitely differ to big business due to their unique size-related issues. The traditional internationalisation theory cannot be fully transferred to an explanation of SMEs, but it is still useful as the fundamental theory. Challenging the traditional stage model, a new and growing phenomenon that new ventures begin internationalisation from their inception has attracted scholarly interest (Oviatt & McDougall, 1994). These ventures have been labelled “Born global” (Rennie, 1993) or “international new ventures” (Oviatt & McDougall, 1994).

On the other hand, extending the existing internationalisation theory in emerging economies is another theoretical trend in international business, and it is imperative that this field be developed to larger business disciplines (Meyer, 2006; 2007; Peng et al., 2008). It was actually called “the third wave of internationalization of firms” by Jansson (2007b). Among the emerging economies, undoubtedly, the most dramatic and consequential changes have taken place in China (Luo, 1997). The privately-
owned SMES in China have been engaged in the internationalisation of their business more than ever before, and their decision-making process has been much more influenced by market forces. A majority of existing studies on Chinese firms’ internationalisation focus almost exclusively on established, large multinational corporations; their analytical framework may not be entirely applicable to SMEs (Zhao & Hsu, 2007). There is a gap in the literature because most studies on Chinese firms focus on large MNEs.

Network approach of internationalisation

The other important SME internationalisation theory is the network approach (Chetty & Campbell-Hunt, 2003; Sharma & Blomstermo, 2003). SMEs lack financial and managerial resources, and knowledge regarding foreign markets (Chetty & Campbell-Hunt, 2003), so they rely on networks more than large-sized firms. In other words, the networks have a large impact on SMEs’ internationalisation (Agndal & Chetty, 2007; Coviello & Martin, 1999). This theory has been developed significantly and is well recognised. The milestone is Johanson and Vahlne (2009)'s article, which combined the network model to revisit the Uppsala model. It emphasised that the business happens in an environment which is necessarily considered to be a network, not independent suppliers and customers.

In emerging economies, the network approach has also often been conducted in studies of SMEs’ internationalisation (Amal & Filho, 2010; Zain & Ng, 2006). These studies show some similarity in how networks impact on SMEs’ internationalisation in the context of mature Western economies (Prashantham, 2004; Senik, Scott-Ladd, Entreken, & Adham, 2011). Meanwhile, some results have challenged the existing network approach theory. For example, in the existing network approach, Coviello and Munro (1997) pointed out that relationships support and encourage SMEs' in beginning their internationalisation quickly (Coviello & Munro, 1997). However, in the studies on Czech SMEs, the close personal ties (i.e. friends and relatives and other non-industry-related contacts) did not result in faster internationalisation (Musteen, Francis, & Datta, 2010). These mixed results are similar in the limited number of researches into Chinese SMEs.

One of the reasons for these mixed results is that these studies did not identify the nature of the networks. Specifically, they do not identify the make-up of the networks which impact on the SMEs’ internationalisation. The original network approach focused on business networks. However, the importance of social networks has been highlighted in SMEs' internationalisation (Chetty & Agndal, 2007; Chetty & Wilson, 2003; Ellis, 2011; Kiss & Danis, 2008), because they constitute resources that may compensate for the lack of other resources (Ellis, 2000). Coviello (2006) classified networks as economic, social or both. In the context of Chinese SMEs, both business and social networks have been discussed (Ellis, 2000; Ibeh & Kawen, 2011; Senik et al., 2011; Zhou, Wu & Luo, 2007). Ellis (2011) defined social ties to be inter-personal relationships, as opposed to inter-organisational ties. How these articles define social networks are varied and vague (Ellis, 2011; Zhang, Ma & Wang, 2012). It prompts the question of exactly what type of networks impact on Chinese SMEs’ internationalisation. In this research, the combination of Coviello (2006) and Ellis (2011) is used such that the type of networks are classified as
business networks (i.e. inter-organisational business relationships), social networks (i.e. inter-personal social relationships), and mixed.

Institutional approach of internationalisation

The reason why an emerging economy is different to a mature economy is basically believed to be their institutional environment. In the international business research, it is a basic assumption that firms are embedded in country-specific institutional arrangements. The institutions in a specific country consist of its political and regulative rules, social normative norms, and cognitive structures (Scott, 1995). The classification of three pillars of institutions is followed in this study. In an emerging economy, the institutional environment is typically characterised as one of institutional transition (Peng, 2003). One of the characteristics of transitional institutions is that, since formal institutions are weak and unstable during the transition, informal constraints play a larger role.

The networks become much more important as informal constraints in the transition institutions. It is believed that networks in emerging economies differ to those in a developed economy, as they exist in the environment of a transition economy (Peng et al., 2008). It is also believed that how the networks impact firms’ internationalisation could be different in the context of institutions in an emerging economy. In Jansson (2007a)’s book this is actually called the “institutional network approach” of international business strategy in emerging country markets. Jansson (2007a) made the assumption that different country markets provide different international contexts for institutions. He pinpointed the variations in international business practices between networks in the different country markets, which were explained by differences in institutional context.

In the review of Chinese SMEs’ internationalisation, institutions are linked to networks or institutions are used as background information (Cao et al., 2011; He, 2010; Wang & Ngoasong, 2012). The articles integrating network and institutional theory are very limited. These articles do not take network and institutional theory as the main theories in analysing the internationalisation process of Chinese SMEs. They only take some concepts in these theories, or cover some aspects of these theories. There is a lack of studies which effectively integrate these two important emerging theories to explain Chinese SMEs’ internationalisation process.

Theoretical framework and research questions

Based on the literature review, the theoretical framework and research questions have been summarised:

Figure: Theoretical framework
Research questions:
1. What type of networks exist (business, social and mixed) and how do they influence Chinese SMEs’ internationalisation process?
2. What pillars of institutions exist (normative, regulative and cognitive) and how do institutions influence Chinese SMEs’ internationalisation process?
3. How and why do integrating networks and institutions help to deepen our understanding of Chinese SMEs’ internationalisation process?

Methodology
This research is formulated as an inductive theory building research focused on understanding Chinese SMEs’ internationalisation process. The objective of this research is to explore the how and why questions in this unexplored research, which is well suited to an inductive theory (Eisenhardt & Graebner, 2007). The case study method is chosen as the strategy of inquiry of this thesis, because it can be used when the research phenomenon is complex and in-depth study is needed within the phenomenon (Pare, 2004). It also enjoys the advantage of establishing the validity of the content and the cause, answering the questions of why certain decisions were made, how they were implemented, and what result can be identified (Chetty, 1996). As this research needs to examine the process of internationalisation and the in-depth reasons behind the phenomenon, case studies fill the research objective on determining how and why Chinese SMEs proceed in their internationalisation.

