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IMPACT OF AFTER SALES SERVICES ON PRE-PURCHASE DISSONANCE, CUSTOMER SATISFACTION AND BRAND TRUST: A STUDY OF HOME APPLIANCES INDUSTYRY IN PAKISTAN

WASEEM HASSAN1, RIZWAN SHABBIR2 AND MUHAMMAD AWAIS GULZAR3

ABSTRACT

Purpose of the Paper: Companies tend to create effective customer experiences through after sales services. Customer satisfaction has been an essential indicator and a key differentiator of the performance of any organization and its products. This study examined the impacts of after sales services on customer's pre-purchase dissonance, customer satisfaction and customer's trust towards home appliances brands in Pakistan. It also takes into account the acceptance of these brands in Pakistan within the customers. Pakistani home appliances industry comprises of a varied temperament as the quality of the product is determined by its price from the customer's view.

Methodology: On the basis of Self-Perception Theory (SPT), a theoretical framework has been designed which discovered about the impact of after sales services regarding the home appliances brands being used by the customers in Pakistan. 450 responses have been taken through a completely structured questionnaire. The responses measured goodness-of-fit, bi-variate and hierarchical regression of proposed model. Collection of quantitative data was made from the major geographic locations; cities and markets of Pakistan. In order to measure the validity and reliability of the included variables, SEM-Amos was utilized.

Findings: The outcomes from the study can be concluded as after sales services have a significant impact upon the chosen variables. Firstly, it is observed that cognitive dissonance is present in the customer's mind regarding the assortment of one brand among the variety available in the market, which can be reduced by remarkable after sales services. On the contrary, the purchase dissonance can be increased if a customer encounters a poor service. Secondly, higher after sales services increase the level of customer satisfaction that therefore, results in repetitive purchases of a brand and vice versa. Thirdly, after sales services positively impact brand trust as they help to increase it. Lastly, rethinking process is possible to begin as a result of negative experiences. During re-purchase process, the customers prefer to reflect on all available options in the market, keeping in view the deciding factors such as price and quality of the product.

Theoretical Implications: This study discussed key factors that identified the role of after sales services during Consumer-based-brand-equity (CBBE). It gives an opportunity to the brand managers to focus upon the improvement in services offers.

Practical Implications: This study discusses home appliances markets with a different set of customers and identified areas of improvement in after sales services for the companies and highlighted the important factors which should be noted while formulating after sales services strategies. Organizations can decrease the level of customer pre-purchase dissonance by increasing the quality of the after sales services which will result in positive customer experience leading to increased customer satisfaction, ultimately building the brand trust. The companies should collect information about customer preferences in regard to the brands and

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services attached to them. Non-realization of the customer's needs results in less fulfillment; generating dissatisfied customers, hurting brand loyalty and trust. This can also be checked by analysis of the brands sales. An increase in the sales determines satisfaction level of the customers by the brand. This will add on to the customer base as well, since happier customers generate positive word of mouth. The cumulative results can be observed in the form of trust that customers hold in a particular brand. Furthermore, a dissatisfied customer will keep seeking alternatives for substitutes and will keep switching unless the expected satisfaction level is met. Thus, the manufactures should not only pay attention towards quality of the products, but also towards the quality of services. This can be done by incorporation of the latest technology in the products and assistance of the customers for utilization of the offers in best possible manner.

Limitations: Firstly, this study is based only upon analysis of one industry i.e. home appliances in Pakistan. The situational variables can be different for other markets and industries so we may not generalize the findings to other fields. A comparative research can be made further across multiple industries to have more detailed insights. Secondly, only quantitative method i.e. questionnaires were used which might not reflect the accurate responses. In the future, the study can be inclusive of qualitative methods like interviews, focus groups etc. Thirdly, the sample size is only of 450 which does not include a major chunk of population. The responses were collected only from some of the big cities in Pakistan, which again cannot be generalized to other geographies and demographics. Future research should take more cross geographical data collection into the sample to make the findings more valid.

Originality/Value: It is a research of original nature. Data collection method includes survey based upon questionnaire from major regions in Pakistan. Different statistical tools were then applied. The target of the research were the customers of home appliances industry whose views regarding after sales services and their effect upon customer pre-purchase dissonance, customer satisfaction, customer's trust towards a specific brand were noted. Finally, the factors involved in re-thinking process of a customer while purchasing a product were also taken into account. The research will help the brand managers to identify their position regarding the relationship between these variables. It will also probe the customer awareness of the brands available in the market. It will also provide grounds for the non-entrants to enter this geographical area and start their operations.

Keywords: After Sales Services, Customer Satisfaction, Customer Purchase Behavior, Pre-Purchase Dissonance, Customer Experience, Brand Trust.

INTRODUCTION

The rapidly changing business world dynamics have shifted the focus of many organizations towards international markets. Today, a lot is being spent to identify the customer's preferences as the competition is intense. The technological revolution across the globe has made business easier across the boundaries. A lot of factors play a significant role in shaping the consumer preferences such as the market, substitutes available, positioning of the brand, price, acceptance of the brand and its adaption, stakeholder's views and the profit maximization for a specific product or service. In order to have a stronger profitability position, the organizations are paying attention and putting efforts to attain customer satisfaction by building the customer trust and loyalty.

The previous researches include the study of brand popularity on pre-purchase dissonance, customer's satisfaction and brand trust in various regions (samples), so this research studies the effects of after sales services on customers pre-purchase dissonance, customer's satisfaction and customer's brand trust and to discover the rationale causing the brand trust and customers satisfaction in household appliances industry in Pakistan. The

motives of this study are: 1) to determine the effect of after sales services on customer's pre-purchase dissonance. 2) To determine the effect of after sales services on customer satisfaction 3) To determine the effect of after sales services on customer brand trust. 4) To determine the factors of customer satisfaction or dissatisfaction with the product. This is facilitated by converging upon customers having a diverse cultural background across the country and complying by the necessities of the research paper.

LITERATURE REVIEW

In today's marketing arena, the approach by which customers are served is a vital basis of gaining competitive advantage (Ballantyne, Christopher and Payne, 1995). The customers have become a focal point of relationship between an organization and themselves which was previously based upon a product centric view and this relation is being maintained effectively by the organizations (Kreye, Roehrich and Lewis, 2015). The organizations have tilted their attention upon the retention of existing customers rather than attracting the new ones since some years. For the purpose, the key component of differentiation between a company's products and surpassing the customer's needs is the offer of the services (Venetis and Ghauri, 2004). To emphasize the relationship of customer satisfaction and quality of services many research studies have already been conducted (Berry and Willingham, 1997). According to Gaiardelli, Saccan and Songini's (2007) definition, the after sales services are those activities that are provided after a product has been purchased and are offered to guide the customers for usage and disposal of the goods to make them loyal. While (Sigala et al., 2008) referred to the after sales services as the "product support activities"; which means that they sustain the product-centric transaction. Additionally, after sales services provide a business prospect to the company and is considered means to enhance value added benefits to the customer (Gaiardelli et al., 2007). The relationship with customers can be improved by diverse activities (Berry and Willingham, 1997) and these interactions with customers can be lengthened by providing after sales services and developing the relationship (Gustafsson et al., 2010).

Most manufacturing industries acknowledge after sales services as a general medium of revenue and profit generation as well as gaining a competitive advantage (Gustafsson et al., 2010). Ehinlanwo and Zairi (1996) signify that more resources are being allocated to the after sales services and many firms have established their after sales department where the focus is upon providing after sales services and developing after sales offers. The after sales services help to achieve the purpose of customer satisfaction through building trust, credibility and sense of security so the relationships last longer and add into the increased performance for sustainable results.

Marketers need to understand the customer's attitude keenly. In marketing, consumer attitude is a vital determinant of consumer purchase behavior. The attitude can be directly affected by service related issues. However, cognitive dissonance is one of the factors affecting the customer's attitude. Therefore, marketers need to be vigilant in delivering products to the target markets in order to avoid cognitive dissonance (Festinger, 1962). Mannberg (2010) defined cognitive dissonance as a perplexity in the customer's minds that occurs due to the confusing views, ideas and thoughts about a certain brand. Consumer behavior is impacted by customer experiences that hold the involvement of consumer emotionally, physically, and intellectually. Many researches and practitioners agree upon the notion that participant undergoes cognitive and emotional means during a purchase decision. The consumer expects some definite outcomes or benefits that amass from the purchase. The level of consumer satisfaction or dissatisfaction is determined by how well these expectations are met (Zeithaml, Berry and Parasuraman, 1993).

Another factor affecting the cognitive dissonance is culture (Festinger, 1962). Culture is defined as an outcome of the conventional relation of human beings to the environment which

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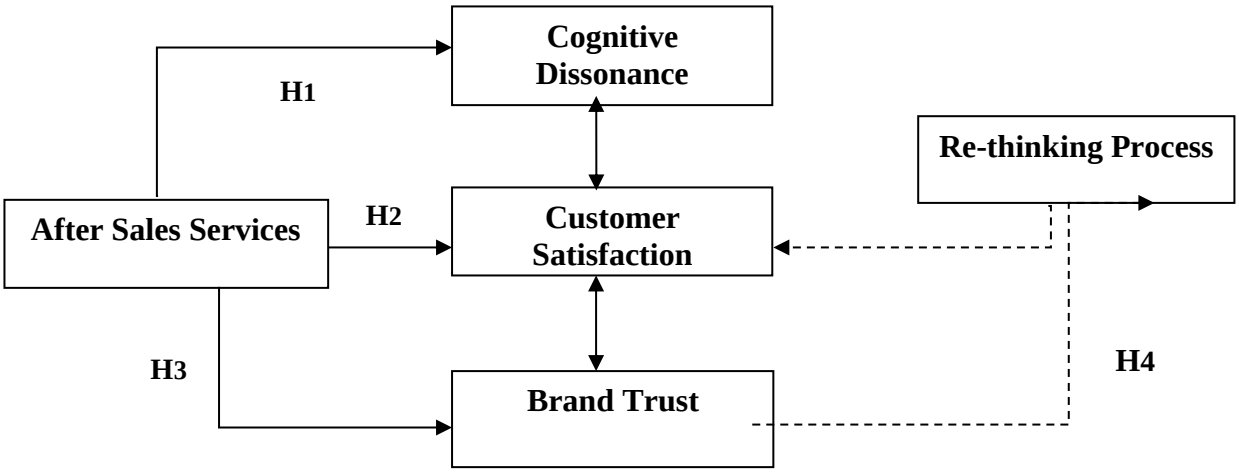
entails that different cultures are produced by different societies (Ingold, 1992). Wu and Keysar (2007) emphasized that cultural differences not only exist in different societies but also within the same society, called subculture. Observations explain that subculture can be considered as a demonstration of cognitive and emotional reactions (beliefs, values) and actions (customs, ceremonies, norms) of specific groups in society. Different levels of culture at regional level need to be taken into account to properly measure the effects which culture has on behavior. Optimal marketing strategies can be formulated once the values possessed by a culture are known expansively (Grönroos, 2011). Different cultural mindsets and attributes contribute towards customer's pre-purchase dissonance. As the dissonance causes uncertainty in the customers minds to buy different brand, so this dissonance leads to the customer dissatisfaction (Mitchell and Papavassiliou, 1999). The less the customers dissonance level, the more will be the trust of the customers on that brand (Yi and La, 2004). Thus, there exists converse relation between customers' dissonance and the brand trust. The customer satisfaction guides towards forming the trust on the brand and customers loyalty level (Fazlzadeh, Bagherzadeh and Mohamadi, 2011).

As soon as the brand endures a position in customers' minds, occurrence of brand loyalty is an ultimate result when a customer gets satisfied with the combined brand presentation (Moolla, 2010). Shortly, the brand delivers the promises consistently. Some researchers mention that 27 of 30 market leading products at USA in 1930 still stand as leaders (Golder, 2000). Many customers repeat their purchases whenever they visit a store. These repeat purchases can be attributed to inertia often, as a brand is bought because less necessary effort needs to be made in making the decisions. If accurate brand trustworthiness exists, there is a mindful desire to persistently buying the same brand over the time underlying the fact that there must be a positive attitude linked towards the brand (McNally and Speak, 2004). According to Jahanshahi et al. (2011), customer loyalty can be defined as a customer's readiness to maintain patronizing a firm over the long term, purchasing and using its goods and services on a frequent and preferably exclusive basis, and out of their own free will, recommending it to friends and associates. An important function is played by trust to cause behavioral and attitudinal loyalty which influences marketing outcomes, for instance, market share and price elasticity, as a result. Moorman, Deshpande and Zaltman (1993) said that outcome of trust is consumers' brand loyalty or commitment. In agreement with this, brand trust is defined as the eagerness of the average consumer to rely on the capability of the brand to present its confirmed task (Chaudhuri and Holbrook, 2001). Trust causes exchange relationships that are highly valued so the brand trust results in brand loyalty or commitment (Morgan and Hunt, 1994). Furthermore, Delgado-Ballester and Luis Munuera-Alemán (2001) suggested that brand trust is a variable that produces customers' commitment, especially in conditions of high involvement, in which its effect is well-built in contrast to overall satisfaction. An inspection of trust in a brand and how it is associated to brand loyalty gives a more complete understanding of brand loyalty (Lau and Lee, 1999).

The relationship between customer satisfaction and quality of services has been studied by a number of research studies (Berry and Willingham, 1997). Customer satisfaction, brand loyalty and financial performance can be predicted by perceived service value which is also one of the competitive advantage factors (Chen and Chen, 2010). The service systems are designed with an objective to offer the customer an experience which satisfies him adding on to the economic benefits for the organization (Berry and Willingham, 1997). The current competitive environment presents that customer satisfaction is only the base line and not enough for survival. So the higher aspiration is gaining customer loyalty through enhancing customer's perception about quality of service (Hu, Kandampully and Juwaheer, 2009). Generally, a customer wishes to get the maximum return on his money in the form of the

products or services in which he invests. It gives a benefit such that if the customer relishes the service experience then he is likely to come back to the service provider and may bring his friends and colleagues. On the other hand, if a customer is dissatisfied, he will voice his bad experience with others. It is difficult for the organization to know what is going to hit it (Hussain, Bhatti and Jilani, 2011). If the services are provided up to the satisfaction level of customer, it is in favor of the service provider as well as in the interests of customer. The executives of companies have recognized the significance of good services as they lead to improved financial gains (Hussain et al., 2011). In the light of previous research work, looking beyond the expectations of the customers should be the ultimate goal of the service providers in order to enhance the customer satisfaction (Berry and Willingham, 1997).



METHODOLOGY

Statistical tools and techniques are used to study the three dependent variables including customer pre-purchase dissonance, customer satisfaction and brand trust; and the independent variable, after sales services. It is about the impact of these variables on the home appliances industry in Pakistan. Perception of the organization's performance for the customers can differ. The organizations' interactions with customers can be lengthened by providing after sales services and developing the relationship (Gustafsson et al., 2010). Most manufacturing industries acknowledge after sales services as a general medium of revenue and profit generation as well as gaining a competitive advantage (Gaiardelli et al., 2007). Therefore, the organizations need to exceed the customers' expectations in order to gain their loyalty.

