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**Prof. Dr. Serdar Ongan**

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## **PREFACE**

*Ask someone to tell you the story of the blind men and the elephant, and they'll tell you a tale of six men, each of whom touched a different part of an elephant, unable to see what their hands were resting on. Asked to describe what they had touched, the man who felt the side of the elephant said, "I touched a wall," and the man who felt the elephant's tusk said, "I touched a spear." The six men argued among themselves-- was it a snake, a cow, a piece of rope? Only when they worked together, sharing their different ideas and experiences, were they able to discover the truth.*

*Gardy & Brinkman, 2003*

The National Academies defines interdisciplinary research as “a mode of research by teams or individuals that integrates information, data, techniques, tools, perspectives, concepts, and/or theories from two or more disciplines or bodies of specialized knowledge to advance fundamental understanding or to solve problems whose solutions are beyond the scope of a single discipline or area of research practice.” The fields of business and economics are very suitable for interdisciplinary research. For this reason, we decided to create an international conference to feature business and economics research that spans more than one discipline. We are very happy to present to you the proceedings of the seventh International Interdisciplinary Business-Economics Advancement Conference. In these proceedings, please find 48 papers or abstracts from 14 different countries in different fields of business. We thank our contributors and reviewers for making IIBA a truly global conference. The provided USB-stick also includes the abstracts and full papers along with the conference program.

The IIBA Conference aims to bring together researchers, scientists, scholars and scholar students to exchange and share their experiences, new ideas, and research results regarding all aspects of Business and Economics, and to discuss the practical challenges encountered in the field as well as the solutions adopted. We are proud to be sponsored in the United States by the University of South Florida Sarasota-Manatee. We would also like to thank Turkish Airlines for their generous sponsorship. We extend our gratitude also to our Scientific Relations Coordinator, Mr. Muhittin Cavusoglu for his great contributions to the success of the Conference and creation of these proceedings.

Most importantly, we would again like to thank all of our authors and reviewers for their contributions, without which the IIBA Conference literally would not be possible.

### **Co-Editors:**

Prof. Dr. Cihan Cobanoglu

Prof. Dr. Serdar Ongan

**April 2017**



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## Marketing Channel Structures of Thailand's Agriculture Products

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### Abstract

Thailand is predominantly an agriculture-based country. A large proportion of population derives their livelihood and income from agriculture sector. The marketing channels of perishable commodities are one of the most challenging the agriculture industry. There are two types of marketing channel structures of agriculture products in Thailand, being traditional and modern channels. Traditional channels are not that crucial due to changing consumers' behavior, no value-added, limited geography distribution, little marketing knowledge and making less profit. On the contrary, modern channels are playing imparting roles in distributing agriculture products in Thailand as channels are shorter and have more distribution choices, quality can be controlled by technology, consumers prefer to buy products at supermarkets rather than local markets, factories and exporters also prefer modern channels as the quality and safety as quality and safety can be ensured.

**Keywords:** marketing channels structure, Thailand, agriculture products

### Introduction

Thailand's development has been generally based on agricultural production. The agricultural sector of the country which is mainly supported by smallholders continues to be the basis of the livelihood of the majority of its 70 million population, of whom about one-third is presently employed in agriculture. Although its GDP share has decreased substantially, it still accounts for 25 % of total exports by value, and agricultural imports remain very small. At least 30 % of the country's total land area is now used for agricultural activities.

Thailand has the total a total land area of 321 million rais or about 51.4 million hectares. Of this total, 133 million rais or 41% is engaged in the agricultural sector. In this regard, 68 million rais or 21% is accounted for paddy area, and 30 million rais or 10% is accounted for other croplands. Agricultural production accounts for only 9% of the GDP. Despite such a small proportion, agriculture is still of great importance to the Thai economy, since the majority of the population still earn their living from agriculture. Thailand is the second largest food exporter in all of Asia, behind only farming behemoth China.

The reasons for Thailand's success as a major world food producer are numerous, and they include its abundance of resources and raw materials; highly-skilled workforce; stringent quality standards; an increasing demand for food production domestically and internationally; and unwavering government support



Moreover, Thailand is a major player in global agriculture, and as a result they have welcomed significant foreign direct investment. Agricultural machinery imports amount to nearly \$600 million (USD), servicing some 9,000 food-producing farms and factories – which employ 120,000 workers of which a mere 3% are large enterprises (Singhapreecha, 2014)..

So there are ongoing market opportunities for Thailand's agriculture industry, in distribution through marketing channel.

Furthermore, it is this advanced infrastructure that provides an excellent backdrop for agriculture business events and networking functions, and is heightened by various Ministry of Agriculture Co-ops, Royal initiatives, and government-sponsored programs and expos and of course Thailand's strategic location in the ASEAN region which have all led to numerous agriculture-related trade shows coming to Thailand. Thailand's famous fun, flexibility, and friendly service have certainly contributed to this success as well (Thamthanakoon, 2015) .

However, one challenge faced by Thai agriculture producers is marketing channel in distributing agriculture products in both domestic and international markets. More importantly, profitability and competitiveness of agriculture products critically depends on the right choice of marketing channel structure (Panda, R. K. & Sreekumar, 2012). This paper discusses marketing channel structure of Thailand's agriculture products, focusing on the traditional and modern channel.

### **Literature Review**

Marketing channel decisions are among the most important decisions that management faces today. Indeed, if one looks at the major strategy of the marketing mix (product, price, promotion and distribution), the greatest potential for achieving a competitive advantage now lies in distribution (Obaji, 2011).

Distribution, as one of four elements of marketing complex, is an inseparable part of marketing decisions which involves all the decisions about distribution of products to the end user. The issues of distribution were analyzed by a number of marketing specialists (Berman, 1999; Kim, 1996; Delton, 1997; Frazier, 1999; Kotler, 2003; Rosenbloom, 1999; Stern, 2006; etc.), paying a big attention to the elaboration of the procedures of marketing channel design (Gudonaviciene & Alijosiene, 2008).

Distribution still offers a new frontier for competing successfully, especially if the emphasis is placed on the design and management of superior marketing channel systems to provide excellent customer services. Yet designing optimal marketing channel systems to boost sales, formulating innovative distribution strategies and managing channels system effectively is no simple task. (Obaji, 2011)



The very earliest formal conceptions of marketing channels focused on the functions performed by a distribution system and the associated utility of these functions and the overall system. Reflecting their presence in industrial and transitional economies, marketing channels gradually came to be viewed as the set of interdependent organizations involved in the process of making a product or service available for use or consumption (Coughlin, Anderson, Stern, & El-Ansary, 2001). This institutional oriented perspective draws attention to those members (e.g. wholesalers, distributors, retailers, etc.) comprising the distribution system and engaged in the delivery of goods and services from the point of conception to the point of consumption (Anderson & Coughlan, 2002). The management of such institutions through marketing channel management involves the planning, organizing, coordinating, directing and controlling efforts of channel members (Gundlach et al, 2006).

In general, the concept of distribution refers to where and how product and services are to be offered for sale, all essential mechanism and logistical supports for the transfer of goods and services as well as ownership of goods and services to the customers (Stern et al, 2006). A successful marketing channel ensures that a desired product is distributed in a desired amount to a desired channel to satisfy the desired consumer (Kotler & Keller, 2009).

One of the initial problems encountered when the area of integrated distribution is discussed is the problem of definition. No single "model" distribution system can be tailored for all business firms. The distribution function, like other functions of the firm, must be developed within the framework of management philosophy and available resources of the individual firm. During the 1960s, three characteristic or identifiable approaches to integrated distribution management have emerged. They are: physical distribution management, materials management and business logistics. (La Londe et al, 1993).

Research devoted to channel management has played an important role in the marketing discipline for over 40 years. Two main areas of channels research in marketing have evolved. First, how channels are organized or structured has been a focal point, centering on the level of channel integration, reliance on multiple channels, distribution intensity and organizational policies relating to centralization, formalization, standardization, and surveillance (Dwyer & Oh, 1988; John & Weitz, 1988; Fein & Anderson, 1997; Shervani, et al, 2007). Second, how ongoing channel relationships are coordinated in a behavioral sense has been even more prominent, dealing with methods of channel governance, including the impact of contracts, the development and application of interfirm power, communication approaches, levels of control and conflict, and the attainment of trust and commitment (cFrazier, 1983; Anderson & Weitz, 1992; Boyle, Dwyer, Robicheau and Simpson, 1992; Morgan and Hunt, 1994; Kumar, Sheer and Steenkamp, 1995; Lusch and Brown, 1996).

## **Development of Channel Structure**

A channel of distribution can be defined as the collection of organization units, either internal or external to the manufacturer, which performs the functions involved in product marketing. These functions are persuasive and include buying, selling, transporting, storing, grading, financing, market risk bearing and providing marketing information. A channel member is an individual organization unit institution or agency that performs one or more of the marketing functions and by doing so has an active role in the channel of distribution (Lambert, 1978).

The marketing channels literature has given considerable attention to the study of channel structure. Early researchers discussed channel structure in terms of the functions performed by channel members (Mallen, 1973). The basic idea was that these functions could be allocated in different mixes among the various channel members depending on the characteristics of the channel. As structure research evolved, several common elements emerged, which were seen as varying across different channels, including: the number of channel levels (i.e., number of intermediaries involved), the intensity at the various levels (the number of intermediaries at each level of distribution), and the types of intermediaries at each level (i.e., retailers, wholesalers, distributors) (Rosenbloom B., 1987). Thus, channel structure was essentially treated at a micro level, rather than examining the more macro issues such as: how firms decide who will perform what activities, the costs and trade-offs involved in using various channel strategies, and various extraneous factors affecting channel relations.

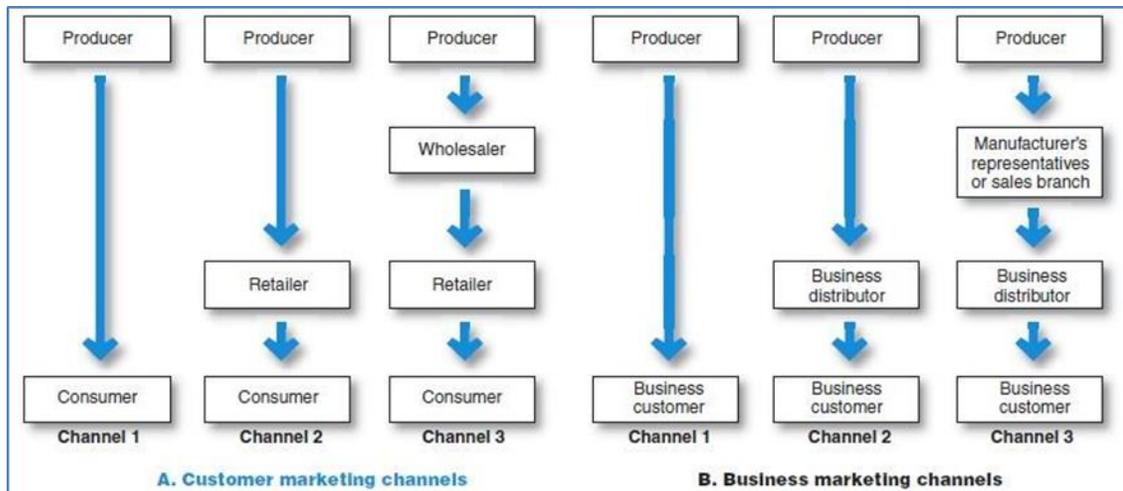
Starting from the 70's, tremendous strides have been made in the understanding of how firms should organize and manage their channels of distribution. Still, the researchers have barely touched the surface of all the managerial issues that have been addressed. Furthermore, many issues of managerial importance relating to the organization and management of channels of distribution have received no attention in empirical research (Frazier, 1999).

More recent research in channel structure examines both macro and micro issues. The majority of the current research on channel structure focuses on one of two broad operationalizations of structure: transactional form or bureaucratic form. Though it could be argued that the degree of relationalism also reflects the structure of the relationship, transactional form and bureaucratic form are the most widely accepted (Brent, 2007).