A multiple-case study method is adopted in this research. Yin (2002) stated that multiple-case studies typically provide a stronger base for theory building. In this research, each case is chosen by replication logic, instead of sampling logic. Following Eisenhardt’s (1989) suggestion, the best number of cases for theory building research is between four and ten. In addition, the actual number of cases appropriate to this study is based on the notion that when each new case appears to bring little new insight, the researcher should stop increasing the number of cases (Yin, 2009).

By following extension and replication logic, this research adopts some predetermined criteria to achieve its research objectives when selecting the sample firms. These cases should be privately-owned SMEs in China, defined as a firm owned by an ordinary individual who was raised in Chinese domestic environment.
This person should own more than 50% of the shares of the company and have control of the firm. It represents the SMEs in China compared with the state-owned or collectively-owned enterprises. The size of Chinese SMEs is also defined based on the number of employees, following the Chinese government definition of SMEs in “The Promotion Law of China’s Small and Medium-Sized Enterprises” (2003). The other criteria include the control of exporting intensives, international experience, industry diversity, location and interview response. The main method of data gathering is face-to-face and semi-structured interviews. The participants in each sample typically hold the role of decision making (e.g. the owner, the sales manager, or the general manager).

The data collection process includes an access process. In order to gain access to the potential case, first round interviews are conducted with the aim of collecting the basic information of the firms and deciding the number of the cases, and the second round interviews are used to gain and confirm more details. As a result, twenty-seven interviews in eight cases have been conducted over the period of two years. Researcher observation becomes important as the researcher spends a lot of time in contact with the participants and is involved in a lot informal social activities, which helps to obtain more information and understanding. More importantly, building relationships between the informants is more critical to doing interviews in China than when doing research in Western countries. The reason for this is that trust is the key to getting valid data when doing research in China. All the interviews have been recorded, then transcribed and translated from Chinese into English. The data has been analysed in the process, with the unit of analysis being the firms. The Nvivo analysis methodology has been used in the data analysis procedure to increase the validity.

**Conclusion:**

The thesis is in the data analysis and discussion formulation stage. The preliminary results are consistent with the existing literature, that both networks and institutions are important in the understanding of Chinese SMEs’ internationalisation process. Classifying networks of Chinese SMEs as business, social and mixed could be an effective way of analysing networks in China based on the data. The different networks have varied impacts on Chinese SMEs’ internationalisation. For example, mixed networks with clients widely exist in China as organisational-level business relationships, with clients highly relying on individual social relationships between people in these organisations. This mixed network facilitates Chinese SMEs to enter into new foreign markets by following their clients. This is the same as for institutions, and how regulative, normative and cognitive institutions impact on Chinese SMEs’ internationalisation. The typical example of this is one of the regulative institutions in China; the “open door policy” in 1997; and how it facilitates the internationalisation process in most of the firms’ cases. More importantly, integrating different types of networks in the context of different institutions helps to deepen our understanding of Chinese SMEs’ internationalisation process. For example, five of the cases internationalise in the first year after they are established, relying on their social networks to escape the weak institutional environment of the domestic market. As stated by the deputy general manager of one case, “At the beginning (of establishment), we rely on our friend (to get the first order) as we don’t
have other resource...and we will die in the domestic market, so we chose to begin with overseas market”.

Based on the preliminary findings, this thesis provides the following contributions to the literature. Firstly, it is a theoretical understanding of Chinese SMEs’ internationalisation, which extends the internationalisation process theory to an emerging economy context. It contributes to developing internationalisation theory to larger business disciplines. Secondly, this study contributes to network theory by understanding what type of networks and how they impact on Chinese SMEs’ internationalisation. Similarly, it contributes to institutional theory by understanding the three pillars of institutions in China and how they impact on Chinese SMEs’ internationalisation process. More importantly, in the preliminary findings, integrating different types of networks in the varied institutional context could deepen our understanding of Chinese SMEs’ internationalisation process. This study will contribute to theory development by integrating network and institutional theory to understand Chinese SMEs’ internationalisation process. Finally, this thesis contributes to the methodology of carrying out qualitative research on SMEs’ internationalisation in China. It identifies the difficulties of conducting research in China, which include difficulties in gaining approval, a reluctance to answer sensitive questions and provide valid information, and the necessity to avoid cultural embarrassment, among other issues. Among these aspects, the development of personal relationships involving trust between the researcher and participants is critical to conducting interviews in Chinese SMEs. Due to the lack of secondary data, collecting data relies more on a researcher’s observations and relationships with the participants. For example, most of the information was obtained outside the formal interviews. The methodology used in this thesis could contribute to conducting theory building case studies using qualitative data in China. In conclusion, a new approach of integrating networks and institutions will be developed in this study to deepen our understanding of SMEs’ internationalisation process in the context of China.

References


Opportunity Creation in the Internationalisation Process of SMEs

Masoud Karami
Supervisor: Professor Sylvie Chetty

Abstract
Within the context of opportunity development in SMEs’ internationalisation process, this research aims to explain the process of opportunity development by SMEs and whether they are unplanned and means driven (effectuation) or planned and goal driven (causation). In addition, I will study the outcome of these two different paths and whether effectual path leads to sustainable competitive advantage and causal path leads to temporary competitive advantage. This study is designed to be quantitative study based on survey. This research expects to have a theoretical contribution in terms of transformability of creation and discovery opportunities, and the role that effectuation path can play in getting sustainable competitive advantage. In addition, it will have empirical contribution by understanding the decision making paths during the internationalisation process of SMEs in Australia.

Key words: effectuation, internationalisation process, opportunity, networks, competitive advantage.

Introduction and background
Opportunity is the central concept of entrepreneurship and international entrepreneurship (IE). Reviewing extant literature in entrepreneurship shows that almost all of the definitions of entrepreneurship and IE are based on opportunity. According to Oviatt and McDougall’s definition (2005, p. 540), IE is all about “the discovery, enactment, evaluation, and exploitation of opportunities across national borders”. Similarly Sarasvathy et al. (2014) assert that opportunity can be viewed as an artefact of international entrepreneurship. (S. Sarasvathy, Kumar, York, & Bhagavatula, 2014). Indeed, the result of the internationalisation process are new ends, new means and new artefacts like opportunities. (Kalinic, Sarasvathy, & Forza, 2014).