In light of this discussion, the research questions are:

- How after sales services can affect customer's pre-purchase dissonance on any brand?
- How after sales services can affect customer satisfaction on any brand?
- How after sales services can affect customer trust on any brand?
- What options will customer choose in case of dissatisfaction?

We form the following hypothesis to answer the above stated questions:

Hypothesis 1: Customer's Cognitive Dissonance decreases with increase in after sales services.
Hypothesis 2: Customer Satisfaction increases with better after sales services.
Hypothesis 3: Brand Trust increases with increase in after sales services.
Hypothesis 4: Customer rethinking begins with decrease in after sales services.

From this, we can reflect that these independent variables have a positive association with after sales services. The strength and nature of these relationships can be explored through a comparative study. The basic variables are categorized into three groups: Social factors, Market factors and Structural factors. Linear regression equation is used to study the model further:

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$$\textbf{Log AS} = \alpha + \beta_1 \log CD + \beta_2 \log CS + \beta_3 \log BT + \epsilon \text{ ------- (a)}$$
$$\textbf{Log BT} = \alpha + \beta_1 \log CE + \beta_2 \log AS + \beta_3 \log CS + \epsilon \text{ ------- (b)}$$

(Based on W. Hassan, Muhammad A. Gulzar and R. Shabbir 2014)

Here, AS	=	After Sales Services
CD	=	Customers Cognitive Dissonance
CS	=	Customers Satisfaction
BT	=	Brand Trust
CE	=	Customers Experiences
α	=	Constant
ϵ	=	Error term
β_1 , β_2, β_3	=	Coefficients

Based on the theoretical framework, we state that after sales services depend on the customers' cognitive dissonance, customer satisfaction and the brand trust. Customer satisfaction and customer cognitive dissonance depend on each other. Brands trust leads to the customers re-thinking process, which ultimately compels to customers satisfaction level.

A survey method was used for the data collection. The variables are taken from the previous research work. The sample comprised of 450 people of different ages, gender and social groups, working and living in different structures and directly or indirectly involved in the purchase of Household Appliances. Data collection is done on individual basis by the use of primary data, i.e., questionnaires. They helped in finding the customers' experiences, learning and attitude towards a brand and to find out customers' overall behavior towards any brand.

FINDINGS AND ANALYSIS

Brand Used by Customer

Table 1.2 states a variety of brands commonly available and consumed by the customers in Pakistan. The individuals were using the brand of their choice and responded to the questions while keeping in view their personal experience. The market has less variety. Also, the customers in Pakistan are not well informed.

According to the results of the survey; Sony is used by 85 respondents which is 18.9 percent of the total respondents. Samsung is used by 152 respondents which is 33.8 percent of the total respondents. LG is used by 96 respondents which is a total of 21.3 percent of the total respondents. Toshiba is used by 53 respondents which is 11.8 percent of the total respondents. Changhong is used by 64 respondents which is 14.2 percent of the total respondents. The first three brands cover a maximum market share i.e. almost 74 percent of the total market. No respondents use Hisense, Media, Konka and TCL products. Pakistan is still an open market for these companies as they can enter and increase the competition in the market.

Table 1.2: Home Appliances Brands Used by Respondents

Brands	Frequency	Percentage
Sony	85	18.9
Samsung	152	33.8
LG	96	21.3
Hisense	0	0.0
Media	0	0.0
Konka	0	0.0
Toshiba	53	11.8
TCL	0	0.0
Changhong	64	14.2

Total	450	100.0

Source: Calculated by the author based on the questionnaire data of this study.

Reliability

The relationship between the variables is studied using different social, market and structural factors with their impact on customer cognitive dissonance, customer satisfaction and brand trust. Here, again the questionnaire was used to collect the data from the customers. The questionnaire had the benefits of low costs, self administration as the respondents were from a varied background, anonymity of respondent and more information gathering such as of demographics etc. It was in English language and was thoroughly discussed in the group. The relationship between after sales services, customer cognitive dissonance, customer satisfaction and brand trust was determined by using different variables such as customer experience, word of mouth (WOM), brand popularity and price fluctuations. All the items related to these variables were scored with a five-point Likert scale, ranging from (1) strongly disagree to (5) strongly agree.

After sales services is one of the most important variables under study which effects the customer purchase decision making process under certain circumstances. This effect was measured by using a different set of questions that gives a comprehensive idea about the subject and ultimately its effects on customers' trust towards a specific brand. The cronbach alpha value of after sales services is 0.814.

Table 1.3: Summary of the Survey Items with Alpha Scores

Pakistan	Alpha (α)
After Sales Service	**0.814**
Spare parts of my home appliances Brand are easily available	
Spare parts of my home appliances Brand are low priced	
Technical support for my home appliances Brand is easily available	
Technical support for my home appliances Brand is low priced	
Warranty on my new home appliances Brand is an important feature for me	

Source: Calculated by the author based on the questionnaire data of this study.

Relationship between After Sales Services and Market Factors

After sales services has a very significant relationship with market factors affecting the customer decision-making process in Pakistan. In order to empirically establish this relationship, we applied statistical tools such as correlation analysis and multiple regressions.

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Table 1.4: Descriptive Statistics and Correlation Coefficients of Market Factors with After Sales Services

Factors	Mean	S.D	Correlation
After Sales Services	4.10	0.475	
Consumer Experience	4.05	0.253	0.481**
Word of Mouth (WOM)	4.04	0.395	0.366**
Price fluctuation	3.83	0.236	0.326**
Brand popularity	4.00	0.212	0.382**
*p<0.1,**p<0.05,***p<0.01			

There are 3 levels of significance, using 1 star (*), 2 stars (**), and 3 stars (***), representing 90% (alpha = 0.1), 95% (alpha = 0.05) and 99% (alpha = 0.01) confidence levels respectively. Table 1.4 shows the mean value, standard deviation value and the correlation coefficients of the current study between the market factors and after sales services.

The mean value of consumer experience is 4.05 with standard deviation value of 0.253 and correlation coefficient value of 0.481 which shows a significant relationship between consumer experience and after sales services after sales services. The mean value of word of mouth is 4.043 with standard deviation value of 0.395 and correlation coefficient value of 0.366 which also indicates that WOM has a significant relationship with after sales services. The mean value of price fluctuation is 3.83 with standard deviation value of 0.236 and correlation coefficient value of 0.326 which also indicates that price fluctuation has significant relationship with after sales services. The mean value of brand popularity is 4.00 with standard deviation value of 0.212 and correlation coefficient value of 0.382 which shows a significant relationship between brand popularity and after sales services. While the mean value of after sales services in case of Pakistan is 4.10 with standard deviation of 0.475. This leads us towards our hypotheses.

Table 1.5 presents results for Hypothesis 1. The dependent variable in this hypothesis is customer cognitive dissonance. The results show effect of after sales services on customer cognitive dissonance in Pakistan. R value of after sales services in case of Pakistan is 0.980 which means after sales services has an effect of 98.0 percent in creation of customer cognitive dissonance in decision making process. The alpha value in this case is 1.65 which shows a positive relationship between customer cognitive dissonance and after sales services. Therefore, customer cognitive dissonance has a positive relationship with after sales services in case of Pakistan.

Table 1.5: Regression predicting H1: Relationship between Customer Cognitive Dissonance and After Sales Services

DV: Cognitive Dissonance				
R	0.980			
R^2	0.961**			
Adjusted R^2	0.961			
F-value	11092.4			

Predictors	**B**	**Sig.**	***T***	**VIF**
A	1.65**	.000	73.42	
After sale service	0.980**	.000	105.32	1.00
p<0.1,p<0.05,***p<0.01*				

Table 1.6 presents results for Hypothesis 2. The dependent variable in this hypothesis is customer satisfaction. The results shows affect of after sales services on customer satisfaction in Pakistan. R value of after sales services in case of Pakistan is 0.408 which means after sale services have an effect of 40.8 percent in creation of customer satisfaction. The alpha value in this case is 2.01 which show a positive relationship between customer satisfaction and after sale services. Therefore, customer satisfaction has a positive relationship with the after sales services.

Table 1.6: Regression predicting H2: Relationship between Customer Satisfaction and After Sales Services

DV: Customer Satisfaction				
R	0.408			
R^2	0.166**			
Adjusted R^2	0.164			
F-value	89.40			
Predictors	**B**	**Sig.**	***T***	**VIF**
A	2.01**	.003	3.016	
After Sale Service	0.408**	.000	9.455	1.00
p<0.1,p<0.05,***p<0.01*				

Table 1.7 presents results for hypothesis 3. The dependent variable in this hypothesis is brand trust. The results show effect of after sales services on brand trust in Pakistan. R value of after sales services in case of Pakistan is 0.791 which means after sales services has an effect of 79.1 percent in creation of brand trust. The alpha value in this case is 2.351 which show a positive relationship between brand trust and after sales services. Therefore, Brand Trust has a positive relationship with the after sales services in case of Pakistan.

Table 1.7: Regression predicting H3: Relationship between Brand trust and After sales services

DV: Brand Trust				
R	0.791			
R^2	0.625**			
Adjusted R^2	0.625			
F-value	747.91			
Predictors	**B**	**Sig.**	***t***	**VIF**
A	2.351**	0.000	34.696	
After Sale Service	0.791**	0.000	27.348	1.00
p<0.1,p<0.05,***p<0.01*				

CONCLUSION

The higher after sales services will decrease the pre-purchase dissonance and lower after sales services will increase the pre-purchase dissonance within customer's mind about choosing a specific brand. The manufacturers have to focus on the after sales services to develop a mindset

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of care for the customers. This can be done through promotional techniques via simple slogans, advertisements etc. The higher after sales services will increase the level of customer satisfaction and the lower after sales services will decrease the level of customer satisfaction. An effective after sales services requires consistent commitment towards the customers. Customers are a source of information. If their concerns be heard, they can help pinpoint areas of improvement. This can be done through a mere follow-up with the customer using a combination of ways. Brand trust of a customer increases with higher after sales services and decreases with lower after sales services.

Keeping up with the constant effort can build customer trust. The after sales services provider needs to fulfill the promises made. Retention of customers through persistent customer care, honoring the customer's commitments, and keeping the customer center of attention strengthens their loyalty towards a brand. The customer will go in the re-thinking process if the after sales services of the brand are poor. It can also be stated as with the increase in pre-purchase dissonance, decrease in customer satisfaction, the trust over a brand will also decrease and the customer will re-think about his choice for similar products, while making purchases in future. The manufactures should try to anticipate customer's needs and problems. They should keep putting their efforts in providing solutions to them so that they do not think of leaving the brand and become valuable customers for a brand.

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CUSTOMER RELATIONSHIP AND TRUST: CUSTOMER ROLE AS A MODERATOR

MING-HSIEN YANG1 AND CHANG-TANG CHIANG2

ABSTRACT

Understanding customer role in the brand's social-media-based community is helpful for enterprises to manage customer relationship successfully. The study aims to investigate the effect of customer roles on the relationship management effectiveness of brand community under the environment of social media. Through literature review, the study selects trust to the brand as the construct reflecting customer relationship quality and proposes a research model illustrating the association between customer relationships and brand trust, which may be moderated by customer role. To validate the proposed model, a web questionnaire survey was administered to collect data. The analysis results of 381 valid responses show that customers' relationship has positive effect on customers' trust to the brand and customer role in social media influences the effect of customer relationship management. Customer role has moderation effect on the correlation between customers' relationship with product/service and customers' trust to the brand.

Keywords: social media, brand community, customer role, consumer engagement, customer relationship management

INTRODUCTION

Customer relationship is very important in determining a firm's performance and customer role is one key factor of managing customer relationship (Payne and Frow, 2005; Gouthier and Schmid, 2003). Social media provide an ideal platform for businesses to manage customer relationship and can serve as a channel for brand managers to communicate with customers (Pentina et al., 2013). Customers' behavior in social media reflects their interaction with the brand and understanding customer role in the brand's social-media-based community is helpful for enterprises to manage customer relationship successfully.

From a consumer standpoint, the motivation of engaging with the brand is to satisfy individual's demand and benefit from the engagement. Therefore it may be reasonable to assume that consumer engagement can lead to the satisfaction with the brand (Wirtz et al., 2013). According to Hollebeek (2011), a customer's engagement with the company generates the outcome of his or her trust in the company. Based on the analysis of online user behavior data, Brodie et al. (2011) also found that consumer engagement can bring the consequences of satisfaction, trust, commitment and loyalty in virtual brand community.

The study aims to explore the impact of customer role on the effectiveness of enterprise brand community relations from the perspective of consumer engagement. Consumer engagement is of value to enterprises from three dimensions of cognition, emotion and behavior (Brodie et al., 2013). Based on the three dimensions, the enterprises can analyze the customers' behavior in social media. This study will explore customer role from these dimensions.

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LITERATURE REVIEW

Relationship Management and Customer Role

Enterprise relationship management is an important research topic. Ttraditionally, enterprises pay a lot of efforts to manage employee relationship, union relationship, and competing relationship. Since the emergence of electronic commerce (EC), enterprises need to pay more attention to the impacts of customer relationship management (CRM), supplier relationship management (supplier relationship management, SRM), and partner relationship management (partner relationship management, PRM) on their business operations (Johnson, 1999; Smith, 1998). In the area of social psychology, relationship refers to a course of social interactions within a human network, among which each member involves in the interaction, maintains contact with each other, and generates the results of establishing trust and mutually beneficial cooperation following the law of social exchange (Hwang, 1987).

In the aspects of commercial activities, marketing scholars believe that relationship should be used in establishing the enterprise's close links with customers and cultivating customers' sense of psychological, emotional, economic, and even physical attachments with the enterprise through a series of successful interactions; thus produce more close engagement and long contact of customers with the enterprise that would be helpful to create the enterprise's competition advantage (Christopher and Towill, 2001). The importance of rrelationship for enterprises exists not only for customer relationship in business to customer (B2C) market but also for partnership in business to business (B2B) market (Smith, 1998). Building good relationships between business partners will help mutual cooperation to produce products, provide services, and exchange technology, and facilitate the projects to achieve collaborative objectives of reducing cost, shortening transaction time, and quick response to accommodate changing demand in the consumer market (Woo and Ennew, 2004).

Customer relationship management means establishing one-to-one relationships with customers through effective relationship management strategies to increase customer satisfaction and loyalty, and enhance business value (Payne and Frow, 2005). Many studies use quality, called relationship quality, to measure the relationship between buyers and sellers and the most commonly used measures are trust and satisfaction (Crosby et al., 1990). Trust refers to one party in the trade relationship can rely on the other person for sharing trading risk and undertaking mutual cooperation. Satisfaction refers to the feeling of interaction between the partners. Other facets of quality include risk, each other's behavior, information disclosure, commitment, shared values, communication, and relationship benefits (Parsons, 2002). Maintaining customer relations depends on high quality of the relationship and high quality relationships can develop good customer relations. So customer relationship study is in essence the study of relationship quality. Based on the study of Athanasopoulou (2009), the most common used dimensions of relationship quality are trust, commitment, and satisfaction. In a recent social commerce study, Liang et al. (2011) found that relationship quality is positively correlated to consumers' intentions of purchasing and continuance use of social commerce. They also measured the relationship quality in terms of trust, commitment, and satisfaction.