Kotler and Keller (2009) view the alternative channel arrangement as three types of channel levels depending on the number of intermediaries involved in delivering the product to final consumer. These alternative channel arrangements could be based on the conventional marketing channel system or vertical marketing system depending on the level of desire to control channel behavior. There are three alternative types of consumer channel (see Figure.1). Channel 1 is called a "direct-marketing" channel, since it has no intermediary levels. In this case the manufacturer sells directly to customers. An example of a direct

marketing channel would be a factory outlet store. Many holiday companies also market direct to consumers, bypassing a traditional retail intermediary - the travel agent. Channel 2 contains one intermediary. In consumer markets, this is typically a retailer. The consumer electrical goods market and is typical of this arrangement whereby producers such as Sony, Panasonic, Canon etc. sell their goods directly to large retailers such as Tesco and Amazon which then sell onto the final consumers. Channel 3 contains two stages between producer and consumer - a wholesaler and a retailer. A wholesaler typically buys and stores large quantities of several producers' goods and then breaks into bulk deliveries to supply retailers with smaller quantities. For small retailers with limited order quantities, the use of wholesalers makes economic sense.

Business distribution channels facilitate the flow of goods from a producer to an organizational customer. Generally, business channels parallel consumer channels in that they may be direct or indirect. The simplest indirect channel in industrial markets occurs when the single intermediary a merchant wholesaler referred to as an industrial distributor rather than a retailer buys products from a manufacturer and sells them to business customers. Direct channels are more common to business-to-business markets because business marketing often means selling high-dollar, high-profit items to a market made up of only a few customers. In such markets, it pays for a company to develop its own sales force and sell directly to customers at a lower cost than if it used intermediaries (Kotler & Keller, 2009). There are three types of business channels (see Figure.1).



Source: Kotler and Keller (2009)

**Figure 1:** Alternative Types of Consumer and Business Channel

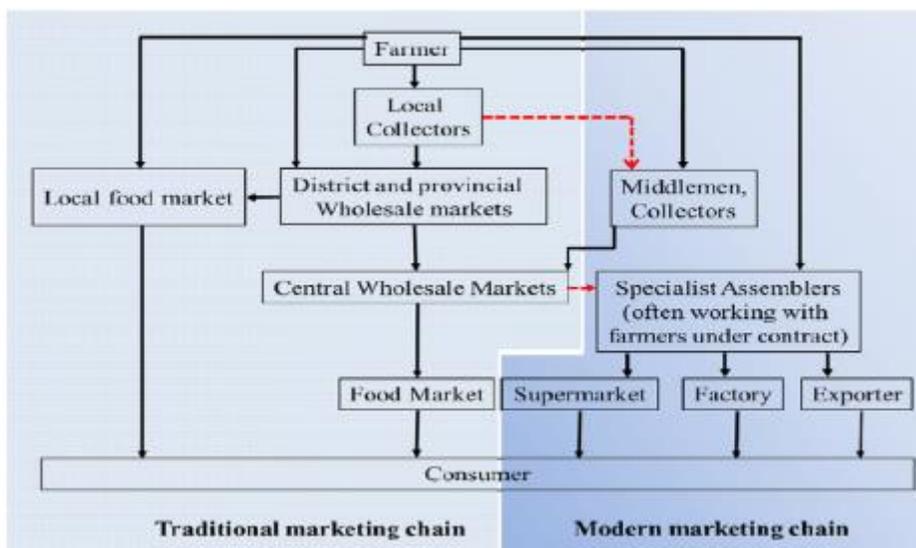
Channel 1 is direct-marketing channel and is a common channel for expensive industrial products like heavy equipment and machines. There needs to be close relationship between the manufacturer and the customer, because the product affects the operations of the buyer. The seller has to participate in many activities like installation, commissioning, quality control and maintenance jointly with the buyer. The seller is responsible for many aspects of the operations of the product long after the product is sold. The nature of the product

requires a continuing relationship between the seller and the buyer. The large size of the order makes direct selling and distribution economical. Channel 2 occur where manufacturer to distributor to industrial customers. This type of channel is deploy for less expensive, more frequently purchased products, distributors are used. The company has both internal and field sales staff. Internal staff deals with customer and distributor generated enquiries and order placing, order follow-up and checking inventory levels. Outside sales staff is proactive. They find new customers, get product specifications, distribute catalogues and gather market information. They also visit distributors to address their problems and keep them motivated to sell the company's products. Distributors enable customers to buy small quantities locally.

Channel 3 is the longest channel for distribution of industrial goods. Two intermediaries' i.e representatives and industrial distributor remain between producer and users. Producer's representatives contact industrial distributors and industrial distributors sell the goods to industrial users. This two level channel becomes useful to sell operating supplies, small spares and parts and other industrial goods that need massive distribution. It contains two stages between producer and consumer - a wholesaler and a retailer. A wholesaler typically buys and stores large quantities of several producers' goods and then breaks into bulk deliveries to supply retailers with smaller quantities. For small retailers with limited order quantities, the use of wholesalers makes economic sense.

### Marketing Channel Structure of Thailand's Agriculture Products

The marketing channel of perishable commodities is one of the most challenging the agriculture industry. There are 2 types of marketing channel structure of Thailand's agriculture industry, namely traditional and modern channel (Figure. 2).



Source: Wongprawmas et al. (2015)

**Figure 2:** Marketing Channels of Agriculture Products of Thailand

Traditional Channel comprises of six parties. Farmers have two choices of channels; they would either sell directly to traditional food markets or intermediaries. For direct channel, farmers grow and harvest crops and sell directly to food markets. The direct channel is limited only to large farms and farmers who have their own inventory, transportations and access to the markets. Therefore, this direct channel is now fading away from agriculture industry in Thailand. On the other hand, farmers would sell their products to local collectors including cooperatives and intermediaries, who come and buy all products on the farms, and redistribute to the district and provincial wholesalers. Finally, district and provincial wholesalers would distribute products to central wholesale markets would break bulk and sell to consumers at traditional food markets. The traditional channel is becoming less crucial channel in distributing agriculture industry for various reasons, for instance, changing consumers' behavior, making less profit, no value added, limited only to certain geographical markets and no marketing knowledge.

The modern marketing channel of agriculture products is shorter and has distribution choices than the traditional channel. Starting from the professional suppliers and vendors contact farmers to grow certain crops and prepare products according to specific requirement under certain contract. In case of insufficient supply from contracted producers, vendors may also obtain products from wholesale markets. The suppliers and vendors would have three channel choices in distributing the products to consumers. Firstly, products are distributed to national wide supermarkets with certain package and branding. Secondly, the suppliers and vendors would sell products directly to the contracted factories, which would process agriculture products into various packages, including bottle and can. Lastly, the suppliers and vendors would export high quality of products to certain and specific countries according to contracts. The modern marketing channels is growing fast and becoming important channels for agriculture products (Schipmann and Qaim, 2011). This is because cost and quality can be controlled by technology, consumers prefer to buy products at supermarkets rather than local markets, factories and exporters also prefer modern channels as the quality and safety as quality and safety can be ensured, channel structure is shorter and marketing strategies is important in distributing products.

### **Conclusions**

Marketing channel structure is important in making products available in the markets. Channel structure can be different from one industry to another. Marketing channel of agriculture products is challenging faced by farmers and intermediaries. Agriculture sector has been the backbone of the Thai economy. Marketing channel structures of agriculture product in Thailand are categorized into two types, being traditional and modern channels. A traditional channels becoming less crucial due to changing consumers' behavior, no value-added, limited geography distribution, little marketing knowledge and making less profit. A modern marketing channel of agriculture products are growing rapidly and are crucial distribution channel in Thailand. The reasons being cost and quality can be controlled by technology, consumers prefer to buy products at supermarkets rather than

local markets, factories and exporters also prefer modern channels as the quality and safety as quality and safety can be ensured, channel structure is shorter and marketing strategies is important in distributing products.

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## Corporate Brand Personality and Implementation

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### Abstract

Corporate brand personality is characteristics representing a corporate core values. It can be easily understood as human characteristics or so called “personality traits” that can be attributed to brand identity. The corporate in this case study is the organization providing data from geo – informatics and space technology to customers and government agency in Thailand, with four priority missions of local social disparity problem solving, agriculture, ASEAN Grand Geospatial Platform investment promotion and space technology development. This research is aimed to explore corporate brand personality from a perspective of customers and stakeholders. Personality traits has been analyzed by asking some questions as if a corporate is a person, what would he be like, what he would do and if this person attend the event, what kind of events he will attend and what is the main topics in the party. Besides, the result will lead to a corporate brand personality plan for the organization. Qualitative research has been employed for 50 respondents, that is, internal personnel, both in the management and operational level, government agencies who use the data from the organization to support major policy in the country, and press who can be brand announcer for the organization by promoting the organization project success to public. The result showed that organization brand personality has been viewed as practitioner or action type more than thoughts and feelings type of organization brand personality. The most distinctive corporate brand personality type is the collaborative working style, having a good teamwork to accomplish job for customers and all of stakeholders. Besides, organization personality traits, conveying corporate identity, has been viewed as sincerity, excitement and ruggedness. So the organization in this case study has a corporate brand personality of practitioner who wants to get things done by collaborative value creation with customers and all of stakeholders, concentrating on value delivery from corporate identity working style of sincerity, excitement and ruggedness. The process of collaborative value creation and value delivery to customers and stakeholders reflects in the outcome of value propositions beneficial to community and society as a whole from corporate core competencies and value – added creation. Corporate brand personality plan has been suggested in the term of value proposition projects through co – creative idea with customers or others network to contribute a real impact to society and community, proposing to win an awards in the related fields. Corporate culture is also the must have idea to make an internal organization engagement.

**Keywords:** corporate brand personality, corporate brand identity, corporate culture



## **Introduction**

The importance of corporate brand personality to a successful organization has been mentioned in this decades. What an organization is and how he presents himself to customers and all of stakeholders are defined as corporate brand personality. Corporate brand identity, on the other hands , has been identified by corporate personality traits , conveying the characteristics from corporate values. The organization in this research is Geo – Informatics and Space Technology Development Agency (Public Organization) or GISTDA , a government organization in Thailand responsible for providing satellite remote sensing and Geographic Information System ( GIS ) data and services to both public and private sectors, nationally and internationally .

This research aimed to create corporate brand personality plan, leading to make corporate brand personality happen in the organization. Besides, the research set the goal to communicate for corporate brand identity adoption from inside to outside organization. Finally, the research aimed to build sound brand personality to GISTDA in a view of organization responsibility to society and nation as a whole. The outcome from corporate brand personality plan will promote GISTDA’s four priority missions of (1) local social disparity problem solving (2) agriculture (3) ASEAN Grand Geospatial Platform investment promotion and (4) space technology development.

Corporate brand personality can reflect corporate values held by the organization. In case of GISTDA, the organization has set vision to deliver value from space ,thus creating benefit for Thailand and society through 3 Cs corporate values ,that is, C-Cluster, C-Connectivity and C- Co-creation. The result from the study has to create the impact for society in primary clusters by communicating values to the society and stakeholders, driving co -creative projects by GISTDA and customers or partners, as well.