While entrepreneurship is by nature related to the concept of opportunity, there are some questions in entrepreneurship left unanswered. Questions might be: “‘How do actions by entrepreneurs create opportunities? ‘How can entrepreneurs use incremental, iterative, and inductive processes to make decisions?’, are entrepreneurial opportunities a result of a process of discovery or one of creation?” p. 157 (Sharon A Alvarez & Barney, 2013) and under which conditions creation and discovery opportunities transform to each other? (Sharon A. Alvarez & Barney, 2010). These questions remain important as we shift to international entrepreneurship and the internationalisation process of SMEs. The question of how international opportunities are identified remains under-explored, prompting calls for more research (Ellis, 2010). According to Schumpeter (1934:65), opportunities

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1. This research is a part of Marsden project
can be created in both entrepreneurial and firm levels. He observed that opportunities can be created in five main areas, including: entering a new market (Chandler, DeTienne, & Lyon, 2002). Effectual approach to international entrepreneurship also focuses on entering new international markets as an international opportunity (S. Sarasvathy et al., 2014).

In this sense, bringing together frameworks from effectuation and IE highlights new possibilities for future research.”(S. Sarasvathy et al., 2014). Jones et al. (2011) have suggested combining entrepreneurial theories with network dynamics, knowledge, and firm-level capabilities in order to answer these questions. Sarasvathy et al. (2013) also justify using entrepreneurial theories and specially effectuation in this area. (S. Sarasvathy et al., 2014). The literature in strategic management also suggested effectuation as an effective theory in studying creation opportunity formation (Sharon A. Alvarez & Jay B. Barney, 2007). On the other hand, the recent research on internationalisation, suggest using the concept of networks. Johanson and Vahlne, for instance has focused on the importance of networks in the internationalization of firms. They mentioned the gap in related literature. As they posit, the literature is about how networks influence internationalization of firms, but there is not enough research about the creation mechanisms of networks and the structure of networks in target countries (Johanson & Vahlne, 2009) Thus in this thesis I will combine three streams of literature to develop a conceptual model for opportunity development in the internationalisation process of SMEs. First, the opportunities stream of literature in strategic management especially the relationships between opportunity development and competitive advantage. Second, the stream of opportunity literature in both entrepreneurship and international entrepreneurship (IE). Third the internationalisation process literature.

There is a considerable emphasize on the concept of competitive advantage in opportunity literature. Hence there is a strong call for further research in strategic management to answer how the path-dependent process of opportunity creation can explain sustainable competitive advantage of firms (Sharon A. Alvarez & Jay B. Barney, 2007).

This research proceeds as follows. First I start with the concept of opportunity in entrepreneurship in general and opportunity in IE in particular. Then relying upon the effectuation logic, I will discuss if SMEs adopt effectuation/causation paths in the process of international opportunity development. Second, I use the extant stream in discovery and creation opportunity literature to see if there is any relationship between opportunity development and effectuation and causation paths. Third, relying upon competitive advantage literature, I will discuss if different opportunity development paths have an impact on competitive advantage. Fourth, I will discuss the interrelationships among the variables and hypothesize that the relationship between mean – driven and goal-driven paths and the type of competitive advantage is moderated by type of opportunity. And finally, I will describe the research method and the results.
**Effectuation theory**

An emerging research stream in IE is started to use effectuation to explain entrepreneurial behaviour in the process of internationalisation (Kalinic et al., 2014). Effectuation is about how to use existing resources, in combination with commitment and constraints coming from related stakeholders, to create new artifacts like opportunities, ventures and markets, in domestic or international markets (S. Sarasvathy et al., 2014). Put simply effectuation process starts with a set of means and selects between possible effects. In contrast causation is a process which takes a specific effect and by selecting between different means, creates that effect (Sarasvathy, 2001). Therefore, in this research I use mean-driven for causation and goal-driven for effectuation.

According to the network view of the market, opportunity development is the outcome of interaction between partners. This interaction leads to creation of new knowledge that allows parties to develop opportunities. In addition they may find opportunities by matching their unique resources (Johanson & Vahlne, 2009). By using effectuation process, entrepreneurs try different ends based on their affordable loss. In this sense, they try to control the unpredictable environment by making commitments between different stakeholders. They remain flexible in all the process and deal with unexpected contingencies as resources (Chandler, DeTienne, McKelvie, & Mumford, 2011). From a practical point of view, effectuation is an applied approach in the new venture setting in uncertainty conditions, as it provides normative approaches to problem solving in uncertainty conditions(Read, Song, & Smit, 2009). Read et al., have presented a list of scales have been used for measuring effectuation expertise. In this research I will focus on effectuation theory and its relationship with opportunity development.

**The process of Internationalisation**

By the end of the 1980s researches on the internationalisation process, has been led to international networks. Since then, both business and social networks have been considered by researchers (Mainela, Puhakka, & Servais, 2014). Uppsala model (2009) as one of dominant models in this area has focused on the importance of networks in the internationalisation of firms. Based on Uppsala, the extant literature is about how networks influence internationalisation of firms, but there is not enough research about the creation mechanisms of networks(Johanson & Vahlne, 2009). The concept which is followed by Sarasvathy in her effectual approach to international entrepreneurship. Uppsala model emphasizes on the critical importance of the mutual commitment in relationships as a success factor in the process of internationalisation (Johanson & Vahlne, 2009).

In addition Ellis (2010) primarily differentiates between social and business networks, in terms of level of analysis. He argued that social networks are in interpersonal relations while business networks are a set of inter-firm relations and he asserts that both of them influence the process of internationalization(Ellis, 2010). In this thesis I will focus on both business and social networks of entrepreneurial SMEs and the role they play in entering foreign markets.
International Opportunity (Creation opportunity vs. discovery opportunity)

International opportunity is defined “as the chance to conduct exchange with new partners in new foreign markets” p. 101 the process may lead to formation of exchange agreements with new partners in new foreign markets He believes that opportunity discovery can be better understood by studying social networks rather than business networks. (Ellis, 2010). The Uppsala internationalisation process model (Johanson and Vahline 2009) defined opportunities as the main driver of internationalisation process. And Sarasvathy considers entering new international market as international opportunity in her effectual approach into the internationalization process (S. Sarasvathy et al., 2014).