According to McGrath and Otnes (1995), there are three types of customer role in retail setting: help seeker, reactive helper, and proactive helper. Help seekers refer to those who will seek for help or information from other customers or strangers nearby. Reactive helpers are those who provide information or are consulted by other customers passively. Proactive helpers indicate that they provide information or recommend product or service to other strangers unexpectedly. Based on customer voluntary performance, Bettencourt (1997) categorized customer resource roles as promoter of the firm, human resource, and organizational consultant. Promotors of the firm refer to those customers who recommend the product or service to other customers by word of mouth or contribution. Human resources refer to those

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customers who respect the firm's service quality condition spontaneously. Organizational consultants refer to those customers actively who involve in the management and development activities of the firm's daily operation.

Social Media

According to Kaplan and Haenlein (2010), social media refer to a group of internet-based applications built on the ideological and technological foundations of Web 2.0 that allow the creation and exchange of user-generated content. Jarrahi and Sawyer (2013) argued that expert locating and socializing, creating social awareness, and infusion of innovative ideas are three major advantages of social media for an organization. Technically, the conceptual difference between Web 2.0 and traditional IT lies in the former providing features such as interactive, dynamic, unstructured content and user control for an organization to implement knowledge management, collaboration, and social technology (Jarrahi and Sawyer, 2013).

Social media enable huge users with same interest flock together in this platform to exchange information revolutionizes how people communicate and online users can express their feeling and opinions by texts, links, videos, and images in this platform (Kim et al., 2010). The features of social media like the media richness, communication immediacy, and interaction quality have made them very different from the traditional media and changed human behaviors in social interaction (Kim et al., 2010; Sawhney et al., 2005). Especially, their applications in business allow users to create, share, and exchange information and ideas, which is fundamentally changing interactions between firms and consumers (Kaplan and Haenlein, 2010).

Social media can empower people in many ways through convenient and intensive human interactions. Utilizing the web technology, on line users can easily connect relative individuals via social media, which are operated on the platform of Internet (Kim et al., 2010; Mangold and Faulds, 2009). Those people with similar interests, goals, experiences, profession, and relationship are connected to contact, exchange information, share message and build up relationship by leveraging the distinct features of Internet. Various service providers of social media applications offer their specific services based on its operational purposes. Facebook is currently the one that has most registered users, which has exceeded one billion in 2013. It allows users to post messages to express their feelings and comments, and other users may respond to the messages. It also provides the functionality of fan group for enterprises to manage their relationship with consumers. The functionalities of social media are three folds. First is the instrumental functionalities of information access and knowledge sharing. Second is the social functionalities of interaction facilitation. Third is the psychological functionalities of virtual environment experience (Parra-López et al., 2011).

Brand Community and Consumer Engagement

Brand communities differ from traditional communities due to their commercial character and members' common interest in a brand (Albert et al., 2008; Zaglia, 2013). A brand community refers to a specialized community based on social relations among consumers of a brand and provides social structure to consumer-consumer and consumer-firm relationships (Muniz and O'Guinn, 2001). It represents a form of association embedded in the context of the consumption of the brand's products, is composed of the community members and their relationships, and is an effective solution for relationship management (Laroche et al., 2012).
Brand community established on social media has positive effects on an enterprise's value creation practices (Laroche et al., 2012). Members often derive a feeling of belonging from their membership in a brand community (Algesheimer et al., 2005; Zaglia, 2013). Therefore, the consumers' loyalty to a brand will be substantially influenced by their active membership in a brand community (Muniz and O'Guinn, 2001). Consumers' particular feeling of belonging

to a brand community can be regarded as consumers' engagement or brand attachment (Zhou et al., 2013), which increases their intention to participate in the co-creation activities of the brand community.

Consumer engagement has recently become an important concept in the field of relationship marketing (Brodie et al., 2013). Engagement can be used to explain consumer behavior concerning a particular brand or enterprise beyond business transactions (Doorn et al., 2010) and has also proven a precondition for consumers to respond to and participate in the enterprise's activities (Brodie et al., 2013). According to Brodie et al. (2013), consumer engagement has three levels: cognitive, affective, and behavior. The three dimensions will be applied to identify customer role in the study.

RESEARCH METHODS

Research Hypotheses

Brand community is a group of admirers to a brand, composed of specific social relations based on the social structure of the geographically non-restricted community (Muniz and O'Guinn, 2001). Under this definition, brand community contains the relations of consumer to brand, consumer to consumer, and consumer to community. McAlexander et al. (2002) found that the above definition of brand community lacks relations of consumer to product/service and consumer to company (the firm that provides the products or services of the brand). So they advocated a brand community should be consumer-centric and expanded the concept of brand community to have four types of relations: consumers with product/service, consumers and company, consumers and brand, and consumer to consumer.

According to Wirtz et al. (2013), customers participate in the online brand community because they are seeking the same mindset of consumers for interpersonal interactions and sharing their enthusiasm. Moreover, in the process of customer interactions in the online brand community their cognitive social interests increase and thus strengthen their relationship with the brand. The customer interactions include the four types of customer relations: customer to product/service, customer to company, customer to brand, and customer to customer (McAlexander et al., 2002). So these customer relations are positively associated with the relationship quality, which can be measured by trust and satisfaction (Crosby et al., 1990; Liang et al., 2011). Based on the above arguments, this study proposes the following hypotheses:

H1a: Customer to product relation is positively correlated to customer trust in the online brand community.

H1b: Customer to company relation is positively correlated to customer trust in the online brand community.

H1c: Customer to brand relation is positively correlated to customer trust in the online brand community.

H1d: Customer to customer relation is positively correlated to customer trust in the online brand community.

This study measures customer role based on customer engagement. Customer engagement includes three dimensions: cognition, emotion and behavior (Brodie et al., 2011). In the cognitive dimension, the study adopts the definition of Hollebeek et al. (2011), which means the degree of a consumer's cognition processing and elaboration during his or her interactions with the brand or other consumers in social media. In the emotional dimension, this study adapts the definitions of Gupta and Kim (2007) and defines it as the consumer's positive emotions level generated under the influence of social media. In behavior dimension, this study modified the consumer engagement behavior defined by van Doorn et al. (2010) and defines it as the consumer's non-trading behavior, originated from intrinsic motivation, toward the brand in social media. According to McGrath and Otnes (1995), there are three types of

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customer role and different roles exhibit different behavior. Accordingly, customer role will influence customer relations and customer relationship quality. And it is reasonably to argue that customer role will moderate the correlation between customer relations and customer trust, which we proposed in H1. Therefore, the study proposes the following hypotheses:
H2a: Customer role will moderate the correlation between customer to product relation and customer trust in the online brand community.
H2b: Customer role will moderate the correlation between customer to company relation and customer trust in the online brand community.
H2c: Customer role will moderate the correlation between customer to brand relation and customer trust in the online brand community.
H2d: Customer role will moderate the correlation between customer to customer relation and customer trust in the online brand community.

Data Collection and Analysis

This study conducts an online questionnaire survey to test the proposed research hypotheses. Among the total 427 responses, 46 (10.8%) were invalid and excluded. Finally, 381 responses were used for further data analysis.

Regarding the questionnaire items, the measurement items for the independent variable (customer relations) were adapted from Habibi et al. (2014), Shen et al. (2010), and McAlexander et al. (2002). First, on the relationship between products and customers (customer to product, CP), there are three items: I love this brand of product (CP1), I have a good feeling for this particular brand of product (CP2), I used this brand of products (CP3). Secondly, for the relations between customers and brands (customer to brand, CB) there are four questions: I am concerned about this particular brand of information (CB1), I think this brand products have better quality than similar products (CB2), I would recommend this brand products to my friends (CB3), I will buy other products of the same brand if I couldn't buy one particular product of this brand (CB4). Thirdly, for the customer and company relationship (customer to company, CC), there are five items: the company understands my needs (CC1), the company cares about my views (CC2), The company values my feedback (CC3), the company will share with me information (CC4), the company cares about most of the customers (CC5). Finally, for the relations of customer and other customers (customer to customer, CO), there are four questions: I have shared values with members of the brand community (CO1), members in the brand community have a common goal (CO2), I share the same interest with members in the brand community (CO3), I share the same preference with members in the brand community (CO4).

As for the dependent variable customer trust (TS), the study adopts the measurement items of Liang et al. (2011); there are three items: the brand can meet my expectations (TS1), the brand is dependable (TS2), the brand is reliable (TS3). Regarding the moderator variable (customer role), the study measures from three dimensions of customer engagement: cognition, emotion and behavior (Brodie et al., 2011). Based on the definitions of Hollebeek et al. (2011), Gupta and Kim (2007), and Van Doorn. et al. (2010) on cognition, emotion, andconsumer engagement behavior respectively, this study develops six items to measure customer role (CR): I ask questions to members in the online brand community (CR1), I respond to the questions in the online brand community and discuss with members (CR2), I use emotional text or emoticons when express opinions in the online brand community (CR3), the content of my contributions to the online brand community is interesting, fascinating, exciting, or fascinating (CR4), I ask questions to members in the online brand community (CR1), I tell others outside this brand community's information (CR5), I support this online brand communities (CR6).

RESULTS AND DISCUSSIONS

This study uses SmartPLS 2.0 to conduct the analysis of structural equation model (SEM). The results of measurement model (as Table 1) show that the values of Cronbach's α and composite reliability (CR) for all variables are greater than 0.8 and the average variance extracted (AVE) for all variables are above 0.5. That is, the reliability and convergent validity are ensured in the study according to the recommended threshold values of Hair et al. (2006). As for the discriminant validity, Fornell and Larcker (1981) suggested an evaluation criterion that each construct's square root of average variance extracted is greater than its correlation coefficients with other constructs. It can be seen from Table 1 that the study results also exhibit good discriminant validity between the constructs.

The result of structural model is shown in Figure 1. Path coefficient between customer to product relation (CP) and trust (TS) in the model is 0.212 (p value is less than 0.05), supporting hypothesis H1a. That is, customer to product relation is positively correlated to customer trust in the online brand community. Path coefficient between customer to company relation (CC) and trust (TS) is 0.207 (p value is less than 0.01), also supporting hypothesis H1b, which indicates that customer to product relation is positively correlated to customer trust in the online brand community. Path coefficient between customer to brand (CB) and trust (TS) is the 0.164 (p value is less than 0.01), supporting hypothesis H1c as well. In other words, customer to brand relation is positively correlated to customer trust in the online brand community. For the customer to customer relation (CO) and trust (TS), the path coefficient is 0.279 (p value is less than 0.001), supporting hypothesis H1d. That is, customer to brand relation is positively correlated to customer trust in the online brand community. These four variables explain a total 58 percent of variance for trust (R^2 = 0.58).

Table 1: Analysis results of reliability and validity

Variable	AVE Value	CR Value	A Value	CB	CC	CR	CO	CP	TS
CB	0.825	0.934	0.894	**0.908**					
CC	0.765	0.942	0.923	0.657	**0.875**				
CR	0.574	0.889	0.859	0.521	0.552	**0.758**			
CO	0.807	0.944	0.920	0.593	0.720	0.567	**0.899**		
CP	0.895	0.963	0.941	0.874	0.687	0.560	0.642	**0.946**	
TS	0.877	0.955	0.929	0.665	0.646	0.506	0.656	0.685	**0.936**

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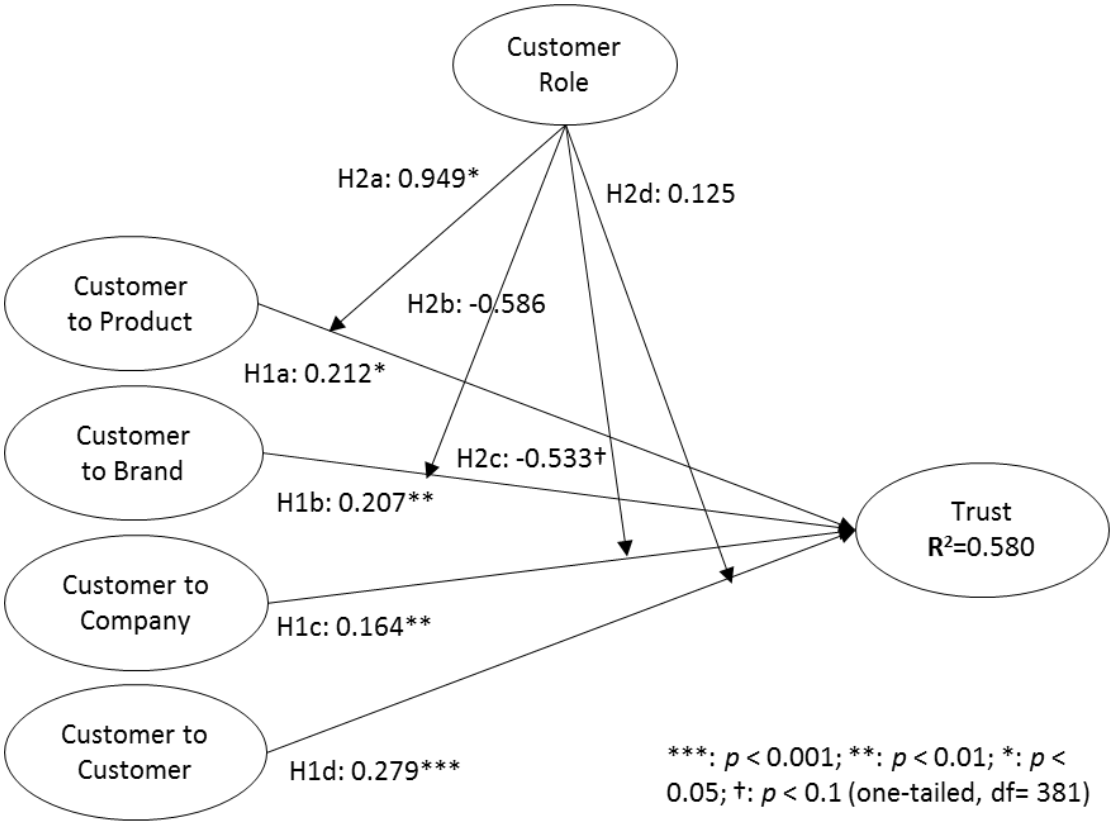

Figure 1: Structural model

For the moderating effect of customer role on the preceding correlations, hypothesis H2a is also supported, the path coefficient is 0.949 (p value is less than 0.05). That is, customer role moderates the correlation between customer to product relation and customer trust in the online brand community. Hypothesis H2c is barely supported, the path coefficient is -0.533 (p value is less than 0.10), which means customer role will moderate the correlation between customer to brand relation and customer trust in the online brand community, but its significance level is smaller than H2a and the moderation direction is opposite. However, hypotheses H2b and H2d are not supported, their path coefficients are -0.586 and 0.125 (p Value is greater than 0.1). In other words, customer role will not moderate the correlation between customer to company relation and customer trust as well as the correlation between customer to customer relation and customer trust in the online brand community.

CONCLUSION

Online brand community management is a comprehensive activity management. The scope of relationship management of the brand manager of an online community includes the interactions between customer and company, customer and brand, customer and product/service, as well as the relationship between customer and customer (Habibi et al., 2014). In other words, activities in online brand community are the integration of customer activities of its current consumers and potential consumers throughout the organization and affect all kinds of products and services, brands, and the whole company. These customer relations in online community also have a positive impact on customer trust. The results of this study found that customers to product relation, customer to company relation, customer to brand relation, and customer relationship with other customers have a positive impact on brand trust, and the effect accounts for the nearly 60%, indicating the importance of customer relationship management in online brand communities.