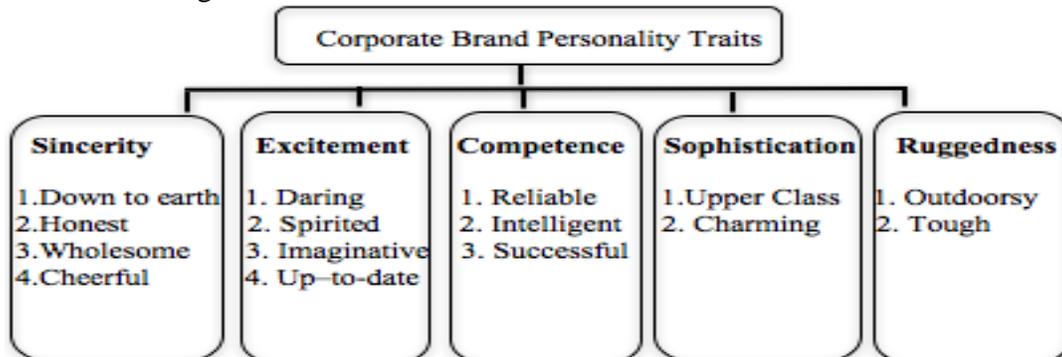
## **Literature Review**

According to Keller ( 2006 ) , a corporate brand personality can be defined in terms of the human characteristics or traits of the employees of a corporation as a whole , reflecting the values , words , and actions of employees and management in the organization. Therefore, the scope of the study has been focus on the corporate brand personality in three types. First, values or feeling type of corporate brand personality showing employees’ working in passion and compassion style. Second, words or thoughts type of corporate brand personality , signifying staff’s creativity and disciplines in organizing job . And , Third, actions type of corporate brand personality ,illustrating working style of employees in proactive or agile action and collaborative working style to work as a team and support customers and all of stakeholders. Corporate brand personality traits have been classified in five categories ( Aaker , 2014 );

1. Sincerity
2. Excitement
3. Competence
4. Sophistication

## 5. Ruggedness

As shown in Figure 1



**Figure 1:** Types of Corporate Brand Personality Traits (Aaker, 2014)

Corporate brand personality, therefore, can reflect corporate identity. Corporate can reshape the corporate identity by managing and creating activities inside the organization and conduct organization culture to help make people in the organization receptive to change.

### Methodology

Qualitative research has been employed for this research through in –depth interview and focus group method , with fifty respondents. Twenty four respondents have been listed from internal personnel , both from management level and operational level . While sixteen ones from decision makers of governmental agencies and ten people from press in a field of scientific news. Questionnaires have been designed separately upon to each group, including Corporate Brand Personality assessments , Corporate Brand Identity Evaluation and Live Personality Questions Parts.

### Data Collection

#### 1. Secondary Data

- 1.1 Research Report for GISTDA (during 2010-2011 )
- 1.2 GISTDA Annual report in the year of 2011 – 2014
- 1.3 Organization Profile documents.

#### 2. Primary Data

Primary data has been gathered through in-depth interview and focus group from three segments, that is, internal personnel for 24 respondents, governmental agencies 16 respondents and press 10 respondents.

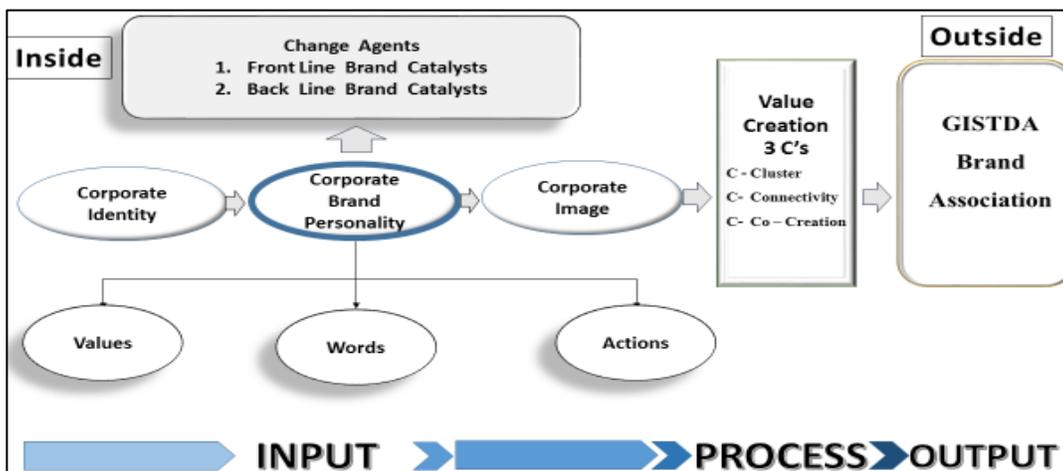
### GISTDA Corporate Brand Personality Model

As for Figure 2, it shows that corporate brand personality design is a process from inside to outside. The output of the process is to create brand association. When people outside

think of geo – informatics and space technology organization, the name of GISTDA should have been placed in the top rank in customer perception. GISTDA has announced GISTDA Value Creation Strategy to customers and all of stakeholders that GISTDA will deliver the value from space through 3 C’s , that is, C – Cluster , C- Connectivity or Collaboration and C- Co – creation. Certainly. The value creation 3C’s has to be accomplished by way of GISTDA personality identity and image presentation. Thus this research will help GISTDA create corporate brand personality, that has been scoped by corporate identity. Both will reflect to GISTDA image. Therefore, this research will construct the input factors of corporate brand personality, corporate identity and corporate image that could help create 3 C’s value creation. The output is to create brand association for GISTDA in the near future.

Corporate Brand Personality for GISTDA contains into three parts, that is:

1. Values that conveys feelings from inside of GISTDA people. Passion from GISTDA people to accomplish work for customers and all of stakeholders, as well as , compassion feelings to contribute benefits to customers , society and others parties ,as a whole, will reflect the value of the organizations.
2. Words that presents thoughts of GISTDA people. Creativity in job and working style that follow the rules or disciplines that has been set will reflect way of thinking from GISTDA people.
3. Actions that shows the performance and activities from GISTDA to reach organization mission and vision . Agility to get job done in a proactive and positive style as well as the collaborative job performing by coordinating with customers and others related parties will reflect GISTDA people actions.



**Figure 2:** GISTDA Corporate Brand Personality Model

Qualitative research by in-depth interview and focus group can reveal the strong points that GISTDA, from internal personnel , governmental agencies and press ’s points of view , has

from its personality. To reshape corporate brand personality, GISTDA require people who can act in the role of change agents , either working in the front line functions or back line functions.

As for the Corporate Identity, it reveals GISTDA 's personality traits that can make other recall GISTDA by its look and appearance. There are five types of corporate identity or personality traits, that is:

1. Sincerity
2. Excitement
3. Competence
4. Sophistication
5. Ruggedness

Result from research will show which type of personality traits that GISTDA is in. In the last part, Corporate Image, it is the communication and presentation that GISTDA wants to convey its personality and identity to public. In this study , researcher recommends the value proposition strategy to create desired Corporate Brand Personality for GISTDA , enhancing valued Corporate Identity, thus conveying image that GISTDA is one of the organization that has a good social responsibility and gains nation significance. The value proposition strategy for GISTDA contains fours strategies, that is, GISTDA Promise, Voice from GISTDA , GISTDA Sphere and GISTDA Can Do Culture.

## Findings

### 1. Corporate Brand Personality

The result showed that most of the respondents agreed that corporate brand personality of GISTDA was in the action type of corporate brand personality (mean=3.99 ). They worked in a collaborative style to make job and goal accomplishment, (mean = 4.16 ). Therefore, GISTDA has been viewed from their personality like a man who loves to work with other, helping others to fulfill their goal in job. As shown in Table 1.

**Table 1:** Corporate Brand Personality of GISTDA

Corporate Brand Personality (n = 50)	Level of Agreement	
	Mean	Level
<b>.1 Feelings</b>	<b>3.81</b>	<b>Agree</b>
1. 1 Passion	4.07	Agree
.1 2 Compassion	3.64	Agree
<b>2. Thoughts</b>	<b>3.83</b>	<b>Agree</b>
2.1 Creative	3.83	Agree
2.2 Disciplines	3.83	Agree
<b>3. Actions</b>	<b>3.99</b>	<b>Agree</b>
3.1 Agile	3.87	Agree
3.2 Collaborative	4.16	Agree

When classified by segment, that was, internal personnel, government agencies, and press, result showed that, internal personnel rated corporate brand personality lower than the other two groups in every dimension of corporate brand personality. Internal personnel viewed that factor that made GISTDA's corporate brand personality distinctive is in action type (mean = 3.58) GISTDA collaborated job with others to make job done and reach organization's goal and had passion from inside (mean = 3.90 and 3.86, respectively). While government agencies considered that GISTDA's corporate brand personality is also in action type (mean = 4.40), working in a collaborative style and using creativity in job, (mean = 4.56 and 4.33, respectively). The press group rated the top score for GISTDA corporate brand personality in action type (mean = 4.31), working with agility and creativity (mean = 4.45 and 4.32, respectively). It is noted that the government agencies rated on the top score in action type of corporate brand personality. As Seen in Table 2.

**Table 2: Corporate Brand Personality of GISTDA Classified by Segments**

Corporate Brand Personality (n=50)	Segments		
	Internal Personnel (n = 24)	Government Agencies (n = 16)	Press (n = 10)
	Mean	Mean	Mean
<b>.1 Feelings</b>	<b>3.43</b>	<b>4.19</b>	<b>4.13</b>
1.1 Passion	3.86	4.30	4.18
.1 2 Compassion	3.13	4.11	4.10
<b>2. Thoughts</b>	<b>3.31</b>	<b>4.31</b>	<b>4.29</b>
2.1 Creative	3.29	4.33	4.32
2.2 Disciplines	3.35	4.29	4.23
<b>3. Actions</b>	<b>3.58</b>	<b>4.40</b>	<b>4.31</b>
3.1 Agile	3.34	4.28	4.45
3.2 Collaborative	3.90	4.56	4.13

## 2. Corporate Identity

Corporate Identity has been reflected through corporate personality traits which have been classified into five types, sincerity, excitement, competence, sophistication and ruggedness. Result showed that top three scores of corporate identity that can represent GISTDA were Sincerity, Excitement and Ruggedness (mean = 4.07, 3.90 and 3.80, respectively), as shown in Table 3.

**Table 3: Corporate Identity of GISTDA**

Corporate Identity (n=50)	Level of Agreement	
	Mean	Level
<b>Sincerity</b>	4.07	Agree
<b>Excitement</b>	3.90	Agree
<b>Competence</b>	3.69	Agree
<b>Sophistication</b>	3.59	Agree
<b>Ruggedness</b>	3.80	Agree

When considered by each segment, result showed that GISTDA internal personnel still rated themselves in identity lower than the other two groups in every dimension of corporate identity. The internal personnel scored top three identity as sincerity, ruggedness and competence (mean = 3.78, 3.60 and 3.56, respectively). While government agencies scored top three

corporate identity as sincerity , excitement and sophistication ( mean = 4.40 , 4.31 and 4.03, respectively ). Besides press group evaluated top three corporate identity as excitement, sincerity , and sophistication ( mean = 4.23 , 4.22 and 3.95, respectively ). As shown in Table 4

**Table 4:** Corporate Identity of GISTDA classified by segments

Corporate Identity	Segments		
	Internal Personnel ( n = 24 )	Government Agencies ( n = 16)	Press ( n = 10 )
	Mean	Mean	Mean
1.Sincerity	3.78	4.40	4.22
2. Excitement	3.48	4.31	4.23
3. Competence	3.56	3.81	3.80
4. Sophistication	3.15	4.03	3.95
5. Ruggedness	3.60	3.97	4.00

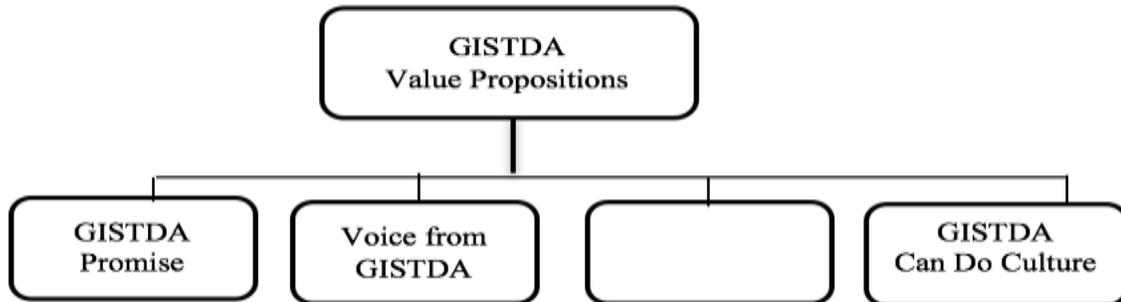
From corporate identity , it can shape organization brand personality. In this case study of GISTDA , corporate identity result revealed GISTDA personality traits as people who were sincere , proactively working with ruggedness style to get things and make things happen. All of these related to GISTDA ’s corporate brand personality , that GISTDA were people who wanted to work for others with integrity to customers and all of stakeholders as a whole. Next is to create corporate brand personality action plan for GISTDA to build image that GISTDA is the organization who wants to contributes to society and make national significance to Thailand.