The literature of opportunity search is divided into two main categories of opportunity discovery which is looking for opportunities in environment, and opportunity creation (Alvarez and Barney, 2013, Venkataraman et al., 2014). While opportunity creation is defined as entrepreneurs bringing new means to create new artifacts (Maine, Soh, & Dos Santos, 2014), In discovery opportunity, opportunities are out there in the market, and an alert entrepreneur recognizes and exploits them. There is a continuous conversation in this area between scholars. For instance while Uppsala model stresses on the possibility of both opportunity recognition and creation (Johanson & Vahline, 2009), Sarasvathy et al., criticize it and emphasize that UE model which is totally based on Uppsala, is about discovery opportunity (S. Sarasvathy et al., 2014). This dialogue is especially increased after 2010 AMR decade award to Shane and Venkataramn’s “promise” paper. There is a stream of papers following this conversation, with focusing on discovery, creation or recently blended approach. I am going to contribute to this conversation by reviewing the related literature and building hypothesis based on that.

Competitive advantage (Sustainable or temporary)

Sarasvathy et al contend that although several studies in entrepreneurship literature have shown the application of effectuation by entrepreneurs, however, there is little research on the effect of effectuation on firm performance. (Sarasvathy et al., 2014). Firm performance can be seen from different point of views. Mostly in literature there is an emphasize on financial performances such as revenue, ROA, sales, profitability and so forth (Read et al., 2009). But there is not any deirect emphasize on competitive advantage as a measure of firm performance. On the other hand, regarding the literature in strategic management, if we want to consider path-dependent process of effectuation, we need to differentiate between sustainable and temporary competitive advantage. In the mainstream research on the literature of opportunity, there is a lack of enough researches about the process of opportunity formation and its impact on opportunity exploitation by entrepreneurs (McMullen and Shepherd 2006) which is the basis for getting and maintaining competitive advantage.

There is an emphasize on the importance of path-dependency, and learning –by-doing process of opportunity creation, which leads to sustained competitive advantage. This issue has not yet been addressed. the path –dependency in
opportunity creation process means that those who exploit their created opportunities, often gain sustained competitive advantages from doing so (Sharon A. Alvarez, Barney, & Anderson, 2013).

On the other hand, in discovery opportunity, entrepreneurs have a kind of alertness and opportunities are independently existent in the environment. Hence, some of actors who have access to more related knowledge or take related information before others, gain first mover advantage, but the gained advantage maybe quite temporary because the source of it is very diffusible (Sharon A. Alvarez et al., 2013). Indeed, in discovery context, the information about exploited opportunity may be diffused quickly and become available for competitors (Sharon A. Alvarez & Jay B. Barney, 2007). In such conditions, firm-specific competitive advantages are temporary in nature (D'Aveni, Dagnino, & Smith, 2010) and would be easily imitated by competitors unless the firm sustain the advantage by speed and secrecy of opportunity exploitation, and arising entry barriers (Sharon A Alvarez & Jay B Barney, 2007).

There is a same thread in international entrepreneurship literature; Revisited Uppsala model (2009) argues that the entrepreneurs who are able to exploit unintended contingencies and develop knowledge of international opportunities, has a competitive advantage in an uncertain international environment (Johanson & Vahlne, 2009). However, previous research on internationalization literature focused on the internationalization strategies and neglected the process of development and implementation of these strategies(Kalinic et al., 2014). Therefore, it has not emphasized on the outcomes of these strategies that can be explained in terms of competitive advantage.

**Abridged Conceptual Model**

Based on the literature review so far, this conceptual model was developed. In this model the process of effectuation, leads to international opportunity creation, which is defined as foreign market entry (Sarasvathy et al., 2014), which in turn leads to sustainable competitive advantage, because of its inherent path-dependency. On the other hand, causation process, leads to opportunity discovery, which in turn leads to temporary competitive advantage because of availability of exploited opportunities for other competitors.

![Abridged Conceptual Model](image)

**Research objectives**
Reviewing the existing literature on entrepreneurial opportunity, internationalisation process, entrepreneurial decision making, and business networks, leads us to the following research objective:

This thesis examines the possible relationships between decision making logic (effectuation/causation) and opportunity development in the process of internationalisation. In addition it explains if there is any relationship between decision making logic and firm’s competitive advantage.

**Main research questions**

Based on the research objective, we will focus on the following questions:

Q1. Are opportunities created or discovered by SMEs in the process of entering foreign markets?

Q2. Is there a relationship between opportunity development and competitive advantage for SMEs?

Q3. Do SMEs try both effectuation and causation for opportunity development? If yes, under which conditions this transformation takes place?

**Methodology**

Reviewing empirical works in opportunity literature shows that surveys were used more than all other methods (Short, Ketchen, Shook, & Ireland, 2009). This study focuses on small and medium-sized firms (SMEs) in Australia. in this research SMEs are defined as firms that have less than 100 employees, manufacturing firms which are exporting. The questionnaire will be used to gather data by mail and online survey. There are valid measures for effectuation/causation (Read et al., 2009), but there are no valid measures for opportunity creation/discovery and competitive advantage in recent studies. Therefore, we will operationalize and develop measures for these constructs in this research.

**References List**


Value Determination Over Time

Henrik Öhlin, Karlstad University, Sweden

Abstract

Although value destruction is often discussed in the public sector, little scholarly research is published. Data from 630 semi-structured interviews with customers of a Swedish public organization support the view that the organization was mainly responsible for the value destruction and negative value episodes experienced by the customer in the interface. The findings show that a negative value episode often leads to acceleration or perpetuation of the negative outcome of the interaction. This paper contributes with a model that captures value determination, which is a sequence of one or many value episodes experienced from the customers’ perspective. The paper conceptualizes and reflects upon negative effects of value creation. Existing research frames value creation in positive terms, thus acknowledgment of value destruction could be useful in all organizations, which will have managerial implication and encourage researchers to find new marketing and practicing approaches.

Keywords

Value Creation, Value Destruction, Value Determination, Episodes, Public Organizations

Introduction

This paper is part of a large research project (Fransson & Quist, 2014) with three Swedish public organizations. These organizations have thousands of interactions with customers every day and use extensive resources to handle them. Since the volume of interactions is high, there is also a risk that some resources could be wasted. Moreover there are problems for the public organizations, customers, and other stakeholders, who are affected by delays and additional work. Hence these organizations are ideal for studying interactions among customers and public organizations. This paper focus on one organization and presents different ways customers are contacting the organization under review and what they are asking for and why, i.e. the customers’ value request. Value is here defined as the appraisal of a cognitive and emotional experience in a unique context.