This study also found that in the aforementioned customer relationship management activities, customer to customer relation influences customer trust most, followed by customer to product relation, customer to company relation, and customer to brand relation respectively. Although the study finding needs further study to validate, it is consistent with the nature of online communities. Brand community is formed by its members and their relationship and represents the form of linkage context embedded in the brand community (Laroche et al., 2012). Therefore, customer's relationship with customers plays a most important role in customer relationship management. Brand community members often have a sense of belonging to the community because they think they are a part of the community (Zaglia, 2013). This kind of interaction with each other plays a greater influence in online brand community because of the social media capabilities.

The study also initially confirmed that customer role will influence the effectiveness for customer relationship management. The study results show that customer role moderates the correlation between customer to product relation and customer trust, as well as the correlation between customer to brand relation and customer trust, in the online brand community. But customer role does not significantly moderate the correlation between customer to company relation and customer trust as well as the correlation between customer to customer relation and customer trust in the online brand community. Therefore, the study findings can be served as a foundation to further investigate the impact of customer role on customer relationship management effectiveness.

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APPLICATION OF QUANTITATIVE AND EX-POST FACTO RESEARCH METHODOLOGY IN CORPORATE BORROWING IN NIGERIA: EMPIRICAL EVIDENCE.

DR. PETER OKPAMEN[1]

ABSTRACT

This study examined corporate borrowing and organizational growth in Nigeria. The ex-post facto research design was adopted in the methodology. The population consists of all quoted companies in the Nigerian Stock Exchange. A sample of 40 companies was examined for 2012-2013 financial year. Panel estimated generalized Least Squares (PEGLS) regressionwith cross-section random effect was adopted in the analysis. The study showed that long-term borrowings enhanced firms' growth and it is statistically significant. Similarly, firm's age is positively enhanced from growth though it is found to be statistically insignificantly. Also interest charges determined organizational growth but were not statistically significant. Premised on this, firms are strongly advised to always compare the marginal benefits of using debt financing to the marginal costs of debt financing before concluding on using it in financing their operations.

Key words: Corporate borrowing, firm age, firm size, organizational growth.

INTRODUCTION

Naturally, human species perform less as they aged. In the same vein, firms as artificial beings literary are expected to underperform as they grow older. The reverse has appeared to be the case when a critical evaluation is made as regard how age could possibly influence the performance and by extension the growth of quoted firms. There are two types of ages in firms. These are the incorporation age and management age. Either of these ages intuitively has a tie withregard to how the firm performed. Similarly, observations have shown that most managers hardly take time enough to evaluate the growth rate of the corporate organizations they serve irrespective of the borrowingsources. The relationship between corporate borrowing and organizational growth is of utmost concern to researchers in finance, accounting and other related fields of study. Corporate borrowing can otherwise be referred to as debt financing and is an aspect of capital structure. Corporate borrowing as the term implies is concerned with external financing which in this case basically consists of long term and short termloans, lease, as well as issuance of corporate bonds. Long term corporate borrowing includes obligations that are not due to be repaid within the next twelve months; such debt consists mostly of bonds or similar obligations including "great variety of notes, capital lease obligation and mortgage issues (OgbuluEmeni, 2012). Short-term corporate borrowing includes obligations that are due to be repaid within twelve months. Firms' total borrowings and costs encompass financing means which have implications on the firms' performance and growth. The varying components of corporate borrowing can be used to finance seasonal increases in working capital; permanent increases in working capital, the acquisition of plant, property or equipment; or for merger or acquisition (Ogbulu and Emeni, 2012).

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REVIEW OF RELATED LITERATURE

Conceptual Review

Growth is a gradual process and in the context of firms it can be defined as an increase in the sales of company, expansion of business through acquisition or merger, growth of the profits, product development, diversification, research and development and also an increase in the number of employees of the firm (Rehana et al., 2012). Growth as a concept is inevitable in the real world and by extension in the business world. Growth in the corporate business world is a gradual process which is usually occasioned by certain variables. Thus, firm growth is an increase in certain attributes such as sales, employment, and/or profit of a firm between two points in time (Hakkert and Kemp, 2006). Firm growth can also be measured by way of assets, market shares, employees' size, number of branches, sales/ gross revenue, profit, amongst others. Firms' growth in sales and employment reflect both short-term and long-term changes and they are easy to obtain (Zhou, 2009). Furthermore, compared to other indicators such as market shares, sales and employment are more objective measures of growth (Delmar, 1997).

Theoretical Review

There are numerous theoriesunderpinningfirms' growth rate. Theyrange from neo -classical theory, agency theory, Kaldar- random law to Penrose effects theory. The neo-classical theory states that most advantages growth options are availed first by a firm's and after that less advantages options are exploited. The agency theory state that when the managers have internal finance, they can invest it in less profitable projects or even in the project of negative net present value due to their personal interest such that the profitability and growth of the firm by extension is declined (Sorninen et al., 2011). The hypothesis of growth maximization theory states that the managers choose the growth maximization as an objective of the firm and not the profit such that the competitive relationship exist between firm profit and growth (Maris, 1964; Mueller, 1972). The Kaldor- Verdoorn theory states that the productivity of a firm can be increased by enhancing the firm growth and when productivity is increased, the sale also increases thus maximizingthe profit of the organization (DeAngelo and Masulis, 1980). The Penrose theory notes that firms that have to determine long-run or optimum size but only constraint on current period growth rates. One of the major conclusions of the penrose effect theory of growth is that small firms grow faster than larger ones until they reach what can best be described as minimum efficient scale of production. The beauty of all these theories is that they meander towards the Gibrat's (1931) law of proportionate effect which clearly holds that current firm growth is largely dependent on its pervious factors.

Empirical Review

Relationship between corporate borrowing and organizational growth

Wippern (1966) ascertain the relationship between debt and firm value on some industries marked by high degree characteristics ranging from growth, cost and demand. The result indicates that corporate borrowing influences firms' growth. Holz (2002) ascribe the empirical result to the willingness of firms' managers to finance their projects by borrowing and then use the money optimally to maximize performanceand leads to the firm's growth. 7\Dessi and Robertson (2003) find that corporate borrowing positively affects expected performance. They explained that low growth firms attempt to depend on borrowing to meet expected growth opportunities. Similarly, Margrates and Psillaki (2010) prove that corporate borrowing positively correlates significantly with firm financial growth. In this case, the performance manifests in growth by way of added value, labor and capital. However, Abor (2005) posits

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that short term debt, long term debt and total debt associate negatively and statistically with firm performance. In finance and other finance related field of study, there is no doubt growth is a function of firms' performance. The conclusion drawn by Abor (2005) was that firms relying on extreme borrowing will not achieve tax shields and it leads to increase borrowing cost of which the firm's exposed to the bankruptcy risks and reduction of returns.

Agarwal and Zhao (2007) present additional evidence on how the growth of the firm may be influenced by the relationship between corporate borrowing and performance. They note that high growth firms are influenced negatively between financial leverage and firm value, while low growth firms are influenced positively. On the contrary, Mustafa and Osama (2009) report that there is no large difference between average of corporate borrowing for each high and low growth firms in a sample of 76 firms from the period 2001-2006 of public Jordanian firms listed in the Amman stock markets. Consistent with agency costs theory, prior literatures indicate that corporate borrowing is value reducing for high growth firms and it is value enhancing for low-growth firms (Ogbulu and Emeni, 2012). Mcconnell and Servas (1995) in a study of U.S. firms, discover that for firms with high P/E ratios or for high-growth firms, value is negatively related to corporate borrowing and that in firms with low P/E ratio or low-growth firms, value is positively related to corporate borrowing. Their empirical evidence does support the contention that for low-growth firms, corporate borrowing serves as a monitoring mechanism to improve the firm value, whereas, for high-growth firms, corporate borrowing causes under investment and destroys the value of a firm.

The crux of this study lies on thefact that in an emerging economy such asNigeria; equity capital, a component of capital structure in financing firms operations should be de-emphasized and the preference for corporate borrowing emphasized because of the tendency of the latter to enhance firms' value, and for the purpose of tax shields given that there is no huge increase in borrowing that could result to bankruptcy risk and other costs. This was the submission of the pecking order theory. Moreover, equity financing has its own effects which are sometimes more devastating than corporate borrowing in quoted firms. According to Laurence et al. (2009), of the 35 studies of organizational growth identified in a literature review, only 22 reported an identifiable formula for their measure of growth. Three of the 35 studies did not report formulas because they used subjective self-reported measures of growth obtained from organization members, an approach subject to both systematic bias and random differences in interpretation. Nineteen of the 22 studies reported identifiable formulas used in manipulations of first year (to) and last-year (t_f) size to measure growth. Specifically, six studies measured growth as a ratio of last year to first year organization size (tf/to); another five studies measured growth as the difference of first year size and last-year size divided by first-year (tf-to/to); another five studies measured growth as the difference between first-year size and last-year size divided by length of the study ([tf-to]/n); and three studies measured growth by subtracting first –year size from last-year size (tf-to). Thus, of the 22 studies reporting mathematical relationships to measure growth, 19 (86%) analyzed growth as some difference between first-year and last-year sizes (Laurenc et al, 2009). Thus, this study adopts similar approach in measuring growth in the methodology section.

Relationship between firms' age and Growth

In biology ageing is a process associated with a general decline in the physical functioning of the human body such as the ability to remember, react, move and to add wrinkle of the skin (Loderer and Waelchli, 2010). In real life, indications are there that these abilities in human beings get worse at older age and most often they lack the strength to optimally perform in certain activities.Theytend to renew these abilities through mental development exercises through reading and lots more. Firms are artificial beings, they are birthed and can

also die as humans. They have a life cycle spanning from germination to maturity and growth stage until there is a gradual decline of its value in the markets place. Just as efforts are made by human species to have a constant renewal, so firms engage in renewal in order to continue to exist. They may engage in renewal through innovation, product development, diversification, research and development amongst others. It suffice to state that young firms grow as they age, but do the older firms grow? If they grow, at what rate and how is their ageing correlated with their growth and by extension performance. This has indeed made the quest for organizational immortality very attractive in literatures (Barron, West and Hanuan, 1994; Hannan, 1998; Hannan, Polos and Carroll, 2003a). It was Hopenhayn (1992) who established plausible assumptions that older firms enjoy higher profits, value and by extension growth rate. literally, it is expected that ageing firms should have a common relationship with their profitability and growth. It is worthy to state that age at incorporation is notthe same as management age which has to do with the age or tenure of the management in a firm. Incorporationage of the firms is mainly concerned with the very period they were established or incorporated. Thatis the number of years since listing on a recognizedStock Market.Loderer and Waekhli (2010) examine the effect of age on growth on inter-temporal basis and conclude that age does not significantly influence growth. Earlier, Villalonga and Amit (2006) find no relation between firm age, profitability and growth. One major point in most researches is that firms perform better and experience growth rate at the incorporation stage down to maturity in their life cycle and get worse when they age further. Barron et al. (1994) suggest that age can have adverse effects on performance and growth because of the organizational rigidities that it brings about. Loderer and Waekhli (2010) study indicates that sales grow as firms grow older. A firm that grows older and intends to experience growth may achieve that through restructuring and re-engineering coupled with diversification with a view to maximizing the shareholders wealth and avoid going into extinction. The view is that internal sources of financing may not really be enough if there are still managerial, technical and human challenges. This study hypothesized that age does not significantly influence firms' growth.

Relationship between firm Size and Growth

Early empirical study on firm growth took current size as the only explanatory variable (Yose and Lourdes, 2000). Most of the studies so far have displayed disagreement as regard the actual way firm size can be succinctly measured. Firm size can be measured through total assets, total sales and employment or through total profits (Rehana et al., 2012). Gibrat (1931) was the first to examine the relationship existing between firm size and growth. He postulates that when the size and growth are independent and unrelated, then firm growth increases or decreasesarbitrarily and there is unlimited variance of firm size. He stresses that past growth does not depict future growth of the firm Hart and Paris (1956) study indicates that small size firms grew faster than old firms. Bonini (1958) earlystudy points outthat firm sizeand growth have an inverse relationship. Hymer and Pashigian (2011) established no significant relationship between firm size and growth of 1000 U.S firms. Mans-field (1962); Das (1995) and Hall (1987) ascertain no significant relationship between firms size and growth.

METHODOLOGY

The population of study consisted of all companies quoted on the Nigerian Stock Exchange as at 31st December 2013. The ex-post facto research designs wereused in this study. A sample of 40 quoted manufacturing companies on the Nigeria Stock Exchange was selected using the convenience random sampling technique. Panel estimated generalized least squares technique was employed to undertake the econometric analysis after the summary statistical tests.

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However, the model specification employed to capture the linear relationship between the dependent and independent variables is stated in its deterministic form as:
Fgrowth= f (Short Term Debt, Long Term Debt, interest charge, Firm age, Firm size). It is stated in a linear modelas: Financial growth$_{it}$ = $\beta_{oit} + \beta_1^{STD}{}_{it} + \beta_2^{LTD}{}_{it} + \beta_3^{INT}{}_{it} + \beta_4^{FA}{}_{it} + \beta_5^{FS}{}_{it} + Ut_{it}$.
Where Fgrowth which represents financial growth and is the dependentvariable. The coefficients of $\beta_1 - \beta_2, \beta_3, \beta_4$ and$\beta_5$are the coefficient of the explanatory variables. Where
STD = Short term debt;
LTD=Long term debt;
INT=Interest charges
FA =Firm age; and
FS=Firm size andUt_{it} is the error term, also known as the stochastic variable.
The above model specification is underpinned to the models of Zhou (2009), Laurence et al (2009) and Ogbulu and Emeni (2012).

Operational Definition of Variables

1. Short term Debt: This is operationalized using debt falling due under one year as disclosed in the annual reports of the firms
2. Long term Debt: This is operationalized using debt falling under after more than one year as disclosed in the annual reports of the firms
3. Firm size: This is operationalized using total assets of the firms
4. Firm Age: This is operationalized using the incorporation age of the firms
5. Growth: This is operationalized using the previous year gross revenue (sales or turnover) minus current yeargross revenue (sales or turnover).

ANALYSIS AND DISCUSSION OF FINDINGS

Under this section, we present the econometric analysis and result of the model specified above. It begins with diagnostic tests, followed by statistical analysis, panel estimation techniques and the discussion of findings arising there from. Tables 1, 2 and3 below showthe summary of the relevant diagnosticians' misspecificationtests as well as the statistical analyses.