### Recommendation

1. **GISTDA Promise:** GISTDA should announce projects that can help community to gain more income from GIS data in each locality, and make it real ,by creating a pilot project to launch some kind of agricultural plantation. “GISTDA Promise” should have been in line with four priority missions of GISTDA, that is, local social disparity problem solving , agriculture, ASEAN Grand Geospatial Platform investment promotion and space technology development. Follow- Up program should be made after launching the projects.
2. **Voice from GISTDA:** In order to create new image that GISTDA is not an academic personality, but the practitioner , instead, GISTDA , collaborating with partners in many sectors , should promote the success story of the projects through online media and off line media in time frame of pre - project , during project and post projects.
3. **GISTDA Sphere:** GISTDA should enhance the integrity image from current CSR project. For example, “GISTDA for our hometown” , giving a chance for GISTDA people who were born in the local to be back home and do some projects by using informatics data suggesting some agricultural products . Therefore the poverty problem in locality can be solved. Such a kind of the success story from CSR projects should be applied to win an awards, enhancing GISTDA ’s proficiency to society and nation’s contribution .
4. **GISTDA Can Do Culture:** By creating from inside to outside pride of success story, GISTDA people should provide much more time to talk together in any topics , even

not related to job in responsibility. For example, movie day can be set as internal communication activity. After the session , organizational communication department , should provide another session to let GISTDA people to meet the movie maker team learning how to make a short movie. Everybody , therefore, can make a movie of his or her department 's success story , contributing to overall GISTDA 's success story, finally.

Corporate brand personality plan for GISTDA has been created into four strategies, as shown in Figure 3.



**Figure 3:** Corporate Brand Personality Plan for GISTDA

### Conclusion

Corporate brand personality can shape the image of the organization. GISTDA, in this case study, had the corporate brand personality in the action type , with three characteristics of corporate identity , that is , sincerity , excitement and ruggedness. The corporate brand personality plan has been suggested to provide value propositions from GISTDA to outside, GISTDA Promise , Voice from GISTDA , GISTDA Sphere and GISTDA Can Do Culture.

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## Perceptions of Turkish Working Women on Success, Empowerment and Information Technologies

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### Abstract

The main purpose of this study is to explore Turkish working women's perceptions on success, empowerment and information technologies in professional life, and associate the results to cultural values in the light of sociological views. The sample consisted of 110 women working in different sectors. An open-ended questionnaire have been used to collect the data. The results showed that information technologies are significant factor to empower women. The dimensions of achieving goals, making money, and utmost effort are frequently mentioned in defining the success; and family support is the most important factor for women empowerment. All these findings can be explained with the values of power distance, uncertainty avoidance, individualism, and masculinity dimensions along with the male dominant culture of Turkey.

**Keywords:** women, success, empowerment, information technologies

### Introduction

Women have distinct point of view about professional life which is different from men. This distinction is based on the gender differences. From the perspective of evolutionary views gender differences can be explained by emphasizing the possession of sex-specific evolutionary mechanisms (Buss & Schmitt, 1993). On the other hand, highlighting the contextual factors, sociological views focus on society's gender division of labor with influencing effects of cultural or situational conditions (Eagly & Wood, 1999). According to the latter theory; men's assignment to the social role of greater power leads their behaviors more dominant, and women's linked social role of child care generates qualities such as nurturance and a facility with relationships (Meece, Glienke & Burg, 2006). It's generally accepted at the literature that men are linked with agentic (expected masculine) qualities as independence, aggressiveness, autonomy, instrumentality, and courage, whereas women are associated with more communal (expected feminine) qualities as expressiveness, connectedness, relatedness, kindness, supportiveness, and timidity (Gupta et al, 2009).

Women participation in working life has been accelerating for last 30 years. According to the 2015 global gender gap statistics, more than quarter of a billion women has entered the

labor force for the last ten years (World Economic Forum, 2015a). Global gender gap score of economy is about 0.62 (ranged between 0=inequality to 1=equality) for all countries in 2015. For instance, in United States; participation of women in labor force is 66.07%, for every \$1 woman earn, a man earns \$1.54, the average annual salary for a woman is \$43,122.27 for a man is \$66,337.73, and gender gap score is 0.72 with ranking 45<sup>th</sup> (out of 145). On the other hand, in Turkey, one of the 20 major economies, participation of women in labor force is 33.46%, for every \$1 woman earn, a man earns \$2.27, the average annual salary for a woman is \$12,162.20 for a man is \$27,672.72, and gender gap score is 0.62 with ranking 130<sup>th</sup> (out of 145) (World Economic Form, 2016). Ultimately gender differences vary with cultural or situational conditions, and turning into a disadvantage for women especially in underdeveloped or developing countries.

The main purpose of this study is to explore Turkish working women's perceptions on success, empowerment and information technologies in professional life, and identify the results with cultural values in the light of sociological views.

## **Literature Review**

### **Women in Turkey**

The Republic of Turkey is a transcontinental country in Eurasia, mainly in Anatolia in Western Asia with a smaller portion on the Southeast Europe (Turkey, 2017). Turkey, geographically and culturally a blend of East and West, is a secular country in the world where approximately 98 percent of the population is Muslim. Although there is a sense of inequity between women and men stemming from the perception of women's secondary status in society in all of Muslim countries, Turkey has created its own framework for gender mainstreaming.

The rise in women's social and political rights in Turkey often attributed it to secular ideology and Westernizing reforms of Mustafa Kemal Atatürk. Since the foundation of the Republic, effective policies were implemented towards achieving this target. Mustafa Kemal Atatürk, founded the state of the Turkish Republic in 1923, gave women equal social and political rights with men. Turkish women entered education, employment and other public domains of life increasing numbers since then (Atay & Çetin, 2015).

Mustafa Kemal Atatürk was a great leader. His reforms effected the situation of women in Turkey positively and envisaged a modern Turkish state. His reforms strictly enacted and he is the central figure in all the development of modern Turkey.

Those words of Atatürk in his speech in 1923 prove the determination of these gender awareness policies (Atatürk, 1969:700):

*“One must believe that, everything we see on the world is a work of woman...If a society satisfies with the fulfilment of one of its components' contemporaneous needs, and then it*

*is more likely that it weakens. Thus, a society must consider this as a starting point if it wants to develop and modernize...Our women will be scientists and pass through all education steps as well as men. Then, walking together with men in social life, they will help and support each other.”*

Recently some of the important international projects below indicate the important emphasis of Turkey on gender equality:

*Turkey Gender Parity Task Force.* This is a World Economic Forum 2015 Project. The task force is a new strategic multi-shareholder collaboration that aims to achieve a breakthrough in gender equality in Turkey (World Economic Forum, 2015b).

*HeForShe Turkey Campaign.* This is a solidarity campaign for gender equality initiated by UN Women. Its goal is to engage men and boys as agents of change for the achievement of gender equality and women’s rights, by encouraging them to take action against negative inequalities faced by women and girls (UN Women, 2015).Koç Group supported this campaign in Turkey.

*More and Better Jobs for Women: Women’s Empowerment through Decent Work in Turkey.* The ILO office for Turkey, in collaboration with the Turkish Employment Agency (ISKUR) developed this project, aiming at creating a comprehensive national policy to support women’s employment, while also increasing the skill set of women and creating awareness on gender equality (ILO, 2013).

*Women Friendly Cities Project.* United Nations Joint Program (UNJP), the United Nations Population Fund (UNPF), various other UN and aid agencies and Turkey’s Ministry of Interior coordinated the project between 2006 and 2010. Several gender equality projects took place in six cities (*İzmir, Kars, Nevşehir, Şanlıurfa, Trabzon, Van*). The projects focused on the development of mechanisms that examined or evaluated local services and policies to better ensure gender equality (Murphy & Vibe, 2013). Besides in seven more cities the project is still continuing (*Adıyaman, Antalya, Bursa, Gaziantep, Malatya, Mardin, and Samsun*

*Women’s Rights are Human Rights Project.* A delegation of the European Union Turkey, Open Society Foundation and İstanbul University works in cooperation on this project that aims to (1) strengthen local institution’s work for violence against women employees, (2) keep and strengthen effective and sustainable communication among local, national and international organizations working for violence against women; (3) contribute to establish shelters and counselling centres cooperating with local authorities, institutions and organizations (4) develop material about social gender roles, to organize activities and campaigns. (Kamer Foundation, 2013)

*UNDP Turkey Fostering and Enabling Environment for Gender Equality in Turkey Project.* The focus of this project is to involve local authorities to better ensure gender

mainstreaming practices in Turkish policy-making processes and legislation. (Murphy & Vibe, 2013).

*Domestic Violence against Women in Turkey Project.* This research project is coordinated by The Status of Women General Directorate (KSSGM) and the European Commission's Delegation to Turkey. Its aim is to identify and examine systemic and institutional practices which work together to generate a culture of tolerance and to prevent violence against women. (Murphy & Vibe, 2013).

*Gender Equality Monitoring Association (CEID).* This watchdog has been supported by the Ministry of Family and Social Policies and funding by the European Union since 2014 (CEID, 2014).

*Support Local Human Rights Boards and Women Rights Project (İNKAP).* The aim of the project is to achieve full compliance of human rights including gender equality in Turkey between September 2014 and September 2016 (INKAP, 2016)

*Vodafone ReConnect Programme "Power to Women Project"* aims to educate 20 000 women in 20 cities and empower women using information technologies (<http://oncekadın.gov.tr>).

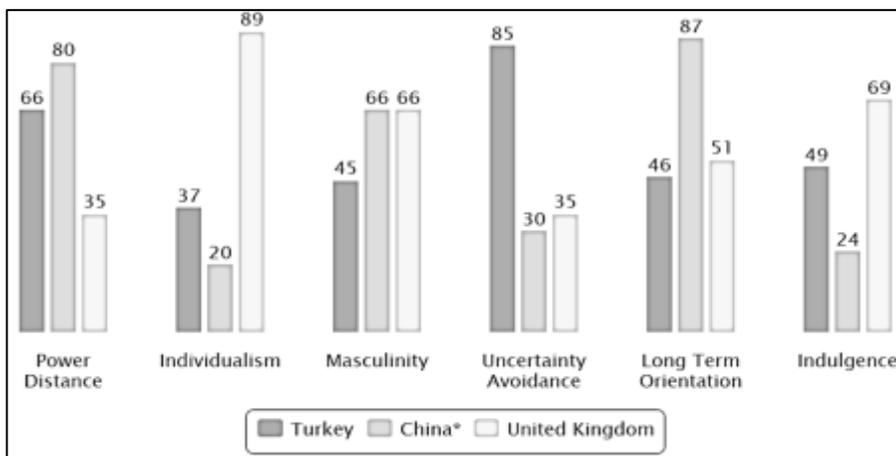
*McKinsey&Company Power of Parity Research* with Leanin.Org shows women remain underrepresented across companies, especially at senior levels. According to the Women Matter Türkiye 2016 Turkey's Potential for the Future: Women in Business research gender inequality costs society more than we think(<http://www.mckinsey.com.tr/arastirma-ve-yayinlarimiz/women-matter-turkiye2016.html>).

Some international projects above aim to create an awareness and to prevent the understanding of gender discrimination. However, according to the Global Gender Gap Report (World Economic Forum, 2014; 2016), Turkey had gender gap score of 0.58 and rank of 105 (out of 125 countries) in 2006, and had gender gap score of 0.62 and rank of 130 (out of 145 countries) in 2016. All the results indicated that more fundamental factors such as cultural or contextual conditions of social life may play role in gender discrimination in Turkey.

### **Turkish Cultural Values**

Geert Hofstede has defined "culture" as "the collective programming of the mind that distinguishes the members of one group or category of people from others" (2001). Based on this definition Hofstede focused the national values and identified dimensions of "power distance", "individualism", "masculinity", and "uncertainty avoidance" for comparing cultures. Later on the "long term orientation" and "indulgence" dimensions were added to national values (Turkey-Geert, 2017; World Values Survey, 2017).