The first proposition is that every interaction an organization and a customer have is the consequence of a value request, which can be viewed as either a positive or negative value episode. The second proposition is that a value determination is a sequence of one or many value episodes experienced from the customer’s perspective. The third proposition is that if there is a failure in fulfilling the customer’s value requests it can be seen as value destruction. Value destruction is defined as an incongruent value foundation and/or an overuse or misuse of resources from the organization and the customer or other actors.
Value destruction was first conceptualized by Plé and Chumpitaz Cáceres (2010) and later empirically studied by Echeverri and Skålén (2011). Although value destruction have attracted some scholars (Grönroos & Gummerus, 2014; Laamanen & Skålén, 2014; Lefebvre & Plé, 2010; Smith, 2013; Worthington & Durkin, 2012) it has been overshadowed by value creation, which has been comprehensively studied for years (Ballantyne, Frow, Varey, & Payne, 2011; Gummesson, Mele, Polese, Galvagno, & Dalli, 2014; Normann & Ramirez, 1994; Prahalad & Ramaswamy, 2013; Wikström, 1996).

This is illustrated by Plé and Chumpitaz Cáceres (2010) who at the time they wrote their paper looked up value destruction (or similar) and value creation (or similar) as keyword in EBSCO Database and got 27 results and 1 000 results respectively. Thus current research places value creation in positive terms so research that frames negative effects of value creation could be valuable for researchers as well as managers. Research on interaction and episodes have attracted few scholars and there are few research papers that address the topic. The ones that do address the topic focus on business-to-business (Holmlund, 2004; Holmlund & Strandvik, 1999; Schurr, Hedaa, & Geersbro, 2008) and not on business-to-consumer nor to the public sector. Acknowledging customers and the public sector would have valuable managerial and practical implication.

Against this background the aim of this paper is to present views on value destruction. The aim is also to categorize the value requests that the customers put on one of the three organizations, i.e. how are the customers routinely contacting the organization, what are they asking for and why. Linked to this, this paper will report if there is any indication of failure in fulfilling customers’ value requests. Finally, this paper will introduce the notion of value determination over time – mainly negatively.

This paper is structured as follows: it begins with a review on value destruction literature. The second section briefly describes the research design. Finally, the third section covers the findings and analysis, then discussions and contributions.

Value destruction

Service dominant logic and Service logic have established that value is created and co-created in an interaction between resource integrators (Ballantyne, Williams, & Aitken, 2011; Grönroos & Gummerus, 2014; Vargo & Akaka, 2012). Until recently these research streams have been focusing almost entirely on the positive side of resource interactions, but lately scholars like Chumpitaz and Plé (2009), Echeverri and Skålén (2011), and Grönroos and Gummerus (2014) have suggested that interaction of resources have the potential not only to create value but also to destruct and co-destruct value.

Flint and Woodruff (2001) suggest that a value creation process have two possible effects, one resulting in an increase in value and one in a decrease in value. Halliday and Giraldo (2013) agree, but changed some perspectives and proposed that
interactions have two distinct potential outcomes: positive value creation and negative value creation. Grönroos and Gummerus (2014) mean that value sometimes is destroyed in the customer’s value-creating process. Smith (2013) argues that the organization is the value destruction initiator and that the customers, in line with (Vargo & Lusch, 2004, 2008) have to be seen as the main determinant when evaluating the outcome of the interaction.

Some scholars’ argues that it would be fair to include both the customer and the organization when evaluating the value creation process within the interaction (Edvardsson, Skålén, & Tronvoll, 2012; Grönroos & Voima, 2013; Vargo & Akaka, 2012). Thus if it is correct to suggest that value creation is due to two or more actors, perhaps so is value destruction. The value destruction concept put strong emphasis on co-accountability and process participation (Echeverri & Skålén, 2011; Lefebvre & Plé, 2010; Plé & Chumpitaz Cáceres, 2010).

Plé and Chumpitaz Cáceres (2010) and Plé and Chumpitaz Cáceres (2010) describe value co-destruction as an interactional process where actors and/or their networks’ have failed to integrate resources or where resources have been misused, which end to a decline in at least one of the actors and/or their networks’ well-being. According to Echeverri and Skålén (2011) value co-destruction comes from actors drawing on incongruent elements of practices and they suggest that a decline in value is permanent. However, Laamanen and Skålén (2014) argued that failure in value co-creation and a decline in value was more transient and held that misaligned practitioners did not automatically lead to value co-destruction, but instead lead to a temporary dip in value co-creation – a downturn that can be corrected using adjustment strategies.

**Research Design**

This paper uses data from a single case study. This is a suitable approach when you want to explore and understand a qualitative meaning of some central phenomenon in unique contexts (Alvesson & Sköldberg, 2009; Corbin & Strauss, 2014). In this paper Critical Incident Technique procedures was used as methods for collecting data (Bitner, Booms, & Tetreault, 1990; Edvardsson & Roos, 2001).

A questionnaire was developed – designed to capture value episodes and value destruction in the customer interface of the studied organization. Public officers were engaged to collect data and a total of 630 semi-structured interviews with customers were registered.

They followed the questionnaire thoroughly and were closely guided by me. The main topics were (1) why the customers contacted the organization and (2) if they previously had tried to contact the organization before in the same case. Both questions were used, as means to understand why interactions between the customers and the organization occur and in which way value episodes in these interactions are transient over time; both in a positive and in a negative direction. It was also used to understand if value had been destructed in previous interactions.

The form used for the coding was created in Microsoft Excel and Adobe FormsCentral – an analytic tool for qualitative analysis and mixed methods research.
Through communication and dialogue, and continuous analysis of data, new data was filled, added, and removed. The findings instantly indicated that these interactions can be framed as sequences of value episodes over time that can be further analysed.

Liljander and Strandvik (1995) and Schurr et al. (2008) highlight that each episode is affecting the cumulative contribution to the created value and Hobfoll (2011) and Grönroos and Gummerus (2014) argued that this also goes for destruction of value. Since there were strong supports for this in the findings, it was transferred together with theories from several scholars (Edvardsson & Roos, 2001; Ford, 2011; Sarmento, Simões, & Farhangmehr, 2014; Vagn Freytag, Ritter, & Schurr, 2007) into a new form code. This form code was developed as a model for analysing positive and negative value determination. Value determinations are sequences of one or many value episodes. To understand value determination and to capture the different value episodes, the following steps were taken: (1) every interview was seen as an interaction, (2) that interaction was divided into episodes, (3) each episode was analysed as an episode either with positive or negative value, (4) an interaction with more than two episodes was seen as a sequence, (5) every sequence was seen as a value determination – either negative or positive.

It should be noted that this is an exploratory and interpretive single case study where the result presented may not be used for general conclusions that fully could be transferred into other context.