Table 1: Diagnostic tests

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.705720	Prob. F(2,70)	0.04972
Obs*R-squared	1.541663	Prob. Chi-Square(2)	0.04626

Heteroskedasticity Test: White

F-statistic	1585.284	Prob. F(20,57)	0.0000
Obs*R-squared	77.86002	Prob. Chi-Square(20)	0.0000
Scaled explained SS	1115.139	Prob. Chi-Square(20)	0.0000

Ramsey RESET Test

	Value	df	Probability
t-statistic	1.803079	71	0.01756

F-statistic	3.251092	(1, 71)	0.01756
Likelihood ratio	3.492264	1	0.0217

Source: E-VIEW 7.0:OUTPUT

The table above shows theBreusch- Godfrey serial correlation LM test of the residuals. TheF- statisticobtained was 0.705720 which is less than the 5% critical value. Thus, we accept the null hypothesis that no evidence of serial correlation exist also given the observed R-squared value as 1.541663 and the probability value as 0.04626. The white heteroskedasticitytest shows an F- statistic value of 1585.284 with probability values of 0.0000 and 0.0000 respectively, providing evidence of no heteroskedasticity. This is because the F- statistics is less than 1% and is statistically significant at 1% level. The Ramsey RESET test which indicates whether the model specification was appropriately made or not is observed to show F- statistic value of 3.25 with probability value of 0.00175 and is statistically significant at 5% level which suggests that evidence of misspecification of the regression model is unlikely. It implies therefore that the model is appropriately stated in a correct deterministic and stochastic form.

Table 2: Descriptive Analysis

	FGROWTH	STD	LTD	INT	AGE	FSIZE
Mean	13790882	67605118	32158683	3885412.	24.96154	1.90E+08
Median	367964.5	268591.5	2729.000	110016.5	22.50000	8363697.
Maximum	7.18E+08	4.20E+09	1.12E+09	2.06E+08	82.00000	6.03E+09
Minimum	0.000000	0.000000	0.000000	0.000000	2.000000	5454.000
Std. Dev.	82045433	4.80E+08	1.78E+08	23619780	16.42807	9.37E+08
Skewness	8.281947	8.366032	5.941620	8.235280	0.883177	5.865834
Kurtosis	71.48586	72.34137	36.53277	70.76226	4.633262	35.93936
Jarque-Bera	16135.20	16536.61	4113.389	15804.76	18.80954	3973.559
Probability	0.000000	0.000000	0.000000	0.000000	0.000082	0.000000
Sum	1.08E+09	5.27E+09	2.51E+09	3.03E+08	1947.000	1.48E+10
Sum Sq. Dev.	5.18E+17	1.77E+19	2.44E+18	4.30E+16	20780.88	6.76E+19
Observations	78	78	78	78	78	78

SOURCE: E-VIEWS 7.0 OUTPUT

The mean growth of the firm in terms of sales/revenue in the two periods observed is #13790882 units, it is higher than the median value of #3679645. The maximum sales /revenue growth of the quoted firms in the period was #71,800,000 units, while the minimum value is 0.000untis (Zero unit). The standard derivation, being the spread of the distribution stood at 82045433. It suggests excessive variability from the mean in the period. The J-B value of 16135.20 with a probability of 0.000000 indicates that firms' growth rate is statistically significant at 1% level and it satisfies normality. Short term borrowing has a mean value of #67,605,118 higher than the median value of #268591.5. The maximum amount of short- term borrowing was #4200, 0000. The spread of the distribution was 4.80. The J.B

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value is statistically significant at 1% and indicates short – term borrowing was normal and distributed across the quoted firms sampled in this study.

Long –term borrowing mean value is #32158683 with a median value of #2729.000. The maximum value of long –term borrowing employed by the quoted firms was #11200000. The standard derivation is 1.78. The Jargue- Bera value of 4113.389 indicates the data on long – term borrowing was statistically significant at 1% and satisfiesnormality. Interest charges on the corporate borrowing on the average was #38854.12 in the period observed. The median value is #110016. 5. The maximum value is #2.06. The spread of the variability was 23619780.It displays the riskiness of the cost of corporate borrowing in the period. The Jargue-Bera value of 15804.76 is statistically significant at 1% level and shows that the datais normally distributed. The mean Age of the sampled quoted firmsin the period is 24.9years. The maximum age of the firm is 82years while the minimum age is 2years standard derivation is 16.42. The J-B is statistically significant at 1% and is normally distributed. Firm size on the average is 1.90, the maximum size is 6.03 and the minimum value is 5454.000.The standard derivation is 9.37. The J.B value of 3973 is at 1% significant level isa point that the datais normally distributed. All the variables were positively spread in the period observed

Table 3: HAUSMAN TEST

Correlated Random Effects - Housman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	73.605760	5	0.0000

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
STD	-0.181307	-0.168521	0.005786	0.8665
LTD	1.946851	0.311664	0.050202	0.0000
INT	0.372187	0.595700	2.553878	0.8888
	-692803.660017	54186.8970 99	107102652 5296.1181	
AGE				0.4704
FSIZE	0.040327	0.062764	0.001195	0.5162

The table 3 above indicates that the Hausman test Chi-square statistic is 73.605760(with a probability of 1%) which revealedsignificant differences. Thus the null hypothesis is rejected and the inference here is the cross sectional random estimationis adopted for analysis and interpretation.

Table 4: Cross section random effect result

The results are presented below:
Dependent Variable: FGROWTH
Method: Panel EGLS (Cross-section random effects)
Date: 06/26/15 Time: 11:16
Sample: 2012 2013
Periods included: 2
Cross-sections included: 40
Total panel (unbalanced) observations: 78
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-442661.6	1130809.	-0.391456	0.6966
STD	-0.168521	0.021559	-7.816845	0.0000
LTD	0.311664	0.119183	2.614996	0.0109
INT	0.595700	0.446511	1.334120	0.1864
AGE	54186.90	37088.51	1.461016	0.1484
FSIZE	0.062764	0.011047	5.681783	0.0000

Effects Specification	S.D.	Rho
Cross-section random	2070670.	0.1930
Idiosyncratic random	4234718.	0.8070

Weighted Statistics			
R-squared	0.994062	Mean dependent var	11347572
Adjusted R-squared	0.993649	S.D. dependent var	74329321
S.E. of regression	5923717.	Sum squared resid	2.53E+15
F-statistic	2410.500	Durbin-Watson stat	2.550454
Prob(F-statistic)	0.000000		

Unweighted Statistics			
R-squared	0.994289	Mean dependent var	13790882
Sum squared resid	2.96E+15	Durbin-Watson stat	2.176811

The Adjusted R- squared being the coefficient of determination after adjusting for the degree of freedom is 0.99, suggesting that all the explanatory variables account for about 99%, systematic variation on dependent variable (sales/ revenue growth) of the firm, leaving 1% unaccounted for due to stochastic error term. This indicates that corporate borrowing determines Organizational growth in Nigeria given that the cost is low and the environments where the quoted firms operations exist are devoid of political and social- economic instability. The F- statistic indicating the overall goodness of fit of the model shows that all the independent variables were statistically significant at 1% level. The individual coefficient as can be observedreveals that a unit change in STD will result to – 0. 16852unit decrease in firms' growth and is statistically significant at 1% level. A unit change in long –

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term corporate borrowing will lead to 0.311664 unit increase in the firms' growth and is statistically significant at 5% level. A unit change in interest charges in the sampled quoted firms will lead to 0. 5957unit increase in the firms' growth and is statistically insignificant at 5% level. Aunit change in the firms' age is observed to lead to 54186.90 unit change in the growth of the firmsthough this is not statistically significant at 5% level. Similarly, a unit change in firm size is observed to lead to 0. 062764 unit increase in the growth of the firm in the period and is statistically significant at 1% level. The Durbin – Watson statistic under the unweight statistics of the cross- section random effects of 2.17 shows the absence of serial autocorrelation in the regression result, thus making it useful for policy perspective.

DISCUSSION OF FINDINGS

The findings from the estimation techniques above are quite revealing and thought provoking in finance and finance related discipline. Corporate borrowing was observed to determine organizational growth. The finding is a path breaking one given the very scanty or non-existence of empirical validation in this regard to the best of our knowledge in Nigeria. It is expected that borrowing (debt financing) will negatively impact on the performance and growth of firms. The finding corroborates with Wippern (1966); Holz (2002) and Robertson (2003). It is contrary to the findings of Abor (2005), and somewhat in Tandern with Agarwal and Zhao (2007). Specifically, Abor (2005) finds that short- term borrowing (debts) negatively influence firms' performance and by extension growth. However, the finding in this study is contrary to Abor (2005) that long-term and total debt borrowing negatively impact on firms growth and value. In this study long-term borrowing is ascertained to be statistically significant at enhancing corporate growth. Albeit, a low growth firm should employ corporate borrowing in the right direction and manner so as to achieve the wealth maximization goal. Firms are expected to achieve growth with short- term borrowing as against long – term borrowing. This is because they are able to make repayment as at when due. Thus, caution has to be exercised bythe finance manager. If short-term borrowings do not positively influence firm growth it clearly suggests other hidden ''games" are being played or at most there is inefficiency on the part of the managers.Italso shows there is liquidity crisis. Firmage especially incorporation age positively determines corporate growth; and is not statistically significant. Intuitively, firms' age should enhance the growth rate of growing (young) firms'. The findings in this study are not consistent with Lodere and Waekhli (2010), Amit (2006) and Baron et al. (1994). This study takes a position that firms' grow as they age if only they engage in research and development, innovation and diversification. Size was observed to significantly determine firm growth; the finding is not consistent with Pasugian (1962).

CONCLUDING REMARKS

This paper has empirically examined corporate borrowing and organizational growth. Corporate borrowings which comprise of short term and long term debts have a way of influencingfirm's growth, specifically low growth firm. Organizational growth can manifest through sales, employment, assets, market shares and/or profits. This studyhas shown that long term borrowings enhanced firms' growth and it is statistically significant at one percent level. Similarly, firm age positively enhanced firm growth though it is found to be statistically insignificant at one percent. However, short- term borrowings do not improve firm growth though it is statistically significant in the period observed. Alsointerest charges determine organizational growth but were not statistically significant. Premisedon this, it is recommended that quoted companies should de-emphasize the use of equity financing and emphasize on debt financing since it has positive influence on growth in order to ensure strict adherence to the pecking order theory. Firms are strongly advised to always compare the

marginal benefits of using debt financing to the marginal costs of debt financing before concluding on using it in financing their operations.

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STRATEGIC BRAND MANAGEMENT

KAVYA SHAH[1]

ABSTRACT

The existing body of management and business literature indicates that there has been a shift from real estate, tangibles and equipment as the main measures of the value of a company to its brands. In a highly competitive business world of today, brands are considered as the main source of differentiation and profit. The aim of this dissertation is to examine and compare the brand power of Tesla and Nissan. For this purpose, a wide range of secondary data sources, including books, empirical articles, journals, databases, Tesla's and Nissan's annual reports and web sites was accessed. The analysis of secondary data has revealed that Tesla is a more powerful brand in comparison with Nissan in terms of brand weight and brand breadth. By contrast, Nissan is more powerful in terms of the brand depth dimension. Both companies have the same number of fully electric cars in their product line, meaning their brand length is comparable. The main limitations of this project are poor generalisability and limited access to data sources and information. The researchers who investigate the issue of brand power in the automotive industry may be interested in this dissertation.

INTRODUCTION

Problem Statement and Rationale

For decades, the value of an organisation was assessed and measured in terms of its real estate, tangible assets and equipment (Chernev, 2015). Nevertheless, the existing management literature has recently recognised that firms' real value lies outside their business activities themselves (Aaker and McLoughlin, 2009). In today's world of globalisation and fierce competition, brands are the main source of differentiation (Kapferer, 2012). It is the brand that provides consumers with a clear set of values and aligns the enterprise's investments and activities (Keller, 2003). Brands make products and services easier to 'read' by consumers and hence, remove uncertainty and stimulate their purchasing behaviour (Chernev, 2015). In accordance with Temporal (2011), enterprises with powerful brands can build strong customer loyalty and sell their goods at premium prices. However, only few brands are able to attain power and ensure their success in a long-term perspective (Chernev, 2015). The topic of this dissertation has been selected since the issue of brand power is still underresearched in the existing management literature (Kilian, 2009). Furthermore, there is a lack of evidence that applies the brand power equity model to the automotive industry, which is another reason for the selection of this topic.

Background

It is strategically important to develop and leverage brand assets in order to ensure a high level of brand power and its owner's market performance (Temporal, 2011). According to the brand equity model, there are three key brand assets, namely brand awareness, brand loyalty and brand associations (Aaker and McLoughlin, 2009). Although this framework helps to evaluate the extent to which a certain brand is powerful, it only incorporates the customer's perspective on this issue (Buil et al., 2008). Alternatively to the brand equity model, the brand power equity framework implies that brand power is a more complex concept, which can be assessed in terms of four dimensions, namely brand weight, brand length, brand breadth and brand depth

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(Keller, 2003). By using these two models in combination, it is possible to comprehensively assess the power of certain brands in the automotive industry.

Research Aim and Objectives

The main aim of this dissertation is to examine and compare the brand power of Tesla and Nissan. The achievement of this aim requires the fulfilment of the following research objectives:

1. To conceptualise how the strategic brand management process adds to overall brand power.
2. To identify the role of brand weight, brand length, brand breath and brand depth in building brands.
3. To examine and compare the extent to which Tesla and Nissan are powerful brands relying on secondary evidence.
4. To provide Tesla's and Nissan's management with practical recommendations as how to make its brand more powerful.

Dissertation Structure

This dissertation consists of five chapters, namely introduction, literature review, research methodology, analysis findings and conclusion. The first chapter formulates the main aim and objectives and provides the reader with the background to the research problem. The second chapter is responsible for the review and critical discussion of the most relevant scholarly and empirical literature on brand management and brand power (Hussain and Rashid, 2016; Buil et al., 2008; Aaker and McLoughlin, 2009). The third chapter selects and justifies the research methods and techniques, the adoption of which leads to the fulfilment of the dissertation purpose. The fourth chapter presents, analyses and interprets the collected data, while the fifth chapter concludes the key findings. A set of relevant recommendations based on the analysis outcomes is formulated in the end.

LITERATURE REVIEW

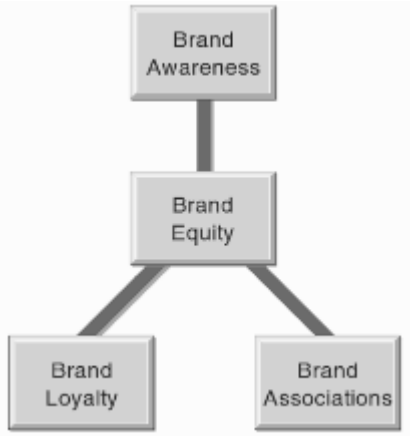
Introduction

This chapter offers an overview of the most relevant scholarly and empirical literature on brand management and brand power (Temporal, 2011; Kapferer, 2012). Previous management researchers' findings are critically evaluated and contrasted with each other (Hussain and Rashid, 2016). The literature review consists of introduction, building and managing brands, creating brand value through brand power, brand power: empirical evidence and summary.

Building and Managing Brands

Companies have to properly maintain and replenish their brands over time in order to ensure their ability to create value and remain competitive in the marketplace (Wood, 2000). In accordance with Kilian (2009), the brand building process begins by getting an understanding of consumers' needs and expectations. In turn, it is important to understand the main assets of the brand and identify the extent to which these attributes satisfy the identified consumer needs (Aaker and McLoughlin, 2009). From the strategic perspective, brands give organisations a permission to compete in the market and they represent the value proposition of their strategy (Verma, 2006). Therefore, it is strategically important to develop and leverage brand assets. As mentioned by Buil et al. (2008), all the assets and liabilities linked to the brand form brand equity, which is presented as follows.