*Power distance (Low & High)* is defined as “the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally”. *Individualism* (reverse is *Collectivism*) is the “degree to which people in a society are integrated into groups”. *Masculinity* (reverse is *Femininity*) refers “a preference in society for achievement, heroism, assertiveness and material rewards for success”. *Uncertainty avoidance (Low & High)* is defined as “a society's tolerance for ambiguity”. *Long term orientation* (reverse is *Short term orientation*) links to the connection of the past with the current and future actions/challenges. *Indulgence* (reverse is *Restraint*) represents “a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun” (Hofstede, 2001; Turkey-Geert, 2017; World Values Survey, 2017).



Source: Geert-Turkey, 2017, <https://geert-hofstede.com/turkey.html>

**Figure 1:** The Cultural Dimension Scores of Turkey, China and UK

Because Turkey is a transcontinental country, its cultural values are charmed by incompatible European and Asian cultural values. Based on the Hofstede’s studies (Turkey-Geert, 2017) Turkey, with considering China and United Kingdom, is categorized as high in power distance, collectivistic, somewhat feminine, high in uncertainty avoidance, and no preferences in both of orientation and indulgence dimensions of cultural values.

## Methodology

### Sample

For this research, convenience sample method is used for exploring the perceptions of working women. The inclusion criteria for the sample were to be a woman, working fulltime, using information technologies at workplace, and to be a volunteer for this research. The sample was consisted of 110 participants working in small, medium and big scale organizations from different sectors in Turkey. The age was ranged between 25 and 47 with the average value of 35.04 (SD = 7.23). Participants’ sectorial distributions are 0.8% from energy, 2.3% from health, 3.1% from manufacturing, 0.8% from retail, 31.3%

from service, 22.9% from technology, 3.1% from transportation, 11.5% from government, and 20.6% from communication.

### **Data Collection**

Apart from demographic information a standard set of open-ended questions have been used for collecting data. An online questionnaire was prepared by Google Drive, and was shared with the participants via email. The questionnaire included five questions: (1) *please comment on your positive or negative experience with information technologies*, (2) *please comment on the impact of information technologies on your success with specific examples if possible*, (3) *please comment on what does success mean to you*, (4) *please comment on if you believe education and technology would empower you or help you become more successful*, (5) *please comment on what else do you believe would empower you as a woman* (adapted from Nord et al, 2014; 2015; 2016). Participants were assured that their responses would remain confidential and anonymous.

### **Data Analysis**

The data is analyzed by a qualitative data analysis method. First, for each question, a subject matter expert who is a PhD student reviewed all the comments and grouped them in terms of similarity in meaning. Then the researchers provided a name to capture the meaning reflected in the group of comments (e.g. “related with information”, “related with time”). Thus the dimensions which reflecting the groups of comments were constructed. Then another subject matter expert who is an assistant professor, being unaware of previous steps, was given the names of those dimensions for categorizing once again each of the comments into the feasible dimensions. The incompatible classifications between subject matter experts were discussed all together on the basis of reasons for classification. The agreement was provided through mutual discussions concerning how accurately a comment assign to dimensions (e.g. tested by assigning the comment to other dimensions). Because the comments were evaluated in respect to meaning, and some of them had two or more different meanings, the subject matter experts linked some of the same comments to two or more dimensions. After all the comments assigned to dimensions, other researcher of the study checked it for revisions and finalized the classification and dimensioning of the comments. Cohen’s kappa was calculated in between subject matter experts for determining the reliability of the research. Cohen suggested the Kappa result be interpreted as follows: values  $\leq 0$  as indicating no agreement and 0.01–0.20 as none to slight, 0.21–0.40 as fair, 0.41– 0.60 as moderate, 0.61–0.80 as substantial, and 0.81–1.00 as almost perfect agreement.

### **Findings**

Firstly Cohen’s Kappa was calculated to show the reliability of the dimensions by measuring the agreement between the two subject matter experts. For the first question (*experiencing with information technologies*) nine dimensions were determined. The percentage of agreement on dimensions reflecting group of comments is calculated as 79.1% (87 cases), and the agreement due to chance for the ten dimensions is ranged

between 0.07% and 10.58% (total of 24.79 cases). Ultimately Kappa is calculated as 0.72 for the first question, showing that there is a substantial agreement between subject matter experts. The results of other questions' Kappa values are presented in Table 1, indicating that all of the questions have substantial agreement or higher on dimensioning the participants' comments.

**Table 1: Results of Reliability Analysis**

Questions	Number of dimension	Percentage of agreement	The agreement due to chance	Cohen's Kappa
Q2: The impact of information technologies on success	12	.78	0.05% to 12.15% (total 25.81 cases)	.71
Q3: The definition of success	7	.89	0.01% to 7.21% (total 13.87 cases)	.87
Q4: The roles of education and technology on empowerment or success	3	.95	0.00% to 3.21% (total 6.32 cases)	.94
Q5: Other factors empowering women	13	.77	0.05% to 11.95% (total 26.41 cases)	.69

### Dimensions of the Content Analysis

During the classification of dimensions all the comments of participants were evaluated in respect to their meanings. Because some of the comments had two or more different meanings, the researchers identified some of the same comment with two or more dimensions.

Table 2 shows the results of the comments on the experience with information technologies. Most of the participants have positive attitudes towards information technologies. The classified results indicated that the dimensions of communication, being informed, and time saving are the most related factor indicating intended purposes of the participants respectively.

**Table 2: Results of Content Analysis for Experiencing with Information Technologies**

Dimensions	# of the comments	Sample comments
1. Communication	48	<i>They help networking and communicating for reaching large masses</i>
2. Being informed	37	<i>I use them to get information about changes and innovations in the world</i>
3. Time saving	17	<i>I can react rapidly to customer's complaint messages with them</i>
4. Being up-to-date	6	<i>I can follow recent developments in my job</i>
5. Awareness	4	<i>They help me to extent my viewpoints</i>
6. Entertainment	3	<i>I mostly use them for fun at leisure time.</i>
7. Personal development	2	<i>They help my self-growth and take me a step further</i>
8. Influencing others	2	<i>They enhance our social image</i>
9. Useless	1	<i>My life didn't change with them</i>

Table 3 shows the impact of information technologies on success. Although some of the participants answered this questions from organizational success perspective, all the

answers were classified based on related dimensions. Based on the results, the dimensions of communication, being informed, advertising, motivation, gaining customer and time saving lined up as the most frequent factors on success respectively.

**Table 3:** Results of Content Analysis for the Impact of Information Technologies on Success

Dimensions	# of the comments	Sample comments
1. Communication	20	<i>The information technologies empower my social bonds</i>
2. Being informed	16	<i>I can get information which should be reached even information pollution</i>
3. Advertising	15	<i>They promote our advertising efforts effectively</i>
4. Motivation	14	<i>Contacting beloved ones in the workplace with information technologies increase my energy in job</i>
5. Gaining customer	12	<i>New customers can find solutions and receive help for their questions and complaints</i>
6. Time saving	11	<i>I can reach the true knowledge related with my job immediately</i>
7. Useless	9	<i>I don't use them in my work so it is not effective on my work success</i>
8. Being up-to-date	4	<i>As a part of my job they give the opportunity to look around the word what is going on</i>
9. Reaching the masses	4	<i>I use them to convey my handicrafts to many people</i>
10. Reputation	4	<i>We have prevented the loss of image of our firm by solving a customer's complaint on social media</i>
11. Financial gains	2	<i>Our profits have increased when we have advertised our products on the web</i>
12. Awareness	1	<i>They enhance my awareness in understanding needs of Y generation workers</i>

Another question was the definition of the success. According to Table 4 most of the comments gather on five dimensions of achieving goals, making money, creating value/benefit, happiness, and utmost effort.

**Table 4:** Results of Content Analysis for the Definition of Success

Dimensions	# of the comments	Sample comments
1. Achieving goals	49	<i>In my opinion success is expressing oneself, determining and reaching predetermined objectives</i>
2. Making money	19	<i>Success equals to earning money which is required for you to buy what you need</i>
3. Creating value/benefit	18	<i>My success depends on generating a value that creates differences</i>
4. Happiness	18	<i>I find happiness after being appreciated following a good work, this is my success factor</i>
5. Utmost effort	10	<i>Doing job painstaking, struggling to reach the results, finding alternative ways, and finishing the job is my success definition</i>
6. Learning from errors	5	<i>Taking lessons from failures is the main success factor in my life</i>
7. Being strong	4	<i>You have to be strong to be able to achieve the success in a male dominant society</i>

The result of respondents' comments about the roles of education and technology on empowerment and success was mentioned in Table 5. The comments show that the

dimension of being informed, communicating and self-development play main role in increasing empowerment and success.

**Table 5:** Results of Content Analysis for the Roles of Education and Technology on Empowerment or Success

Dimensions	# of the comments	Sample comments
1. Being informed	52	<i>I think that knowledge is power and technology provides the knowledge</i>
2. Communicating	36	<i>You can touch people from a distance with the technology</i>
3. Self-development	28	<i>Education and technology make people successful, help self-actualizing, and provide being aware of work environment</i>

Table 6 shows the dimensions that display the results of comments about the other factors influencing empowerment of women. Out of 13 different dimensions, family support, self-confidence, recognition, economic freedom, success and education are the first six frequent dimensions.

**Table 6:** Results of Content Analysis for the Other Factors Empowering Women

Dimensions	# of the comments	Sample comments
1. Family support	28	<i>My family's and relative's beliefs about my success, and also my husband's positive support are empowering me in the workplace</i>
2. Self-confidence	16	<i>Everything which I have to be done alone makes me powerful</i>
3. Recognition	15	<i>Being a well-esteemed and being regarded about my work achievements promote my performance</i>
4. Economic freedom	12	<i>A good salary not also gives me freedom but also increase my self confidence</i>
5. Success	9	<i>My performance lies in thinking in detail and feeling pleasure after accomplishing a task</i>
6. Education	8	<i>First of all a good education is needed for understanding and solving the complex workplace environment</i>
7. Knowledge	7	<i>Knowing yourself and others makes people strong</i>
8. Discrimination	7	<i>There is a gender discrimination in our firm that's why I'm a low level manager for ten years, while all my equals are about five-year manager.</i>
9. Hardworking	6	<i>I always strive to achieve and develop my job performance to be promoted</i>
10. Responsibility	6	<i>If I use initiative in my job it empowers me.</i>
11. Stand on your own two feet	6	<i>I've learned that standing steady and resistant in a male dominant culture made me more strong</i>
12. A planned life	3	<i>Regarded as a successful woman, I have always have a purpose and a plan for corresponding it</i>
13. Competition	3	<i>The constructive rivalry between my friends makes us more successful and happy in workplace</i>

## Conclusion

The purpose of the research was to explore working women's perceptions on success, empowerment and information technologies in professional life, and identify the results with cultural values.

The results indicated that the most frequent intended purposes of using information technologies are communication and being informed. In the same time these two purposes were thought to be the most effective factors that influence success positively in terms of using information technologies. Furthermore, these two factors were also mentioned the most frequent dimensions that play role in the relationship between education/information technologies and empowerment/success. Considering all of these, it can be concluded that information technologies are significant factor in making women more successful in the workplace. These results also refer that working women use communication and information gathering tactics in order to succeed in a high degree of power distance, uncertainty avoidance and high degree of gender discrimination culture.

Another important result was that the outcome-oriented dimensions of achieving goals, making money, and utmost effort are frequently mentioned in defining the success. Although women generally were associated with more communal qualities (expected feminine), these dimensions, including a kind of agentic attributes, indicated agentic (expected masculine) properties. This result could be interpreted as working women may think that it is inevitable to follow outcome-oriented factors in business work in order to be successful in a male dominant culture.

Thirdly the family support, self-confidence, recognition, economic freedom, success and education were lined up as the most important empowerment factors for women. Although most of these had individualistic features, the most influential factor of family support had collectivistic features. This situation can be explained by the features of collectivistic culture with the perceived gender role of women in society.