Findings and Analysis

Fulfilling Value Requests

The findings suggest that actors make what is referred to as value requests. A value request is the reason for why the customers are contacting the organization and the reason for why the interaction occurs. The result further identifies five value requests: (1) How do I do in my case? (2) What applies, in my case? (3) I would like to request some document? (4) I would like to register some data? (5) What is happening in my case? These categories are fundamental for pointing out value episodes and therefore essential for value determination. The results indicate that failure in fulfilling the customers’ value requests were mainly due to the public organization. Surprisingly often though, the third-part actors were responsible for the failure. In many cases the responsibility was shared among different actors (in this case organizations, networks, other stakeholders, third-part actors and customers).

Value Destruction
In this case value destruction was experienced as an overuse or misuse of resources from one or more actors and/or as an incongruent value foundation from one or more actors, moreover either as transient or permanent. This report shows that value (destruction and creation) is transient over time, and seemed to emerge and disappear from one moment (value episode) to another moment (value episode).

**Value Determination**

The public organization, customers, and third-part actors are all responsible for negative value determination. However, the main responsible actor for the negative value determination is the public organization. This is perhaps logical, since the studied interaction often occurred due to the public organization’s failure to fulfil customers’ value requests, i.e. the previous value episodes were often of negative value.

The findings showed four types of value determinations: clearly negative, negative, clearly positive and positive value determination.

1. **Clearly negative value determination**: if there are two negative value episodes in a row, it is a clearly negative value determination.

2. **Negative value determinations**: if a positive value episode is followed by a negative value episode, there is a negative value determination – although not clearly this time, because the determination was coming from a positive value episode.

The result shows that several negative value episodes can be traced back in time. The findings also support that the customers put in a lot of resources into these interactions. The result indicates that if a customer has a negative episode early in the process there is risk that the sequential process is being even worse in the next steps of the process and that this negative effect accelerates over time and has an accumulative effect. Moreover, the result shows that resources continue to destroy because the organization and/or the actor lack the appropriate resources, both quality and quantity, to counterbalance the loss spiral. It is too early in stage of the project to be certain of anything of this in the findings.

3. **Clearly positive value determination**: If there are two positive value episodes in a row, it is a clearly positive value determination.

4. **Positive value determination**: If a negative value episode is followed by a positive value episode, there is a positive value determination – although not clearly this time, because the determination was coming from a negative value episode.

Due to the nature of this study, most interactions were rarely categorized as clearly positive value determinations. Though some cases were standing out, e.g. when customers initiate a second interaction after realizing they needed more information to solve their problem, even if the first interaction was positive. Furthermore the results showed several cases of positive value determination in which the interactions could have been avoided. In these cases the previous interactions were
handled incorrectly from the customers’ point of view. Therefore the interactions were unnecessary and had not needed to occur if the correct value, from the customers’ point of view, had been achieved in the previous attempts. Ergo, there had been a negative value determination in an earlier value episode that was unnecessary.

**Discussion, Contribution and Future Research**

Scholars are conclusive that interactions have a major impact on value creation (Ballantyne, Frow, et al., 2011; Gummesson et al., 2014; Prahalad & Ramaswamy, 2013; Vargo & Akaka, 2012). Moreover it is conclusive to say that interactions have a major impact on value destruction (Grönroos & Gummerus, 2014; Laamanen & Skålén, 2014; Plé & Chumpitaz Cáceres, 2010; Skålén, Pace, Cova, Lee, & Dobscha, 2015). Furthermore, this paper present views from where value destruction comes from an incongruent value foundation and/or an overuse or misuse of resources from the organization and the customer or other actors (Echeverri & Skålén, 2011; Laamanen & Skålén, 2014; Plé & Chumpitaz Cáceres, 2010).

When studying interactions and value episodes it has been clear that value is never really created nor destroyed, but more like a momentum that instinctively emerge, and then alters from one value to another. Consequently value determination is transient over time, and it is up to the organization and the customers to alter its direction.

An early negative value episode often leads to an accelerated negative outcome. It shows how important it is to treat a value request correctly from the first time since it is most likely that a negative value episode leads to a new negative value episode, i.e. negative value determination. Altogether several value episodes are unnecessary since they had not been handled right from the first time. Hence it is essential to treat value requests right from the first time to avoid new value episodes. In the long and short run this is very costly for the organization and the customer who is putting in a large amount of resources such as time, money, and knowledge into the interaction.

There is considerable little scholarly research published that address value destruction, and even less that address the public sector. This notion is articulated by some researchers but still far too few studies are done (Osborne, Radnor, Kinder, & Vidal, 2014; Plé & Chumpitaz Cáceres, 2010). More recently Frow, Nenonen, Payne, and Storbacka (2015) called for further research of value creation in the public sector context, while Osborne et al. (2014) and Osborne and Strokosch (2013) are working within the research field. There have been some studies made in business-to-business market that address interaction and episodes (Holmlund, 2004; Holmlund & Strandvik, 1999; Schurr et al., 2008). Though, there is no found scholarly research published that address interaction and value episodes between business-to-consumer nor to the public sector.
This paper has provided a nuanced understanding of value creation and value destruction, and an elaboration of the later, which is still relatively unexplored and needs to be further studied. It has also provided an overview of different value requests that the public organization normally meets and has to manage each day. Furthermore, it gives an indication of the failures in fulfilling these value requests. Finally, at this stage of my project I have conceptualized and presented a notion of value episodes and value determination as experienced by the customer. The findings show that there is significantly more data in this area and further studies need to be done. This notion is new and need to be elaborated. Thus, the potential value will have both research and managerial implications.

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Lee Harrison, AUT

Abstract

Despite complex and rapidly changing business environments, as well as the pivotal nature of marketing knowledge in a competitive marketplace (Klebba & Hamilton, 2007), there is very little research on how in-house marketing specialists use their knowledge to positively affect firm performance (Ardley & Quinn, 2014). Past research has examined the antecedents of the marketing department’s influence drawn from institutional theory (Homburg, Workman Jr, & Krohmer, 1999), contingency theory (Götz, Hansen, Jo, & Krafft, 2009; Wu, 2004), power theory (Merlo, 2011), and departmental perspectives (Verhoef & Leeflang, 2009). These studies present drivers of the marketing department’s influence as being innovative, accountable, and networked (Merlo, 2011; Verhoef & Leeflang, 2009). While representative of influential forces of marketing departments, these drivers do not address the practice of marketing. What is missing are the active sense-making and social-machinations that marketing practitioners engage in on a daily basis (Ardley & Quinn, 2014). Accordingly, this study examines the knowledge marketing specialists carry and the influence it has within the firm and marketplace. Using practice theory (Skålén & Hackley, 2011), this research examines marketing specialist knowledge and its influence by identifying the practices marketing specialists engage in to plan, develop, implement, and appraise a marketing project, and how and why these practices are influential at marketing department, firm and market levels. Findings will be used to develop theory by producing a conceptual framework that links the practices of marketing specialist knowledge to its influence on the firm (Morgan, 2012) and marketplace (Araujo, Kjellberg, & Spencer, 2008). From case studies (Yin, 2009), the perspectives of marketing specialists, their CEOs, colleagues, third party consultants, as well as supporting documents were collected from four heterogeneous firms and analysed. The following sections reviews literature that discusses the make-up of marketing specialist knowledge, the cognitive processes the marketing specialist may employ when processing knowledge, the influence of marketing specialist knowledge, as well as the theoretical perspective, methodology, research question of this research.