Figure 1: Brand Equity



Source: Aaker and McLoughlin (2009, p. 176)

The scheme above demonstrates that there are three types of brand assets, namely brand loyalty, brand associations and brand awareness (Sengupta, 2005). Brand awareness is an important brand equity asset since it provides the brand with the sense of familiarity (Su and Tong, 2015). As mentioned by Wood (2000), familiarity can drive consumers' buying decision. At the same time, this statement is applicable only to low-involvement products (Keller, 2009). Brand loyalty is another important asset of brand equity since it provides enterprises with enormous sustainable competitive advantages. The point is that loyal customers demonstrate a high level of resistance to switching to other brands (Chernev, 2015). In addition, brand loyalty represents a formidable entry barrier to rivals (Wood, 2000). Finally, the associations attached to brands were reported by Aaker and McLoughlin (2009) as the main enduring business assets. As previously mentioned in this literature review, product attributes help firms distinguish their products from competitors' offerings (Hussain and Rashid, 2016). However, highly powerful brands go beyond product attributes in order to develop associations on other dimensions that are more unique in nature and harder to imitate or copy by other market players (Sengupta, 2005).

Although the brand equity model provides the basis for assessing the power of a certain brand, this theoretical model is associated with several drawbacks. First, the brand equity model does not take into account a company's market share, which is considered by many management scholars and researchers as an important element of brand equity (Na and Marshall, 2005; Kilian, 2009). Second, the brand equity model cannot adequately measure the extent to which a brand is powerful since it considers this issue exclusively from the perspective of the customer (Kapferer, 2012). In accordance with West et al. (2015), brand power is a complex concept, which is affected not only by consumers' awareness, loyalty and associations, but also by a wide range of other factors such as the size of a company's brand portfolio and customer base and its market position.

Creating Brand Value through Brand Power

The issue of brand power has long been of close interest to business researchers and practitioners (Kremer and Viot, 2012). Kochan (1996) offered one of the most comprehensive frameworks for measuring the power of a certain brand and its ability to create value. According to this framework, brand power is assessed in terms of brand weight, brand length, brand breadth and brand depth. Brand weight is the dominance of the brand over its product category in the market. In turn, brand length refers to the extent to which the brand is stretchable into new product categories as well as markets (Parameswaran, 2006). In accordance with

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Krieg and Clancy (2001), brand breadth reflects the breadth of the brand, which it has attained in terms of consumer types, age spread and international appeal. Finally, the fourth dimension of brand power equity is brand depth, which can be defined as the extent to which customers are committed to the brand (Wood, 2000).

One of the main advantages of this framework is that it allows for measuring the power of brands and evaluating the extent to which they are capable of creating value and addressing consumer needs and expectations (Na and Marshall, 2005). Furthermore, it considers various external factors that affect the brand's power and position (West et al., 2015). At the same time, the model does not put a heavy emphasis on the consumer side of brand management, which can be viewed as its limitation (Davis, 2002). Although the brand power framework considers intimacy and loyalty, it overlooks the role of brand awareness and brand associations in the brand building process (Na and Marshall, 2005).

Brand Power: Empirical Evidence

The impact of brand power on organisational performance was empirically investigated by Cuomo et al. (2009). In accordance with the researchers, brands with greater customer loyalty demonstrate better financial results in comparison with their competitors. Similar outcomes were produced by Keller (2009) who indicated that powerful brands were less vulnerable to competitive marketing actions as well as marketing crises. These findings indicate that the brand depth dimension of the brand power equity model plays an important role in the extent to which a brand can be considered as powerful. At the same time, Keller (2009) did not emphasise how brands become powerful in the marketplace. Hence, the validity and reliability of the researcher's empirical results are questionable.

Alternatively to Keller (2009), Hussain and Rashid (2016) attempted to examine how brand weight added to the overall power of the brand and its attractiveness to consumers. Speaking more precisely, Hussain and Rashid (2016) investigated the extent to which brand extensions added to the brand's market performance. As mentioned by Su and Tong (2015), by introducing new products under an existing brand name, companies are able to attract close attention from consumers at relatively low marketing costs. Brand extensions capture new market segments, while obtaining the equity of the original brand. As a result, organisations do not have to spend considerable financial resources since the core brand already has a high level of customer awareness and loyalty (Na et al., 1999; Salinas and Perez, 2009). Hussain and Rashid (2016) also arrived at the conclusion that there was a direct relationship between the brand's market performance and the 'density' of its extensions. Nevertheless, Hussain and Rashid's (2016) findings are based on the review of literature only, meaning they lack empirical grounding.

Summary

It can be summarised that the role of brand management in a company's market performance is hard to overestimate. According to Kilian (2009), it is strategically important to develop and leverage brand assets to ensure a firm's survival in a long-term perspective. The brand equity model implies that there are three types of brand assets, namely brand loyalty, brand associations and brand awareness (Chernev, 2015). However, this framework approaches the brand power issue only from the perspective of the customer. As mentioned by Aaker and McLoughlin (2009), the brand's performance in the marketplace also depends on business-related factors. The brand power equity framework suggests that the brand's power can be measured in terms of the dominance of the brand over its product category and the extent to which the brand is stretchable into new product categories (Su and Tong, 2015; Rosenbaum-Elliott et al., 2015). The breadth of the brand and the extent to which customers are committed to this brand also determine its power in the marketplace (Wood, 2000).

RESEARCH METHODOLOGY

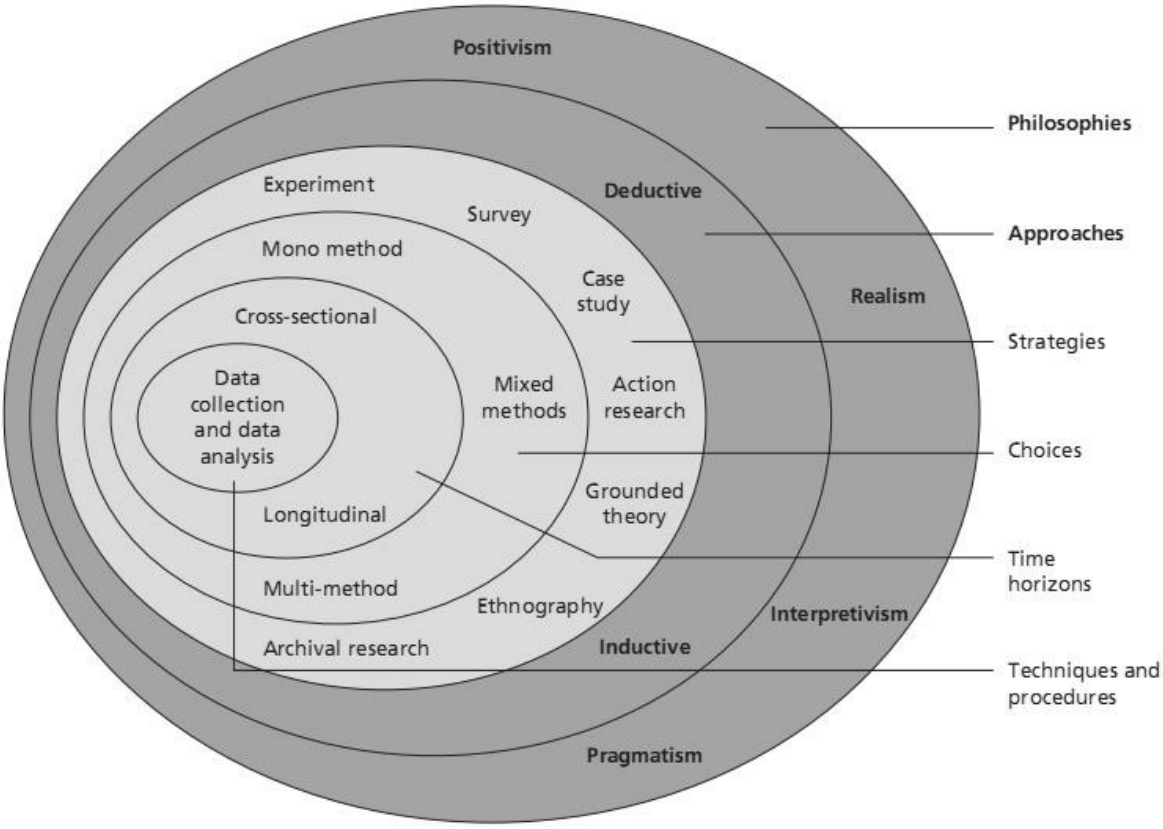
Introduction

This chapter selects and rationalises the research approaches, strategies, data collection procedures and analysis techniques that lead to the attainment of the main research aim. The research onion framework has been selected for the purpose of this project since it provides an effective progression through which it is possible to design a research methodology (Easterby-Smith et al., 2008). The research methodology chapter consists of introduction, research philosophy and approach, strategy and data collection, sampling and analysis and limitations.

Research Philosophy and Approach

Research philosophy is the first layer of the research onion framework, which is presented by means of the following scheme (Saunders et al., 2009).

Figure 2: The Research Onion



Source: Saunders et al. (2009, p. 107)

Epistemology, a philosophical stance that is concerned with the issue of the nature of knowledge and its acceptability, has been selected for this study (Patton, 2014). Speaking more precisely, this dissertation is in line with positivism, which implies that individuals' actions can be explained by the social and market norms (Merriam, 2015). Although the researcher does not adopt the stance of the natural scientist, comparisons between Tesla's and Nissan's market performance are made based on relevant secondary data sources (Bryman and Bell, 2010). At the same time, the emphasis on secondary data may result in the production of subjective research outcomes since the collected data is analysed and interpreted on the basis of the researcher's own experience, knowledge and skills (Patton, 2014).

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The next outer layer of the research onion is research approach (Saunders et al., 2009). This dissertation has adopted the deductive approach, according to which the research process progresses from theoretical assumptions to practical tests (Khan, 2011). The researcher has reviewed the existing body of literature and deduced certain variables (e.g. brand weight, brand length, brand breadth and brand depth) (Parameswaran, 2006). In turn, by using these variables, it is possible to examine and compare the extent to which Tesla and Nissan are powerful brands. It should be noted, however, that deductive projects are limited in terms of novelty and uniqueness (Easterby-Smith et al., 2008).

Strategy and Data Collection

This project is in keeping with the case study strategy, which implies the investigation of a research phenomenon within its real-life context relying on multiple sources of evidence (Saunders et al., 2009). This strategy has been selected since the dissertation is focused on two organisations, namely Tesla and Nissan. Furthermore, it is impossible to identify the extent to which Tesla and Nissan are powerful brands relying on a single source of data. By contrast, the extent to which case study findings are generalisable is not considerable since usually a small number of cases is involved in the research process (Bryman and Bell, 2010).

Sampling and Analysis

The sample is drawn from two companies that operate in the automotive industry, namely Tesla and Nissan. A wide range of secondary data sources, including books, empirical articles, journals, databases, Tesla's and Nissan's annual reports and web sites is accessed by the researcher to get a deep insight into their competitive context and their brand position in the market (EV Obsession, 2017; Fortune, 2017; Nissan, 2016; Tesla, 2017). Furthermore, these sources are accessed to identify the extent to which both brands are powerful using the variables identified in the literature review chapter (Fisher, 2007). On the basis of this data, Tesla's brand power is compared and contrasted with Nisan's brand power.

Limitations

Limited access to data sources and information is the main drawback associated with secondary data research (Khan, 2011). Furthermore, to the researcher's knowledge, the power of Tesla's and Nissan's brands has not yet been compared and contrasted, which is another potential limitation to data availability. Nevertheless, secondary research was argued by Saunders et al. (2009) as much cheaper compared to primary data analysis due to the fact that all the background work needed had already been done. The generalisability of this project is also limited since it is aimed at two companies, namely Tesla and Nissan (Collis and Hussey, 2003).

ANALYSIS FINDINGS

Introduction

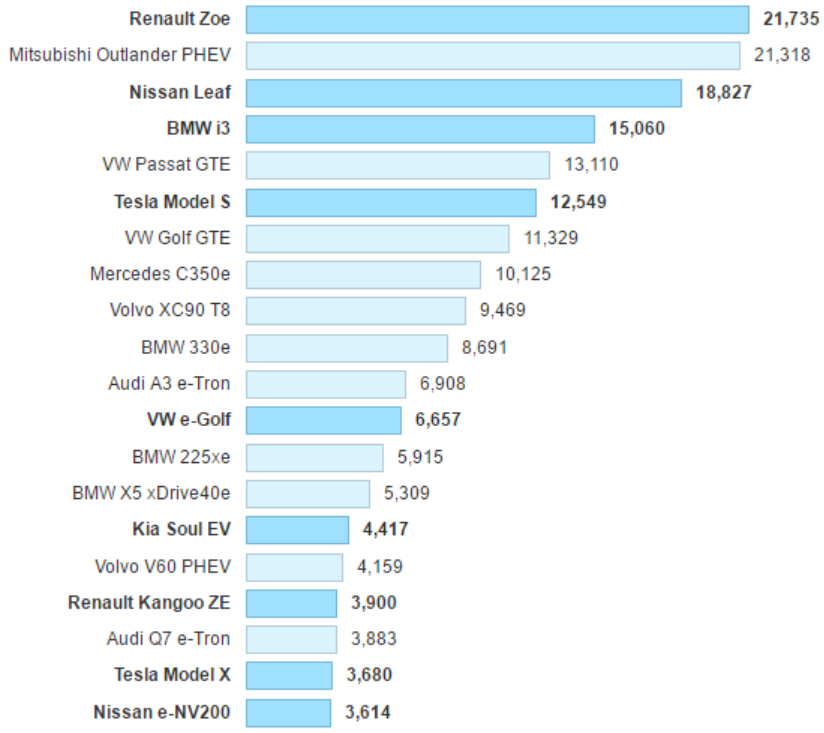
The purpose of Chapter 4 is to present, analyse and interpret the collected secondary data on Nissan's and Tesla's brand power. According to the literature review chapter, brand power can be evaluated on the basis of four dimensions, namely brand weight, brand length, brand breadth and brand depth (Parameswaran, 2006; Wood, 2000). The analysis findings chapter consists of three sections, namely introduction, a comparison of Tesla's and Nissan's brand power and summary.

A Comparison of Tesla's and Nissan's Brand Power

Brand Weight

As mentioned in the literature review chapter, brand weight is the dominance of the brand over its product category in the market (Hussain and Rashid, 2016; Na and Marshall, 2005). The dominance of a particular brand can be measured on the basis of its sales (West et al., 2015). The most powerful electric car brands (in terms of sales) in the European Union (EU) are presented as follows.

Figure 3: Europe Electric Car Leaders (in Units Sold)



Source: EV Obsession (2017, p. 1)

It should be noted that the chart above includes both fully electric cars (darker blue) and plug-in hybrid cars (lighter blue). The analysis outcomes indicate that in 2016, Renault sold more than 21,000 of its Zoe model, making it the leader in the European fully electric car market (EV Obsession, 2017). Nissan Leaf, with 18,827 units sold, outperformed Tesla Model S across most of Europe in 2016. Nissan managed to increase the sales of its Leaf model by 21% year over year, which can be explained by its new 30kWh battery as well as heavy discounting in the second half of the year (Nissan, 2017a). At the same time, Tesla is still a relatively new electric car brand in the European market. The lack of changing stations is considered as one of the main factors that hamper Tesla's growth in the EU (Ferris, 2017; Fortune, 2017). Nevertheless, this problem is irrelevant in the US market where Tesla Model S shares 21% of the fully electric car market (EV Obsession, 2017).