The first limitation of the research is that all findings should be evaluated in the frame of the features of selected convenience sample. There are limitations of the online survey methodology. Lastly all the interpretations about cultural values were attributed to the results of previous studies. Future studies should concentrate on differentiated samples such as purposeful or stratified sampling, and should use other data gathering methods such as face to face interviews for understanding the perceptions of women better. Above all, a comparative research between two or more countries is planned for measuring women perceptions on success, empowerment, information technologies and cultural values all together to justify the interpretations at another universe of research in the future.

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## Marketing for Thai SMEs and Those Newcomers

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### Abstract

From the past, a number and size of Small and Medium Enterprises (SMEs) has increased largely and played a vital role in driving Thai economy in terms of adding value and earning. In 2016, promoting and developing SMEs have been set as one of Thai national agenda by the Government to sustainably boost the economy. It can be claimed that there are several challenges for them regarding marketing experience, and access to low cost funding and useful information. In addition, their business characteristic and model are completely different from those of large or multinational corporations. Given several advisory and financial supports from the government, SMEs still practically need to do their own marketing against those big boys. Hence the objective of this paper is to explore one of the most effective marketing strategies, obstacles and key challenges and solution for Thai SMEs and those newcomers. In brief, they have two choices: differentiate or die. Many ways are considered as differentiating including “Be First”, “Re-inventing” and “Expertise”.

**Keywords:** marketing, Thai SMEs, differentiate

### Introduction

The goal to take Thailand out of middle income trap country has been clearly set long time ago but practically and actually take into consideration recently. As SMEs play an important role in Thai economy with over 2 million of enterprises and 10.5 million of total employment, contributing over 40 percent of overall GDP in 2016. Hence, SMEs promotion master plan during 2017 – 2021 (SMEs 4.0) is set to drive Thai economy forward since SMEs has contributed a significant portion to Thai society in terms of revenue, labor force and social culture. In brief, SMEs 4.0 focus on boosting high value startup, smart SMEs, Smart Farmer with active cluster and global SMEs. In practice, three core strategies have been currently implemented as shown in table 1. While, the work of government to strengthen SMEs and sustainably boost Thai economy is underway, a significant and most important part regarding marketing still be done on their own hand. Scale and market experience could be a huge obstacle for SMEs to grow in the long run. In the world of proliferation of choice, distinguish could be the outstanding idea while differentiating is one of the most effective solution, allowing consumer to recognize and get their chance to sell in Thai competitive environment. Find differentiating idea required uniqueness, to be on of a kind. Differentness can both in terms of product related or totally not product related. There are various techniques to move the product or service apart.

Consider instance noodle, there are similar in many ways but differentiating can be made through core value, packaging and distribution channel.

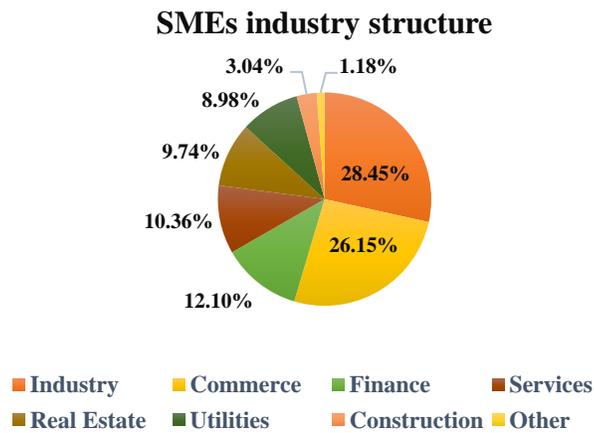
In 2015, SMEs contribute 99.7 percent of the enterprise in Thailand with the total amount of around 2.7 million entities, allocating to trade, service and manufacturing at 42.5, 38.1 and 18.3 percent respectively. Interestingly, SMEs has contributed approximately above 40 percent of overall GDP, expecting to rise above 50 percent by 2021 partly resulting from tourism and service.

**Table 1: SMEs 4.0**

Strategy	Description
1) Promote and develop SMEs based on particular aspects	- Elevate productivity, technology and innovation - Promote capital access - Promote market access & internationalization - Develop & promote entrepreneurship
2) Reinforce competency suitable to the need of particular SMEs groups	- Create high-value added startups and traditional SMEs - Promote peer-group integration & business network among SMEs - Develop & strengthen fundamental enterprise
3) Develop the mechanism to systematically propel SMEs promotion	- Develop tools for efficient implementation of SMEs promotion - Revise laws, rules, regulations, and privileges supportive to SMEs' business conduct while reducing obstruction harming their strength.

*Source: Office of Small and Medium Enterprises Promotion: [www.sme.go.th](http://www.sme.go.th)*

### Thai SMEs Profile



**Figure 1: SMEs Industry Structure**

According to figure 1, SMEs structure was dominated by industry and commerce. Industry consists of Rice Mills, Auto parts Chemical, Rubber and Plastic. As for commerce, there are Vehicle, Wholesale Trading, and Material. While, service mainly consist of Hotel and Restaurant. Officially, SMEs' definition and related criteria are presented in table 2.

**Table 2: Thai SMEs Definition**

Enterprise Size	Criteria	Manufacturing	Wholesale	Retail	Service
Small enterprise	Employment	≤ 50	≤ 25	≤ 15	≤ 50
Small enterprise (millions of THB)	Size of Asset	≤ 50	≤ 50	≤ 30	≤ 50
Medium enterprise	Employment	51-200	26-50	16-30	51-200
Medium enterprise (millions of THB)	Size of Asset	Over 50 ≤ 200	Over 50 ≤ 100	Over 30 ≤ 60	Over 50 ≤ 200

*Source: Office of Small and Medium Enterprises Promotion: [www.sme.go.th](http://www.sme.go.th)*

### System of SMEs Promotion

Fortunately, current government has taken the issue of SMEs promotion very seriously as it could force Thailand to leave middle income trap. Several agencies have involved in SMEs promotion. First and foremost, office of SMEs promotion, funded by national budget and under the supervision and monitoring of national Board of SMEs promotion.

**Table 3: Entity Supporting SMEs**

Service	Entity
Marketing Standard	Department of Internal Trade
Advisory Service	Thai Industrial Standards Institute
Seminar	Office of Small and Medium Enterprise Promotion
Product and Technology Development	Institute for Small and Medium Enterprise Development
Finance and Investment	National Innovation Agency
Information Service	Bank of Thailand
Labor	Department of Business Development
Research	Ministry of Labor
	National Innovation Agency

The main goal is to develop, coordinate and promote SMEs. Their responsibility includes monitoring and evaluation. A great number of government entity has taken part it including, Ministry of Science and Technology, Ministry of Commerce, Ministry of Education, Ministry of Agriculture & Agricultural cooperatives, Ministry of Industry, Ministry of Public Health, Ministry of Justice, Prime's office, Ministry of Justice, Ministry of Finance, institution of SMEs development, Federation of Thai Industries and Thai chamber of Commerce and Board of Trade of Thailand has play their role boosting SMEs in national, region and local level. Taken together, the strategy is to formulate integrating policy and plan for SMEs promotion, allocate budget to turn plan into action, create and develop collaboration and networking systems and elevate Office of Small and Medium Enterprises Promotion (OSMEP)'s capability on policy management. A number of practical fiscal policy includes credit guarantee scheme, venture capital policy and tax exemption. For guarantee scheme, they could benefit from the exemption of fee in 1<sup>st</sup> year and special rule for new start-up. For a policy of venture capital, SMEs private equity trust fund and venture capital in the start-up SME entrepreneurs with high potentiality and capability is established to provide SMEs with liquidity and fund. Last, regarding tax measurement, corporate income tax reduction exemption being granted for SME entrepreneurs whose commercial registration are implemented at any time between October 1, 2015 and December, 2016 for 5 cycles throughout a continual period.

In addition, liability act 2016 increase SMEs ability to access to financial source and to get loan, allowing intangible assets to be legally collateral for bank loan.

### **Differentiating**

For SMEs, there are countless of competition in various sectors of Thai industry among products and services that are similar. There is no limitation in terms of players or regulation control regarding price setting. The preliminary but non-sustainable solution for SMEs is to slash the price or narrow the margins. While many classic marketing strategies such as “high quality product” or promotion which required amount of cost and time of recognition, differentiating seems to be one of the most effective way to separate product and service brand from the competition and to boost market share and allow them to be able to compete with those big boys. There are several ways of being unique. First and foremost, “Be First” is the greatest advantage in terms of differentiating. In addition, another effective strategy is “Re-inventing”. According to product and service life cycle, it is possible and remarkable to create new idea, starting from existing successful or used to be successful one. Last but not least, the classic unique selling proposition is building expertise or specialty.

### **Be First**

Several researches has claimed that the perception among people is hard to change. In others word, they tend to stuck what they know or what they have got. This implies that be first in customer mind is much easier than convincing them regarding the similar or almost similar product or service. For instance, locally, Chulalongkorn University was the first college in Thailand and still perceive as the leader. Siam Commercial Bank (SCB) still the leader among banking industry. To be more specific in Thai industry, in terms of SMEs, Taokaenoi, the original seaweed manufacturer, is still the leader. Chysee Bameekiew Thai Noodle (Chay4) leads street fast-food franchise.

All in all, the product and service they have made don't much make them different from their followers but the success and special status resulted from being first. The reason being that is people believe that the first one is the original, more knowledge and expertise. According to many practical cases, being first gain substantial market advantage over the new entrants, forcing later entrants to search for different positioning strategy. For example, locally, Soda Singha was the original with the famous commercial quote “every drop is sparking”. Later, Soda Chang was given a hard time when approaching the market, presenting the quote “their Soda is sparking”. Given the same target customer, being first already won a large portion of market share. Another different example, globally, Pepsi promotes themselves differently after adding more sugar and target the younger generation. Given Coke was the original, it seems to be the case that it is for older generation.

Moreover, generic advantage is another great benefit of being first. The world classic example is the brands that maintain the leaderships because of their generic name. Xerox was the first paper copier and was named as active verb for making any copy. In Thailand,

people will ask for Mama (original Thai instant noodle) when the package clearly says “Waiwai” or “Yamyam”. There are many brands become generic resulting from being first in the category such as Xerox, Scotch tape, Mama and Taokaenoi.

Successful firsts are plenty to witness and are sometimes ignored. One thing to be born in mind is that first idea can take off very slowly since it may take longer time to be recognized before public acceptance. In Thailand, retail frozen food product was originally introduced in the late 80<sup>th</sup>, it took longer time between its first appearance and the popularity in millennium especially, for those generation Y and Z. Truly, “Be first” will automatically be different. If they are able to holding their own working capital and fight off. Clearly, they will be successful.

### **Re-inventing**

Given it is impossible to be the first, another way to differentiate is re-inventing. We have witness thousands of new products and services introducing yearly. There are two types of re-inventing strategy regarding product or service and selling proposition.

First, in terms of product and service, “Improve upgrade and innovate” is the key message to put forward death product or service. Although, this type of technique may not true invention but Thai people seems to acknowledge them as a new special feature which seems to be effective particularly in Thai market. To illustrate, fresh baked bread seemed to officially disappeared from Thai retail food selling after it was dominated by substitute product from large corporate franchise. “Pang Wei Hei” found innovative solution to improve the classical baked bread. They offer a variety of flavor more than 25 tastes such as roast red pork, spicy pork, cream salad and chocolate, with the fixed selling price of 20 THB per piece. Nowadays, their baked bread is reinvented product across Bangkok and still hanging on after gain their own market share from those big boys. The next example in terms of service is Thai massage and spa. Thai massage was amazingly recognized as national attraction for tourist but ignorant by the Thai. In recent year, the relaxation concept is reinvented by numerous of SMEs across the country. The growing market for Thai massage shops is observed since they have started to offer SPA service. Technically, there is only slight different between SPA and massage. As it seems to be the case that there is no tangible reason to support the improvement, the idea looks appealing and attract customer as it incredibly differentiates them.