Marketing specialist knowledge

To describe the make-up of the marketing specialist’s knowledge, this section reviews and reorganises current management literature. Marketing specialist knowledge is described here as a cluster of knowledge domains: consisting of marketing expertise, market intelligence, organisational familiarity, leadership, and life experience that experienced marketers draw on to produce, or add to the production of, value for the firm. With regard to marketing expertise, Meuser and Nagel (2009) identify three knowledge dimensions of an expert: technical knowledge, process knowledge, and explanatory knowledge. Technical knowledge of strategic marketing, marketing communications, product and brand management, consumer behaviour, innovation and new product development are some examples
of where marketers have specific, detailed knowledge of operations, principle, laws, or whatever may be influential in their field (Gray, Ottesen, Bell, Chapman, & Whiten, 2007). In terms of process knowledge, marketers carry information on marketing related interactions and understand marketing processes, which they demonstrate when working with internal and external stakeholders (Walker et al., 2009). Finally, marketers convey explanatory knowledge; where they provide subjective interpretations of the relevance, rules, and beliefs in their field, as well as ideas, ideologies, and their inconsistencies. For example, in his study of a marketing agency meeting with their client, Svensson (2007) describes the ability to explain how advertising techniques were capable of controlling consumer’s minds and behaviours, reassuring the client that responses to a marketing campaign were calculable and foreseeable.

Organisational familiarity describes the immersion marketers have in the particularities of the commercial environment they occupy. Organisational familiarity includes the marketing specialist’s knowledge of the firm, its personnel, structure, culture, industry, stakeholders, and strategic intent (cf. Whittington, 2006). Organisational familiarity also takes into account political factors that might facilitate or impinge the influence a marketing specialist may exert. This kind of knowledge may differentiate a firm’s marketing specialist from third party marketing consultants.

Up-to-date market intelligence is a key component and antecedent of firm performance (Hattula, Schmitz, Schmidt, & Reinecke, 2015). Market intelligence refers here to formal and informal knowledge about current and future customer needs and competitor activities (Maltz & Kohli, 1996). Marketing departments have been described as being more influential than other functions in the firm due their focus and experience of the marketplace (Verhoef & Leeflang, 2009).

Leadership is a process ‘whereby an individual influences a group of individuals to achieve a common goal’ (Northouse, 2012, p. 5). Marketing specialists either display or are expected to demonstrate leadership qualities in a variety of contexts (Merlo, 2011). For instance, scholars assert that part of the marketing specialist role is to implement marketing strategy (Bonomo, 1985), motivate, facilitate, monitor and nurture networks (Merlo & Auh, 2009), and influence a firm’s market orientation (Verhoef et al., 2011).

Finally, according to Reckwitz (2002), life experience helps with ways of understanding how things and people are linked; it engages one emotionally and helps facilitate a collective understanding of others and oneself. Ibarra’s (1999) findings imply that the memory bank of life experiences and personal values may be integral in the way individual marketers shape their projects. Furthermore, Rallapalli, Vitell Jr, & Szeinbach (2000) report that marketing activities, such as pricing, distribution, information, and contract norms, as well as honesty and integrity, are significantly affected by the marketer’s personal values of excitement, warm relationship with others, fun and enjoyment of life, and a sense of accomplishment. Taking stock of the marketing specialist’s knowledge domains is crucial. Scholars surmise that competitive advantage is partly derived from the acquisition, development, and management of marketing knowledge (Madhavaram, Gross, & Appan, 2014), and the influence of a strong marketing department on positive firm performances has been quantifiably justified (Homburg, Vomberg, Enke, & Grimm,
2014). However, the marketing literature lacks insights into the constitution and influence of marketing specialist knowledge, as well as how this knowledge is processed by the marketing specialist.

**Marketing specialist thinking: the processing of marketing knowledge**

Just as Grant (1991) argued that firms may be considered a body and processor of knowledge, the marketing specialist, along with all personnel, may also be considered similarly. A focus on rational thinking would most accurately represent marketing practitioner as it encompasses thinking processes such as critical, creative, strategic, reflective, as well as decision making, and problem solving (Berzins & Sofo, 2008; Thurmond, 2001). Rational thinking has been described as dual-process where each process is rooted in a distinct cognitive mechanism (Evans, 2011). In dual-process theories, classes of thinking are popularly generalised as either heuristic (Type-1) or analytic (Type-2) processes (Stanovich, West, & Toplak, 2011). In short, Type-1 thinking is typically fast and intuitive, while Type-2 is typically slow and deliberative (Evans, 2011).

Type 2 or analytic processing is distinguished further into reflective and algorithmic operations (Stanovich, 2009). The mind’s reflective operations work at an intentional level and are based upon the actor’s dispositions such as their beliefs, cognitive style, epistemic values, future considerations, and goals (Heijltjes, Van Gog, Leppink, & Paas, 2014). Whereas algorithmic thinking performs both analytical and inhibitory processes, which provide the actor processes to make correct decisions or take appropriate actions (Heijltjes et al., 2014). Type-2 processing initiates hypothetical reasoning and cognitive simulation which create a temporary, simulated model of the world in which actions or alternative causes are tested (Stanovich et al., 2011).

As Klebba and Hamilton (2007) argue, as the managerial and strategic responsibilities of the marketing specialist increase, it is likely the role that critical thinking plays must also increase. Therefore, research into the constitution, processes, and consumption of marketing specialist knowledge aims to illuminate its mechanisms, effectiveness, and value to firms.