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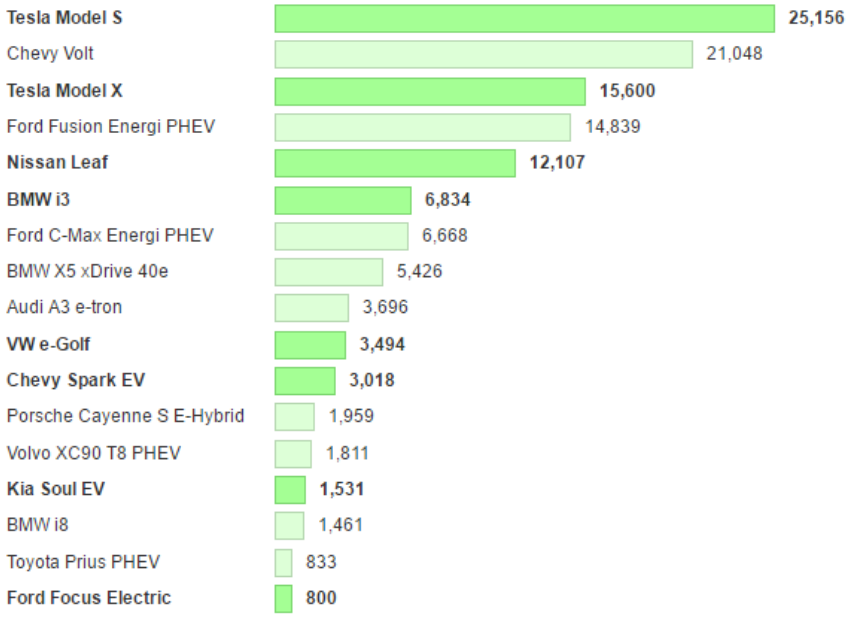
Figure 4: US Electric Car Leaders (in Units Sold)



Source: EV Obsession (2017, p. 1)

The histogram above shows that in 2016, Tesla sold more than 25,000 Model S units, making it the leader in its product category in the US market (EV Obsession, 2017; Shahan, 2017). In 2016, Tesla's Model S sales increased by 16% or around 4,200 deliveries compared to 2015 (Carsalebase, 2017; IEA, 2016). At the same time, Nissan's Leaf sales fell around 4,000 units in the US during the same period (EV Obsession, 2017). These analysis outcomes indicate that Tesla is a much more powerful brand in terms of brand weight compared to Nissan. Nevertheless, this statement is relevant only to the US fully electric car market. The lack of charging stations makes Nissan Leaf a more preferable electric car to European consumers in comparison with Tesla Model S (Fortune, 2017; Ferris, 2017).

Brand Length

According to Parameswaran (2006), brand length is the extent to which the brand is stretchable into new product categories as well as markets. In other words, brand length is the number of products in the product line (Hussain and Rashid, 2016). Nissan's and Tesla's product line is presented by means of the following table.

Table 1: Nissan's and Tesla's Product Line

Brand	Model
Nissan	Leaf
	E-NV200 Combi
	E-NV200
Tesla	Model S
	Model X
	Model 3

Source: Nissan (2017a, p. 1), Tesla (2017, p. 1)

The secondary data analysis demonstrates that Tesla and Nissan are comparable in terms of their brand length since both brands have three products in their fully electric car product line (Nissan, 2017a, Tesla, 2017). However, not all Nissan models are available in the US. For

example, the company sells only the Leaf model in the US fully electric car market, while the remaining two models are not available to consumers in this country (Nissan, 2017c). Nevertheless, all three Nissan's models are available in the EU. Similarly to Nissan, Tesla provides its European customers with an opportunity for purchasing all its models (i.e. Model S, Model X and Model 3). It should be noted that at the moment, Tesla offers only two models to its customers, while Model 3 is not yet available. The production of Tesla Model 3 begins in 2017 and delivery estimate for new reservations is mid 2018 (Tesla, 2017). The produced analysis outcomes demonstrate that both electric car manufacturers have the same number of fully electric cars in their product line. This fact allows for stating that neither Tesla nor Nissan is more powerful in terms of brand length.

Brand Breadth

In accordance with the literature review chapter, the breadth of the brand, which it has attained in terms of consumer types, age spread and international appeal, is another dimension of the brand power model that helps to assess brand power (Salinas and Perez, 2009; Chernev, 2015). The following table demonstrates Tesla's and Nissan's pricing policy, which allows for identifying their segmentation, targeting and positioning strategy.

Table 2: Tesla's and Nissan's Pricing

Brand	Model	Price Tag
Nissan	Leaf	From $30,680
	E-NV200 Combi	From $21,684
	E-NV200	From $25,224
Tesla	Model S	From $69,200
	Model X	From $83,700
	Model 3	From $35,000

Source: Nissan (2017a, p. 1), Tesla (2017, p. 1)

Nissan is focused on a wider market since its electric cars are much cheaper in comparison with Tesla's offerings. Tesla targets at successful business executives as well as entrepreneurs who green friendly. These tech-savvy individuals belong to the upper-middle class segment (Andrade et al., 2016). On the contrary, Nissan makes its electric cars affordable to a wider range of consumers who are looking for outstanding value for money (Nissan, 2017b). The average Nissan Leaf owner is a young Baby Boomer between 40 and 45 years old who belongs to the middle income class (Nissan, 2016). In turn, Tesla is more focused on the generation Y or Echo Boomers between 20 and 40 years (Andrade et al., 2016). A summary of both car manufacturers' segmenting markets is presented as follows.

Table 3: Nissan's and Tesla's Segmenting Markets

Brand	Demographic Segmentation	Psychographic Segmentation
Nissan	- Young Baby Boomer between 40 and 45 years; - Individuals who belong to the middle income class; - Consumers who are looking for the best value for money.	- Green friendly; - City dwellers; - Prefer functionality over design.
Tesla	- Echo Boomers between 20 and 40 years; - Successful business executives and entrepreneurs; - Individuals belong to the upper-middle class segment.	- Green friendly; - City dwellers; - Tech savvy; - Early adopters.

Source: Andrade et al. (2016, p. 4), Nissan (2016, p. 6)

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The produced analysis findings demonstrate that Nissan and Tesla target different customer groups. Tesla targets a wider customer group in terms of age and psychographic characteristics (Andrade et al., 2016). At the same time, Tesla is more focused on the upper income market, making its electric cars less affordable to those who belong to a middle income class (Carsalebase, 2017; IEA, 2016). Nevertheless, Tesla managed to sell more than 76,000 units in 2016. In turn, Nissan sold only around 50,000 car units in 2016 (EV Obsession, 2017; Shahan, 2017). These outcomes allow for stating that Tesla is a more powerful brand compared to Nissan in terms of brand breadth.

Brand Depth

As described in the literature review chapter, the extent to which customers are committed to the brand, which is usually referred to as brand depth, is another important indicator that helps to assess brand power (Wood, 2000). In turn, customer commitment can be presented as the extent to which consumers are satisfied with and loyal to a certain brand (Keller, 2009). In their empirical study, Tarofder et al. (2016) arrived at the conclusion that customer satisfaction was linked to customer service quality. Therefore, it is relevant to compare the quality of Nissan's and Tesla's electric cars to identify their brand depth.

Nissan launched its Leaf model in 2010 and became one of the first fully electric cars in the world (Nissan, 2016). Since then, the company has sold more than 250,000 units worldwide, making Leaf the best-selling highway-capable electric car in the history (Nissan, 2017b; IEA, 2016). This success is explained not only by excellent value for money, but also for a high level of quality and reliability. Nissan reports that the failure rate of its Leaf battery pack is less than 0.01%, meaning 99.99% of all battery units remain entirely fit for purpose (GCC, 2015). In other word, only around 25 Leaf units have failed out. At the same time, Tesla has been under considerable pressure because of reliability issues. The company's Model S was involved in several incidents caused by battery pack malfunction (Davies, 2016). Another explosive crash involving Model S occurred in 2016 and took the life of two individuals (Eisenstein, 2017). Tesla has also been criticised for underdelivering as well as overpromising, which has also negatively affected its customers' satisfaction and commitment to the brand (Lavrinc, 2014). Hence, Nissan is a more reliable brand, making it more powerful than Tesla in terms of brand depth.

Summary

It can be summarised that Tesla is a much more powerful brand in terms of brand weight compared to Nissan. At the same time, the lack of charging stations makes Nissan Leaf a more preferable electric car to European consumers in comparison with Tesla Model S (Fortune, 2017; Ferris, 2017). Both electric car manufacturers have the same number of fully electric cars in the product line, meaning neither Tesla nor Nissan is more powerful in terms of brand length. It is also relevant to summarise that Tesla is a more powerful brand compared to Nissan in terms of brand breadth. Nevertheless, Nissan is a more reliable brand, making it more powerful compared to Tesla in terms of brand depth.

CONCLUSION

Concluding the Key Findings

This chapter concludes the key findings and formulates a set of relevant recommendations based on the analysis outcomes. The main aim of this dissertation was to examine and compare the brand power of Tesla and Nissan. This purpose has been fulfilled by analysing a wide range of secondary sources such as books, empirical articles, journals, databases, Tesla's and Nissan's annual reports and web sites (EV Obsession, 2017; Fortune, 2017; Nissan, 2016; Tesla, 2017).

The first research objective was to conceptualise how the strategic brand management process adds to overall brand power. This objective was achieved in the literature review chapter. Using the findings from Chapter 2, it is relevant to conclude that companies have to develop and leverage their brand assets to ensure a high level of brand power as well as their market performance (Temporal, 2011). According to Aaker and McLoughlin (2009), there are three types of brand assets, which form brand equity, namely brand loyalty, brand associations and brand awareness. At the same time, this model does not consider a firm's market share and hence, cannot adequately measure the extent to which a brand is powerful (Buil et al., 2008; Kapferer, 2012).

The next objective of this study was to identify the role of brand weight, brand length, brand breath and brand depth in building brands. In accordance with Kochan (1996), brand weight can be viewed as the dominance of the brand over its product category in the market. In turn, the extent to which the brand is stretchable into new product categories and markets is brand length (Parameswaran, 2006). In turn, brand breadth reflects the breadth of the brand that has been attained in terms of consumer types, age spread and international appeal (Krieg and Clancy, 2001). Brand depth is another dimension of the brand power framework that indicates the extent to which customers are committed to the brand (Wood, 2000). These four dimensions allow for measuring the power of brands and their capability of creating value and addressing customer needs (Na and Marshall, 2005). Nevertheless, this model overlooks the role of brand awareness and brand associations in the brand building process.

The third objective of this dissertation was to examine and compare the extent to which Tesla and Nissan are powerful brands relying on secondary evidence. The analysis of secondary data has demonstrated that Tesla is a more powerful brand in comparison with Nissan in terms of brand weight. However, the lack of charging stations across Europe makes Nissan Leaf a more preferable electric car to consumers than Tesla Model S (Fortune, 2017; Ferris, 2017). Both automotive manufacturers have the same number of fully electric cars in their product line, indicating neither of them is more powerful in terms of brand length. According to the analysis findings, Tesla is a more powerful brand in comparison with Nissan in terms of brand breadth. Nevertheless, Nissan is a more reliable brand, meaning it is more powerful than Tesla in terms of brand depth.

Recommendations

The fourth research objective was to provide Tesla's and Nissan's management with practical recommendations as how to make its brand more powerful. Considering the outcomes of this research project, it is relevant to recommend that Tesla should put a heavier emphasis on its product quality. By ensuring the highest quality of its lithium-ion battery production process, Tesla is able to avoid fire incidents and make its fully electric vehicles more appealing to consumers. As a result, it could become more powerful in terms of the brand depth dimension of the brand power framework (Krieg and Clancy, 2001). It is also recommended that Nissan should make the design of its Leaf model more innovative and contemporary to win competition from Tesla in the US market and make its electric cars more attractive to

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consumers. Finally, it is recommended that Nissan should target additional market segments such as Echo Boomers between 20 and 40 years who belong to the upper-middle class segment. These recommendations are expected to help Nissan become more powerful in terms of the brand weight and brand breadth dimensions (Na and Marshall, 2005).

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2-CB04-1121

SITUATIONAL ENVIRONMENT SCANNING FRAMEWORKS TO OPTIMIZE STRATEGIC ENACTMENT

MR. JOEL BIGLEY[1]

Abstract: Although a significant body of knowledge has been created around strategic management there are voids in the literature regarding assembling the optimal environmental scanning (ES) framework needed to assess threats, opportunities, the current environment, and the desired end-state. Practitioners have not thoroughly understood the linkage between accurate situational assessment and the use of a customized environmental scanning framework. Moreover, the capability to create a customized framework is generally avoided in the literature in favor of promoting a particular framework design1. The selection and assembly of domains in an ES framework should be both timely and apropos. The domains that make up the ES framework may change during a transformation or adaptation. The influence of organizational social dynamics, including enablers and inhibitors, like momentum and inertia, are frequently underestimated and overlooked. Ambiguity, uncertainty, and the understanding of residual risk in a system are critical aspects of environments in transition. Validating this, the literature is rich with examples regarding the failure of strategic planning and the resultant business implications validating the need for better methods in this area.
Index terms: Environmental Scanning, Scanning Frameworks, Strategic Planning, Organizational Dynamics.

3-CB01-1041

DIGITAL LEADERSHIP AND PROJECT MANAGEMENT – A FRAMEWORK AND EXPERIENTIAL APPROACH

PROF. MYRTO LEISS[2]

Despite extensive literature and consultancy on project management and leadership a substantial number of projects fail (Ghassemi and Becerik-Gerber, 2911; Dvir et al., 1998; Bartsch et al., 2013). Various factors influencing the success of projects have been examined such as selection and involvement of key persons, training, existence of collaborative technology (Ghassemi and Becerik-Gerber, 2011), partnering relationship among the key players (Chan et al., 2004), commitment to realistic objectives and measuring of progress (Kerzner, 2013) among others. I would like to add a perspective to the discussion in examining if and how the (digital) format in which in modern organisations projects are managed and teams are lead has an influence on their succcess. The approach thus combines classical project management and leadership tasks with a critical view on the format used for applying tools and standardised interactions (e.g. project meetings). It is asked if the format matters and if so how a digital project management and leadership strategy can be shaped.