Second, technology and global endless communication have completely changed marketing tools and channel. The effective marketing tool has become one of SMEs most effective weapon to position themselves due to low cost and easy access channel. To be more specific, digital marketing through facebook, line and internet browser allows SMEs to approach their target customer and benefit from price war, shortening supply chain and fastening product cycle. More and more local brand sells their product through online channel and take part of market share from famous fashion shop. With reachable distance, compatible quality and reasonable price, Akkara and LookBookBkk make a huge success as SMEs

leader in women fashion retail industry. Their website interface is amazingly attractive with picture and visual presentation, adding with social network promotion, effectively enhance their competitiveness. The strategy could go far wider than the fashion industry, we have experienced the re-inventing product or service through selling proposition like digital marketing or online channel in everywhere, including agriculture and mining, commercial real estate and construction, manufacturing and utilities and service, thanks to a significant improvement in Thai digital and payment infrastructures during this decade. Offering various payment channel through low cost electronic methods such as QR code and phone number payment could also drive SMEs forward.

### **Expertise**

Entities who concentrate on a specific product or service is likely to be perceived as an expert. Interestingly, according to classical text book definition of an expert is a person who has special skill or knowledge in some particular field. This means that, in a common sense, an entity cannot be an expert in every field no matter how good it is. To illustrate Five Star Chicken is absolutely famous for roast chicken nationwide over decades, later they are continuing to introduce various of novel products such as fried chicken and chicken stream but the outcome seems to be contrast with the classical famous roast chicken. Hence, specialist or expertise is a powerful weapon to prevent other from copying and attacking.

In Thailand, “Expertise” has played an important role in SMEs market especially for food industry and retail product. These days, we are able to find similar products from food vendor or restaurant, we can expect the army of seller with same price and similar environment or location but the taste could be totally different. For SMEs, they didn’t die because they used a specialty and an expertise to differentiate themselves. The ultimate weapon for an expert is to become generic, in retail food field, the examples of SMEs success are the expertise: Mallika for Red noodle, Jiang for fishball noodle and Chay4 for roast pork noodle. These SMEs have greater chance to nail down an expertise as a differentiator since in retail food business environment many vendors are selling pretty much the same thing.

Building expertise is not hard to achieve in the world of limitless boundary of communication Thai SMEs’ new comer are supported by government entities (table 3) and university program with a variety of course, fair and practical experience consultant by official staff in terms of business knowledge, product development, packaging, standardization, co-operative and social enterprise business model.

### **Challenges and Possible Solutions**

The main challenges for SMEs are summarized in table 4. With a limitation of fund of capital support compare to large corporation, they face high risk of credit loss and low revenue per client due to cost issue. Thailand is a bank-based economy where most SME financing comes from financial institution. To manage these challenges, regarding business

management, online channel is the cheapest and easiest SMEs could find, by applying low cost technology, labor, local accounting standard and frugal innovation. In addition, they can also be part of government distribution supporting system and campaign including “Pracharat stores” which are government official store and distribution center.

About financing, essentially they should run lower operating cost and take the benefit of village and community fund, providing lower cost of fund and longer tenor. For marketing and product development, they hugely need to develop the understanding of the market partly by themselves or through the support of government entities aforementioned and try hard to differentiate themselves in style.

**Table 4: Main Challenges for SMEs**

<b>Product development</b>	<b>Business Management</b>	<b>Marketing</b>	<b>Financing</b>
Product standards	Accounting standards	Marketing strategies & channels	Financial data
Product differentiation	Inventory management and distribution	Logistics management	Collaterals
Product innovation and Technology	Labor skills development	Market segmentation	Limited financial products & Channels

## Conclusion

Analysis presents above is one of the most effective technique for Thai SMEs to survive and increase their competitive ability. In the world of killer competition, duplication and price war, SMEs should differentiate themselves from their competitors especially those large corporates. As there could be many ways to differentiate, we strongly introduce “Be first”, “Re-inventing” and “Expertise” as three common effective ways for Thai SMEs and newcomers.

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## **The Relationship between Indian (local) Culture and Leadership Acts of Subordinates during Crisis: A Multiple Case Study Analysis**

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### **Abstract**

The purpose of this study is to investigate the impact of the local culture's influence on leadership acts of subordinates during a crisis within an imported organizational structure. This study seeks to extrapolate Indian culture factors (hierarchical perspective and self-sacrificing behavior) and subordinates' acts of leadership. To adequately address this investigation this study will use the servant leadership and Vroom's expectancy perspectives as the theoretical lens and multi-stage case study qualitative approach as the methodological apparatus.

**Keywords:** Indian culture, leadership acts of subordinates, crisis management, multiple case study analysis

### **Introduction**

In today's volatile and complex global system, terrorism has taken center stage. Be it September 11 attack (2001), London Bombing (2005) or 26/11 attacks in India (2008), terrorism has become a premeditated use of or threat to obtain a political, religious, or social objective through the intimidation of a large audience (Pizam & Smith, 2000). The widely known conflict between India and Pakistan reflects that historical context. Since creation of India and Pakistan, both countries have been involved in ongoing ethnic and political conflicts in a number of ways including four wars and many border skirmishes. The dispute for Kashmir has been the cause.

### **Background of the Problem**

In 2008 Mumbai terrorist attacks, two premier five star hotels in Mumbai were the main targets. Many front line in hotel A employees saved several guests without giving much consideration to their lives. Underlying this framework is a central conundrum: Why did the Hotel A employees stay at their posts, jeopardizing their safety in order to save hotel guests?

### **Purpose of the Study**

The purpose of this study is to investigate the impact of the local culture's influence on sub-ordinates' acts of valor during a crisis within an imported organizational structure.

### **Literature Review**

The effects of terrorism are felt by various business and societal ventures (Pizam & Smith, 2000). No industry where a crisis can have a more huge effect than with tourism. Various researchers, including Ryan (1993), Sonmez (1998), Sonmez, Apostolopoulous, and Tarlow (1999), Pizam and Mansfeld (1996) and Pizam and Smith (2001), have scrutinized the association of terrorism and tourism and derived that concentrating of tourists in a tourist area clearly helps terrorists in achieving their objectives by disturbing the businesses and thus ensuring attention (Sonmez et al., 1999).

In regard to the question of the impact of local culture there are a number of studies that have focused either on the characteristics of the culture (Mohan, 2011; Gupta, 2008) or the hierarchical social structure and the preference for a superior/subordinate social relations (Kakar, 1978; Roland, 1984).

### **Crisis Management**

Numerous definitions of a crisis have been developed, for example, those created by Heath (1998), Seymour and Moore (2000) and Regester and Larkin (2002). Fundamentally crisis management can be seen as a key issue (Clarke & Varma, 2004), which ought to be tended to by senior administration as a focal concern.

### **Self-Sacrificing Behavior**

Gupta (1991) said that a strange thing about India is that here power is maintained through giving away and self-sacrifice. In India where admiration and respect for a simple lifestyle, duty rather than rights, and mutuality of obligations (Singh & Bhandarkar, 1988) are deeply ingrained in the norms of society, leaders would be more transformational if they display self-sacrificing behavior. Given the nature of valor displayed by the employees of Hotel A during the terrorist attacks on November 26, 2008, it will be interesting to investigate if this phenomenon of Indian culture played a crucial role in meritorious acts.

### **Hierarchical Perspective**

A number of authors (Dumont, 1970; Kakar, 1978; Kothari, 1970; Roland, 1984) have observed that the Indian social systems are steeply hierarchical and that Indians are highly status conscious. They feel easier to work in superior-subordinate roles rather than with equals (Kothari, 1970). Once a hierarchy is established, juniors yield to seniors on every conceivable on-the-job or off-the-job occasion (Dayal, 1999).

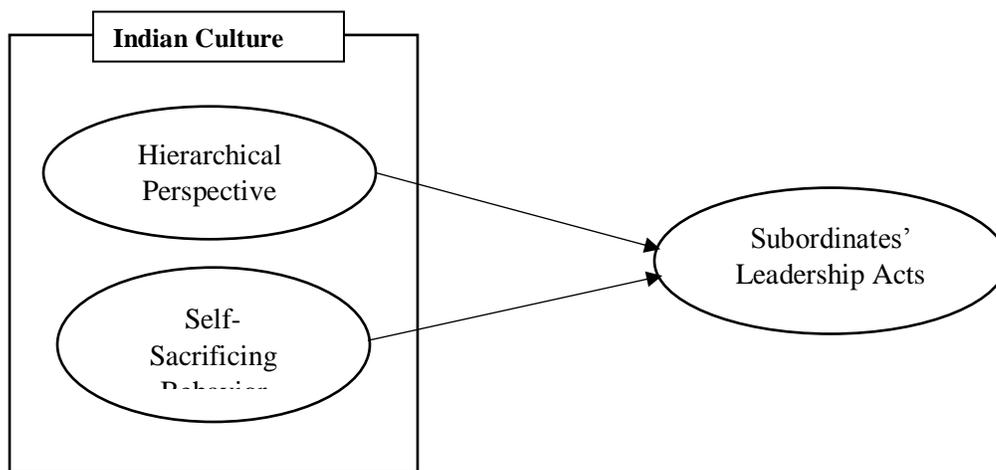
### **Individual Response to Crisis**

Kimhi and Shamai (2004) characterize resilience as individual's sense of their own ability and the ability of the community to effectively deal with crisis, anxiety, or adversity. Calamities are distressing for people encountering personal loss as well as for the community as a whole. Longstaff (2005) gave an especially interesting treatment of the way of the crisis and responses of individuals and groups.

### The Relationship between Indian Culture and Leadership Acts of Subordinates

It is important to evaluate if Indian culture has played a significant role in influencing subordinates at Hotel A. Herzberg’s Motivation-Hygiene theory (1968) is applicable to analyze motivation of the subordinates that performed the acts of leadership during the terrorist attack at Hotel A.

Vroom’s Expectancy Theory (1964) is a theory that deals with process involving motivation, proposing that an individual act will be dictated by expected results and the importance put on such results in an individual's mind (Isaac, Zerbe, & Pitt, 2001). Thus, on the basis of the theoretical frame work and literature review, the conceptual model was derived as below; (*see* Figure 1)



**Figure 1:** Conceptual Model

### Methodology

The research design is a qualitative embedded multiple case studies. Interviews, observations, document reviews, and field notes will be used to investigate what factors pertaining to Indian culture and organizational factors that contributed to the leadership acts by subordinates in Hotel A during 26-11 terrorist attack (2008).

### Research Design

Creswell (2003), summarizing Stake (1995), refers to the case study as a procedure connected with the qualitative approach in which the scientist investigates a program, an occasion, a movement, a methodology, or one or more people.

### Sample

The participants in this study will include front line employees that have engaged in acts of leadership during the time of crisis, and also those subordinates that did not participate in the acts of leadership.

A non-probability sampling method will be used with this case study also known as purposeful sampling. This study will focus on providing an in depth description of multiple case studies through the eyes of five subordinates from each hotels who were engaged in acts of leadership. It is because according to Stake (2006), the optimal outcome for multiple case studies is a range of cases from four to ten.

### **Case Study Selection Criteria**

Within this multiple case study analysis regarding impact of aspects of Indian culture on leadership acts, the unit of measure will be each individual bounded case. Each case will be bounded by leadership act as performed by the subordinate, as it is the personal motivation and inspiration that is the critical factor.

### **Data Collection Procedures**

This study will use a field research approach, using the tools of document reviews, interviews, observations, and field notes. This study will also use field notes for the purpose of validating the findings through triangulation.

### **Data Analysis**

“Data analysis is the process of making sense out of the data (Merriam, 1998, p. 178) *Categorical aggregation* is when the researcher sees a collection of instances from the data, hoping that issue-relevant meanings will emerge. *Direct interpretation* will be accomplished through direct observations. *Patterns*, the third form of analysis and interpretation looks for a correspondence between two or more categories. *Naturalistic generalizations*, the last of the four forms, are made by the researcher and are generalizations that people can learn from the case either for themselves or for applying it to a population of cases. *Description of the case* is a fifth form of data analysis and interpretation added by Creswell in which a detailed view of aspects about the case – “the facts” are described (Creswell, 1998, pp 153-154). Finally, the data analysis process will be aided by the use of a qualitative data analysis computer program NVIVO2.