**The influence of marketing specialist knowledge**

As well as investigate marketing specialist knowledge, this research seeks to add to the marketing influence stream by examining why, how, and where marketer specialist knowledge is influential. Using a holistic approach, this study investigates the influence of marketing specialist knowledge on marketers within the firm (micro level); non-marketing personnel within the firm and the firm itself (meso level); as well as the firm’s customers, channel partners, competitors, and others in the market (macro level). As marketing influence literature is inextricably linked to firm performance (Skålén & Hackley, 2011), this study examines marketing specialist influence with regard to financial and market performances (Morgan, 2012), as well as the market orientation of a firm (Verhoef & Leeflang, 2009). Practice theory, the theoretical approach of this research provides a cogent framework for the purposes of this research as instead of focusing specifically on intra-organisational (personal or managerial) or extra- organisational (market) levels, it seeks to integrate them both (Whittington, 2006).
Practice theory and case studies

Where management theories often focus either on macro phenomena, using for example contingency or institutional theories, or micro phenomena, such as competencies of certain actors, practice theory captures both; examining the mental and bodily activities of the individual, as well as the workings of the social (Whittington, 2006). This approach suits the examination of both marketing specialist knowledge and its influence. In practice theory, firms are defined as bundles of practices and material arrangements, made up of various types of practices such as purchasing, production, selling, and administration (Schatzki, 2005). Each of these bundles is made up of a set of activities, routines, and material arrangements that identifies them as individual practices, as well as practices that coordinate with other bundles within and outside of the firm (Schatzki, 2005). Moreover, practice theory situates the social to practices and provides a dual sense, interpreting what guides activity and the activity itself (Whittington, 2006). In order to provide a clear and consistent vocabulary for concepts in practice theory, Whittington’s (2006) uses three terms in his field of strategic management: practices, praxis, and practitioners, terms which are adopted for this research. Practices refer to the shared routines of behaviour, such as marketing’s traditions, norms, and procedures for thinking, acting, and doing things. Praxis refers to marketing activity that marketers carry-out on a daily basis. Marketing specialists are the practitioners who understand marketing practices and perform marketing activities. Thus, practice theory represents both the efforts of the individual and social aspects of practice. Whittington (2006) therefore suggests that the alliteration of the three themes: practices, praxis, and practitioners, helps to reinforce a sense of mutual connection between the social and individual aspects of practice theory. To provide a context with which to conduct a practice-based investigation, studies often take place within a specific setting or situation (Sandberg & Tsoukas, 2011). Previous research in the marketing influence stream has relied on survey-based data to examine the influence of marketing departments or subunits. However, as there is a lack of research on marketing influence at a practitioner level and on marketing specialist knowledge, it was decided that multiple case studies would be an appropriate research method. Case studies are compatible with practice theory due to both approaches’ emphasis on investigating situated phenomena at a practitioner level (Echeverri & Skalen, 2011). In this context, case studies are superior to sample surveys as case study research facilitates a ‘deep understanding of the actors, interactions, sentiments, and behaviors occurring for a specific process through time’ (Woodside & Baxter, 2013, p. 38). It is expected that these approaches will yield rich, thick, nuanced descriptions of the practices and influence of marketing specialist knowledge (Creswell, 2012).

In order to examine marketing specialist knowledge within a specific situation, four marketing projects were selected as case studies. These projects were undertaken by an electricity supplier, a horticulture firm, a regional tourist authority, and a transport company. Within these case studies, the perspectives of marketing specialists, non-marketing colleagues and stakeholders, third party consultants, as well as supporting documents were collected. Data generated from the research will be analysed using a general inductive approach and undergo data organisation, theme development and theme interpretation (Marshall & Rossman, 2011). Pattern
matching will be used to link the case data collected with the research propositions. This deductive analysis method compares the theory-based propositions with the collected data, where empirical support for the propositions strengthens the research’s internal validity (Yin, 2009). Also, due to the heterogeneity of firms, cross-case synthesis, a data analysis strategy specifically used in multiple case studies, will also be used to look for similarities and differences between each case (Creswell, 2012; Yin, 2009).

Marketing specialist knowledge is an under-researched topic in the marketing influence literature (Madhavaram et al., 2014). Investigating marketing specialist knowledge using practice theory will provide new insights into how new marketing projects emerge, how they influence and profit the firm (Morgan, 2012), and go on to shape markets (Araujo et al., 2008). Therefore:

By investigating a specific marketing project developed in response to a situation facing the respondent’s firm, this research seeks to examine marketing specialist knowledge and its influence by identifying the practices marketing specialists draw on to plan, develop, implement, and appraise a marketing project, and how and why these practices are influential at marketing department, firm and market levels.

Based on marketing and management literature reviewed, this study proposes that marketing projects are produced by marketing specialists engaging in practices derived from marketing expertise, market intelligence, organisational familiarity, leadership, and life experience. This research further proposes that the aggregation and processing of these practices engender robust processes that are more influential, than those offered by non-specialists or third parties. This research also seeks to investigate how and why marketing specialist knowledge is influential at the marketing department, firm, and market levels. Findings will be used to develop theory by producing a testable conceptual framework that links the practices of marketing specialist knowledge to its influence on the firm (Morgan, 2012) and the marketplace (Araujo et al., 2008).

**Research questions and contributions**

By investigating a specific marketing project developed in response to a situation facing the marketing specialist’s firm, this research seeks to:

A. Examine marketing specialist knowledge by identifying the practices marketing specialists draw on by enquiring about how they:
   1. Plan
   2. Develop,
   3. Implement, and
   4. Appraise a marketing project?

B. And examine the influence of marketing specialist knowledge during these processes by asking:
   5. How and why are these practices influential at the marketing department, firm, and market levels?

This research aims to provide several important contributions to marketing academic knowledge. Its conceptual contribution is to investigate the practices involved in
marketing specialist knowledge, as well as how and why these practices are influential at marketing department, firm and market levels. In doing so, this research seeks to develop theory by producing a testable conceptual framework that links the practices of marketing specialist knowledge to its influence on the firm and marketplace. In terms of methodology, it is anticipated that the case studies will lead to coherent, holistic findings on the influence of marketing specialist knowledge. The paper also contributes to the growing field of practice theory in a marketing context (Skålén & Hackley, 2011). A practice-based perspective of marketing specialist knowledge may provide new insights into the identity of practices marketing specialists engage with, how new marketing practices emerge, how they influence and profit the firm, and go on to shape markets. Findings may also help marketing specialists better understand, engage with, and improve their practice. In terms of broader managerial issues, findings from this study may be trans-disciplinary; arguing that while firms benefit from each employee having a general knowledge of organisational disciplines, specialist practitioners are still valuable due to the attributes of their specialist knowledge.

References