While practice especially in multinational companies with geographically spread out centers and locations suggests that almost anything can be done virtually/digitally supported (e.g. performance discussions by phone, feedback-processes by e-mail, project status reports by webconference) it is worthwile asking if specific formats support or act as barriers to project success. It is necessary to re-think project management methodology and leadership approaches in these lines. Also for future leaders it would be most useful knowing/develop competence in which format to use for which tasks of the project. Significant improvements

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have been made in the past years in shaping project management tools and practices (see e.g. Kliem et al., 1997; Hill, 2009; Project Management Institute, 2008; Haugan, 2011). However, so far the question of how (i.e. in which format) they are best used and if they are equally useful (or detrimental?) irrespective of their format has not been tackled to my knowledge. My research reviews the respective literature on the subject and suggests testing formats in student populations e.g. in classes on project management and leadership. The purpose is to develop a critical view on what format is suitable for what type of conversation/exchange in project management or leadership tasks and thus enhance a digital facilitation competence (see e.g. Cartelli, 2013). The expected results could also help in proactive project management by enabling early warning signs to surface via suitable communication/interaction. A further aim of my research is to move the digital competency discourse from the educational context it so far has been (see e.g. Cartelli, 2013) into the management context and apply it to project management and leadership issues. Further contributions are expected for professional development programs in corporate academies or independent organisation aiming at educating high-level leaders and project managers aswell as for recruitment and retention of high-level leaders and project managers in all kinds of organisations.

4-CB06-1160

FROM GENERAL TO HOSPITAL: A SERVICE EXPERIENCE ENGINEERING METHOD FOR ALIGNING AN AGEING FRIENDLY HOSPITAL WITH URBAN AREA

DR. YING-CHYI CHOU[3] AND DR. CHING-HUA LU

With the advance of technology and medicine, additionally, population ageing and urbanization are major trends in the most Organization for Economic Co-operation and Development (OECD) countries, not only researchers, but World Health Organization (WHO) were beginning to focus on active ageing and proposed eight topics to design an age-friendly city.

Hospital plays a key role in maintaining elderly's independence, alleviating pain or illness, and chronic diseases prevention (such as type 2 diabetes). Accordingly, what more important is design ageing-friendly healthcare facilities which are align with an ageing-friendly city.

This study aims at designing an urban-related aging friendly hospital with the application of service experience engineering (SSE). A generic outpatient in a medical center was taken as study area. A sequential analysis method was implemented proposed by SEE. The study investigated the consistency of color image scale between case hospital and the urban city. In addition, we decorated the generic outpatient environment with by, and finally, the process of interaction and medical communication between physician and patient in the clinic were observed and analyzed.

127 usable questionnaires were completed by citizens. To begin with, there is significant difference in perceived image of color between case hospital and the city. Respondents selected［spruce blue and dark grey］which perceived as elegant and classic to represent case hospital, and［grass green and light brown］which perceived as casual and gorgeous.

There were no significant influences that artworks and vegetation could enhance patients' positive emotions while patients are waiting but daily TV programs did. Finally, the closer the medical inquiry distance, the more the patients' positive emotion would be generated.

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The results suggest that administers could add some urban-related elements (such as city promotion ads, city news) and social elements (such as good eye contact, more conversations) instead of pure artwork or vegetation to design an ageing-friendly hospital.

5-CB13-1145

A DISCUSSION ON THE CONNECTION BETWEEN CONSUMER CULTURE THEORY (CCT) AND NATIONAL CULTURE THEORY (NCT)

DR. FARYAL SALMAN[4], DR HUMA AMIR, ASSISTANT PROFESSOR

The current paper is an attempt to make a comparison between National Culture Theory (NCT), that considers culture as a collective social phenomenon related to geographic areas, and Consumer Culture Theory (CCT) that transcends topographical boundaries and unites individuals based on consumption ideology. Geert Hofstede has done pioneering work in National Culture Theory in which he proposes a framework of Cultural Dimensions initially consisting of four variables; Power Distance, Individualism/Collectivism, Masculinity/Femininity and Uncertainty Avoidance. These variables have been used to find relative differences between the citizens of different nations. Consumer Culture Theory does not offers any empirical framework but is a combination of concepts and constructs. It propose subcultural grouping which is a social arrangement where symbolic and material resources are shared by the groups. The discussion anchors on the premise that homogeneous consumption groups show similarity by virtue of their consumption rituals and practices following the CCT route. However, the specific choice an individual makes to express their commitment to a particular product, brand or a lifestyle may be governed by their ethnic culture. The authors propose that subculture's ideology of consumption is influenced by the societal or the national culture to which one belongs. A case in point is of Harley Davidson riders who, as part of the H.O.G's community, express their freedom, independence and free-spirited nature. However, the degree of Power Distance, Collectivism and Masculinity prevalent in their respective societies prevent them from displaying that level of common symbolic identity that may be enjoyed by their counterparts in geographically distant societies. Some evidence of this argument is generated from recent studies that take into account the role play of ethnicity in consumer identity projects. We thus assume that the differences in consumption we observe in CCT subcultures are due to NCT.

6-CB03-1153

GREEN PRODUCTS AND CONSUMERS' PURCHASE INTENTION IN IRAN

MRS. AREZOO NAKHAEI[5]

The last few decades have witnessed a dramatic increase in environmental awareness and consciousness worldwide. Different environmental problems like global warming seem to concern all citizens, enterprises as well as institutions all over the world. Since the beginning of the 1990s, with the growing importance of environmental protection in various countries, new expressions such as "the Earth decade" or "decade of the environment" have emerged. During this decade, social and ecological concerns took on great importance for consumers and they have begun to change their behavior integrating environmental considerations into lifestyle choices and decisions. Hence, knowledge of green consumer purchase intention is important for both environmental and business reasons. There are several factors that can

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strongly influence consumers' purchase behavior for green products. As the sustainable product market expanding at a remarkable rate, it is important to look at what factors significantly influence consumer's selection process. This research examines Iranian consumers' buying intention for environmental friendly products. The research objective is twofold. First, this study examines the effect of a range of factors (environmental knowledge, perceived consumer effectiveness, subjective norms, past experiences and marketing communication) on ecological purchase intention. Second, the research investigates the influence of consumers' environmental beliefs on environmental behavior. This research employs the questionnaire survey method to examine the hypotheses. Structural Equation Modeling (SEM) is applied to test the research model. Through the results of this study; environmental knowledge, perceived consumer effectiveness, past experiences and marketing communication significantly influence consumers' environmental purchase intention. However, subjective norms do not have an effect on consumers' intention for environmental purchasing. As for environmental beliefs, there is a strong positive influence on consumers' environmental behavior. Knowing the effect of these factors on consumers' buying intention is really helpful for marketers to establish and communicate a strong environmental image for organizations, and help them to make a clear competitive advantage to their consumers.

9-CB02-1081

EVALUATING THE MEDIA REPUTATION OF MARATHON TITLE SPONSORS FROM A PERSPECTIVE OF STRATEGIC EVENT SYSTEM

MS. SHANSHAN LU[6]

Our study views marathon sponsorships as strategic events in enterprise system which affects media reputation of sponsors. From the perspective of event system and strategic corporate social responsibility theory, we identify the influence of sponsorship event attributes, strategic match and corporate social responsibility on media reputation of sponsors. By analyzing 122 marathon title sponsorships in China, we find that sponsorships with higher event strength can bring better media reputation to sponsors. Firms sponsor marathons which are in their growth period can obtain better media reputation rather than new or old ones. We divide the correlation between marathon events and sponsors into external and internal strategic match and identify their positive impacts on media reputation of sponsors. Firms with higher CSR get better media reputation on sponsoring. What's more, our results also indicate that the positive relationship between strategic match and media reputation is stronger for firms with high CSR. Our research findings can help to optimize the benefits of marathon sponsorships by giving management recommendations to firms and relevant organizations.

Keywords : Media reputation, marathon sponsorship, strategic match, event system, corporate social responsibility

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11-CB12-1181

AN EMPIRICAL STUDY OF MODERATING IMPACT OF SELF CONSTRUAL ON THE RELATIONSHIP BETWEEN SERVANT LEADERSHIP AND EMPLOYEE INNOVATIVE WORK BEHAVIOR: EVIDENCE FROM BANKING INDUSTRY

MS. AMNA RASHEED[7] RAB NAWAZ LODHI, ABDUL HANNAN

This study adds to IWB and SL literature by empirical testing of moderating role of self-construal on servant leadership-IWB link in the context of Pakistan commercial Banks. The importance of this research is to discover the interactive relationship of proposed variables on employees of banking sector of Pakistan. A psychological aspect i.e. self-construal is also introduced which also effects on SL-IWB relationship. 350 structured questionnaires were sent to 25 commercial banks of Pakistan through cross sectional survey. Convenience Sampling Technique is used for this purpose. Respondents are employees and their leaders or managers from different departments of banks: Sales, Operations, HR, IT and Customer Services. Successful respondent's percentage is 90 %; out of which 76% of respondents are employees and 24% are their leaders/managers. For composite reliability, validity of constructs and testing of hypothesis, we used Partial Least Square – Structure Equation Modeling (PLS-SEM) by using software SmartPLS v 3.2.1. The results from PLS-SEM reveal that servant leadership directly related to employee's innovative work behavior and this relationship is found to be moderated by self-construal.

12-CB09-1165

IMPACT OF BANK SPECIFIC AND MACROECONOMIC DETERMINANTS ON THE PROFITABILITY OF COMMERCIAL BANKS - AN EVIDENCE FROM MSM LISTED BANKS IN SULTANATE OF OMAN

MR. SAM CHINTHA[8]

The role of banks in augmenting the economic growth of a given country is highly acknowledged. Impact of macroeconomic variables on financial performance of commercial banks have shown a mutual dependence. Due to oil crisis in the Middle East, Sultanate of Oman's economy had witnessed few market corrections both in money market and capital market. Despite these financial chaos, Sultanate of Oman's commercial banking sector has registered a sustained growth. The aim of the study was to observe the bank specific and macro-economic determinants of the bank's profitability in Sultanate of Oman over the time period from 2007 to 2016, taken six banks for the study. The bank profitability is measured by return on assets (ROA) and return on equity (ROE) as a function of bank specific and macroeconomic determinants. Using a balanced panel data set, the study showed that asset size and non-interest income have a positive and significant effect on bank profitability. With regard to macroeconomic variables, only the real interest rate affects the performance of banks positively. This study suggested that banks can improve their profitability through increasing bank size and non-interest income, decreasing credit/asset ratio. In addition, higher real interest rate can lead to higher bank profitability.
Keywords: Bank profitability, commercial banks, Return on Assets, Return on Equity and Sultanate of Oman banking sector.

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13-CB20-1212

DECISION THEORY/MICRO-ECONOMICS/BEHAVIOURAL ECONOMICS

MR. H.R.NOEL VAN ERP[9]; R.O. LINGER; AND P.H.A.J.M. VAN GELDER

Before premium-based insurances were well and truly introduced in the Northern Netherlands, approximately around the mid-sixteenth century, merchants and ship-owners fell back on different methods for dealing with the financial consequences of long-distance maritime trade. A well-known and often applied construction was known as bottomry (bodemerij). With bottomry a loan was taken out, which was only to be repaid if the vessel or merchandise arrived safely at the port of destination. Therefore, this method incorporated a financing component and was not a pure insurance contract. In this paper we will discuss this practice of bottomry from the perspective of the Bayesian decision theory (Van Erp et al., 2016).

The Bayesian decision theory is neo-Bernoullian in that it adopts, on the strength of the consistency derivation given in (Van Erp et al., 2016), Bernoulli's utility function as the only appropriate function by which to translate, for a given initial wealth, gains and losses to their corresponding utilities. But the Bayesian decision theory deviates from Bernoulli's original expected utility theory in that there are several possible alternatives for the traditional criterion of choice of expected value E(X) maximization (i.e., the criterion of choice constitutes a degree of freedom.)

There is the well-known Value at Risk (VaR) criterion of choice in which the k-sigma lower bound LB(k) of net-outcomes is maximized (Jorion, 2006), and where it is to be understood that losses are negative net-outcomes. There is the balanced probabilistic Hurwitcz criterion of choice in which the mean of the the k-sigma lower and upper bounds [LB(k) + UB(k)]/2 of net-outcomes is maximized (Van Erp et al., 2016). And there is the Weaver criterion of choice [LB(k) + E(X) + UB(k)]/3, which is the mean of the k-sigma lower and upper bounds and the expected value of net-outcomes and which is recommended as the most all-round criterion of choice (Van Erp et al., 2016).

It is found that for linear utilities and the traditional criterion of choice of expected value E(X) maximization the lower interest bound dictated by the insurer-financier of a bottomry contract result in the traditional odds measure of bookmaking. Linear utilities and the Value at Risk (VaR) criterion of choice (Jorion, 2006) result in a first type of adjusted odds that reflects the conservativeness of this criterion of choice. Linear utilities and the balanced probabilistic Hurwitcz criterion of choice result in a second type of adjusted odds which takes a middle position between the traditional odds and the conservative VaR-odds. Finally, linear utilities and the Weaver criterion of choice results in a third type of adjusted odds that is balanced in its trade-off of upper and lower bound information while also taking into account the expected value information.

We will also derive upper interest bound for the taker of the bottomry contract for the respective criteria of choice and non-linear utilities. It then will be discussed that a larger potential margin of profit will result in a willingness of the contract-taker to share a larger portion of this margin with the insurer-financier in-lieu for the riskless profit that is made possible by the bottomry contract.

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14-CB19-1215

FROM EXPLORATION TO EXPLOITATION-SOME PERSPECTIVES FROM ORGANISATIONAL DESIGNING

MR. SAYAN BANERJEE[10]

Though a lot of work by March (1991) Levinthal (1991) etc dealt with the interplay of exploration and exploitation yet very few work with the exception of Bosch et al. (1999) had attempted to make a link between organisational forms and the said aspects of exploration and exploitation .Bosch et al attempted to make a link between exploration , exploitation with the new organisational forms like product ,functional or matrix through adsorptive capacity.In this paper an attempt has been made to co relate exploration exploitation activity taken as two ends of the continuum with the organic and mechanistic purview of the organisation as depicted by (Burn and Stalker,1961) .In this paper absorptive capacity (Bosch et al.) and organisational learning (through single and double loop learning) has also been dealt with to come at a conceptual framework for better understanding of organisation.

15-CB17-1214

SHARED SUCCESS: THE CONNECTIONS OF THE LABOUR MARKET AND THE HIGHER EDUCATION

MR. PÉTER KÖRÖSPARTI[11] MR. PÉTER PILISHEGYI, DIRECTOR OF STUDENT SERVICES AND RELATIONS

In the last few years wide-ranging debate started in Hungary about the main role, main function of the higher education. Many stakeholders shared their opinions about this hot topic, and many of them thought that one of the higher education's main aims is to serve the economic growth by serving the labour market.

One of the most popular thoughts says that the higher educational system only have to offer (or only allowed to offer) programmes which can be directly used after graduation. Other people said that one of the most important functions of the higher education is to increase the intellectual level of the whole society and this aim is much more important than the employers' wishes. "In a global learning environment, Education as a Right finds a natural partnership in Learning as a Duty." Roberto Carneiro's thought is a very simple and – at the same time – very radical summary of the higher education's legal aspect. To find the right's partner duty is not that difficult but to translate this statement for the labour market is a great challenge.

We can find constant characteristics when we are trying to define the role or the aim of the higher education. One of these aims is to increase the competitiveness of a country or a society. As Attila Chikán published in his study there is a very strong correlation between the competitiveness of a country and the competitiveness of its higher education system. Countries with more competitive higher education will have better positions in the global competitiveness rankings.

The aim of the presentation and the aim of the article is to show all those difficulties which could be found during the restructuration of the higher educational system. How can we examine what does the labour market need? How can we change the higher educational system? How can we change the students interests? Is it useful for the economical growth, if we only try to reach short-term objectives?

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