### **Expected Implications and applications**

This study will attempt to add to the body of literature on Expectancy theory by exploring aspects of local Indian culture contribution to meritorious acts performed by Hotel A employees.

This study will be useful to technocrats in the implementation of organizational policies on investments and labor relations; potential investors in locations that possess a culture foreign to that of the investor(s) and the academic community.

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## **A Study on English Business Letter for Promoting Effective Communication**

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### **Abstract**

As a necessary means of external communication, English business letter is an indispensable part in today's economic activity. It bears the social function of setting up trade relationships, delivering business information and establishing business images. Further, it has become a commonly used, brightly characterized and highly conventionalized communicative event in discourse community. Generally speaking, English business letter has special format and features, and the composition of such letters has certain rules. One of its features is the extensive usage of modal words or phrases, to exhibit the interpersonal communicative function. With modality analysis as the theoretical framework, the study intends to explore the communicative features of English business letters through actual investigation and data analysis. The aim of this study is to help people better perceive the discourse of English business letter so as to better comprehend and create English business letter in accord with international convention.

**Key words:** English business letter; modality system; interpersonal function

### **Introduction**

With the rapid development of the economy, great changes have taken place in almost all areas in China, especially in international trade and business. This definitely provides a good chance for more and more companies to get involved in the booming global economy. Equipped with the world's abundant knowledge and advanced technology, some companies have already stepped out of China to tap the potential markets overseas. As an effective and important tool in their transactions, English business letter has become one of the main media in the international economic activities. As a kind of social activities, English business letter has its own discourse community in that people and organizations take part in the production, purchasing and selling of goods or services with a common purpose to facilitate and smooth the operation of business. The special communicative functions of business English letter decide its extensive use of modal words, since the interpersonal meaning of a discourse is expressed and realized by modality system, an important semantic carrier and means of interpersonal function. Modality analysis plays an important role in discourse studies. As a result, the use of modal vocabulary is especially important in social discourse, which is prominent in exposing the communicative function. Therefore, with modality system analysis as a framework, this paper is to first briefly classify the English modal system, to outline the functional features in its expressional forms and interpersonal communications, and then to investigate the application of modality system by learners to their business letter writings through empirical research and

data analysis, for the attempt of eliciting the educational illumination on English for Specific Purposes (ESP ) teaching and promoting people's communicative competence in international cooperation.

## **Literature Review**

### **Modality System**

Modality is one of the problems that many linguists, philosophers and logicians have long been exploring. The study of modality has a long history, which can be traced back to the Aristotle era. From the field of linguistics, traditional linguistics in modality studies often focus too much on the form, logic, concept and relevant issues, but far away from the real language which these concepts depend on. Modern linguistics or functional linguistics emphasizes the regularity of language use from the perspective of language itself. As the main semantic carrier of interpersonal meta-function, modality plays an important role in transcending logic and traditional grammar.

The scholars' understanding of the concept has gone through the process from the narrow sense to the broad sense, from the isolation to the contact, and from the simple meaning to the social significance. They have made detailed researches on the definition, classification, expression form and function of modality, such as Halliday (1985, 1994), Givon (1995), Bybee (1995), Lyons (1977). The scholars also began to discuss modality in stylistics, text linguistics and literary semantics, and the representatives are Fowler (1979), Simpson (1993), Martin (1992). In order to transcend the grammatical categories in modality research field, its developers (represented by Martin) attempt to make a grand and fine classification from the semantic category of modality, with Evaluation Theory coming into being (Martin, 1992). Subsequently, Sweetser's (1995) analysis of modality has been further developed in the field of pragmatics and discourse analysis. Now Markkanen & Schroder (1997) and others have extended the study of modality and hedges to the field of communicative strategies such as meta-communication and courtesy. There are also some domestic scholars, such as Li Zhanzi (2000), Li Ji an (1999), Li Jie (2002), etc. having done a few deep researches on the function and meaning of modality.

### **English Business Letters**

Effective communication has always been and now is much more highly regarded in the business world. As an indispensable part of business communication, English business letter is used to sell products or services, request material or information, answer customer inquiries, maintain good public relations, and serve a variety of other business functions (Baugh, 1995, p.18). In other words, English business letter intends to exchange business information and keep good relationships, which could be regarded as the set of shared communicative purposes or functions by the skilled writers of the discourse community.

Throughout history, two approaches to the study of business letters, the rhetorical one and the pragmatic one, have alternated with either of them taking priority during a certain

period of time. In the early 20<sup>th</sup> century, some American scholars represented by George Burton Hotchkiss retook the rhetoric tradition continued by British rhetorician and adjusted many principles into American business writing research. The pragmatic approach got its growth since Industrial Revolution, which switched western countries from an agricultural economy to a capitalist and urban one. Consequently, there appeared such model books as *McGraw-Hill Handbook of Business Letters* and *Model Business Letters* offering models for various types of letters like inquiry, reply, rejection and complaint. In recent years, lots of scholars have conducted genre analysis on business communication including business letters. Among them, Bhatia (1993), Swales (1981), Yates (1992) and Holland (2000) have produced results deserving our investigation.

Presently, studies on English business letter are mostly from the angle of genre analysis, or based on the principles of politeness and cooperation, but little from the angle of modality system research. By employing interpersonal functional approach and through modality analysis, this study takes refusal letters, the most difficult one to write in business letters, as the objective and gives a detailed study, in which, 40 refusal letters are selected and some are given careful analysis.

### **Theoretical Framework**

Systemic-functional linguistics expands the scope of modality research. It points out that modality is not only associated with modal verbs, but also with interpersonal metaphor, modal adjuncts and other aspects such as modal adjectival predicators and modal nominal equivalents

Functional linguistics holds that, in addition to expressing the speaker's experience and mental activity, language also has the function of expressing speaker's body, position, attitude, motivation and judgements, namely "the interpersonal function of language". Such social roles as the speaker's effective judgement to his proposition in questioning and stating, his required obligation for the other party to assume, and his expressed individual wishes in providing something, are generally reflected by the modality system. Linguists believe that modality can indicate the evaluation and attitude of the writer or speaker (Fowler, 1979, p. 85); the modality can be recognized as a judgement for the proposition's authenticity of the speaker (Quirk et al., 1985, p. 219). In the proposition, the meaning of modality inclines to be positive or negative, which belongs to the concept of function. While the multi-expressions of the modality have a possibility of existing in different grades between the positive and the negative, in that there are many intermediate types of non-absolute sentences. They are called as modalized sentences or just modal sentences.

### **Classification and Expressions of Modality**

In traditional grammar, the meaning of modality is expressed by a series of modal auxiliary verbs. Systemic functional linguistics holds that modality is expressed in the following ways:

- ◆ Modal auxiliary verbs, (e.g. may, can, must, shall, will, could, might, should, would,

- need, dare etc.)
- ◆ Modal adjuncts, (e.g. already, still, yet, soon; not, so, yes, no; of course, surely, absolutely, actually; unfortunately, hopefully etc.)
- ◆ Extension of predicate, (e.g. be supposed to, be obliged to, be anxious, etc.)
- ◆ Modal metaphors: first person pronouns as carriers (e.g. I think, I guess, I believe, I'm sure, etc.)
- ◆ Non-first person pronouns as carriers, (e.g. It's obvious that..., It's required that..., Everyone admits that... etc.)
- ◆ Modal nominalization, (e.g. There's a possibility that..., There's a certainty that..., etc.)
- ◆ Prepositional phrases, (e.g. in my opinion, to my mind, in all probability, to some degree, etc.)

### **Interpersonal Function of Modality System**

The modality system can embody the interpersonal function in that it can express subjectivity and objectivity, or it can express something definitely and indefinitely. Its expressions are flexible and multiple due to the usage of various modal words and phrases. Modality analysis plays an important role in discourse studies. As a result, the use of modal vocabulary is especially important in social discourse, which is prominent in exposing the communicative function.

The modality in discourse has multiple interpersonal meanings, which can not only express the uncertainty of cognition, but also meet the requirement of politeness principle. In the context of a certain situation, the meaning of the modality in the discourse has a great influence on the degree of politeness. Palmer and Perkins (cited in Leech, 1983, p. 29) classify the modal verbs into two categories: main modal verbs and subordinate modal verbs. The formers are the modal verbs in present tense, such as “can, may, must, will, shall,” etc.; the latter are the modal verbs in past tense, such as “could, might, would, ought to, should”. Perkins thinks that subordinate modal verbs are more modelized and politer than the main modals. The different modal meanings express the speaker's different feelings and attitudes towards the theme. Politeness is also related to the subjectivity and objectivity of modality. If the speaker wants to use the modality of the same value and does not make the person feel impolite and uncomfortable, he will use the objective expression, so that the listener will not feel constrained or pressured, and even if refused, they will not feel embarrassed. In this way, there will be enough room for the speaker to have more room for debate.

### **Methodology**

#### **Objectives**

The study intends to explore the functional features of English business letter under the theoretical framework of modality system analysis, with the purpose of helping people better understand the discourse of business letters and create English business letter. To conduct a relatively valid and reliable research, both qualitative and quantitative analysis are carried out and the findings are data-driven.

## Data Collection

English business letter is a multi-genre system, including several sub-genres, such as sales, claim, complaint, request, etc. Herein, the refusal letter, the most difficult one to compose in business letter, is chosen as the objective of the study and given a detailed analysis. 40 refusal letters are selected as the data from the author's students whose major is business English, based on the assumption that it has great significance for education especially in such subjects as writing and reading. Mastering skills involved in modern business letters can be taken as a prerequisite for learners who wish to pursue careers in the field of business.

## Findings

For further investigating the use of modality in English business letter, the author classifies and analyzes the expression modes of modality used in the refusal letters written by 40 business English majors, shown as the following Table 1.

The below data show that students use most of the subordinate auxiliary verbs (e.g. would like..., could not...). For such 3 modes of expressions as main modal verbs, modal adjuncts and modal metaphors based on the first-person pronouns, (e.g. I must..., I will..., I possibly cannot..., probably, I could not..., I'm afraid that..., I'm sorry that..., I'm happy..., etc.), students use them moderately. While the predicate extension and prepositional phrases are rarely used and the modal nominalization is used by nobody.

**Table 1:** Usage of Modality in Refusal Letters Written by 40 Students

Data		Amount	Percentage (%)
Classification			
Modal words (total)		205	
Modal auxiliary verbs	Main	35	17%
	Subordinate	75	37%
Modal adjuncts		35	17%
Modal metaphors	Subjective	40	24%
	Objective	10	5%
Predicate extension		6	3%
Modal nominalization		0	0%
prepositional phrases		4	2%

As for the subjectivity and objectivity of the modal expressions used by the students, they are classified and counted as Table 2:

**Table 2:** The Attribution of Modal Expressions Shown in Students' Refusal Letters

Data	Classification	Total	Definite subjective	Definite objective	Indefinite subjective	Indefinite objective
Amount		178	45	16	67	50
Percentage (%)			25%	9%	38%	28%

From the data analysis of the above two tables, we can draw the conclusion that most students have mastered the subordinate auxiliary modals of lower values to make some

euphemistic expressions, and half of the students can use modal metaphors, modal adjuncts and main modal verbs to reflect clear subjectivity and unclear objectivity, for the final purpose of expressing their subjective intention and their helpless and euphemistic denials. But few students can express the clear objectivity by using modal metaphors and nominalization. So students did little and poor in showing the necessity of euphemistic refusal, definitely stating objective facts and explaining their rejections not to be their personal wills but only some inherent features, so as to make others hard to question and doubt. Meanwhile, there appears little about the clear subjective desire and approach in the last part of letters for saving the faces of the rejected ones, thus leading to the content of the letter less abundant and complete. This shows that the students' awareness of clearly expressing their views and explaining the objective facts in their writings is not enough, but only using such limited expressions as "would like..., I'm happy to..., I possibly could not..., I'm afraid that..., I'm sorry that..." etc. to show their euphemism in refusal. It does meet the requirements of the principle of politeness, but the skills of making clear statements and definite expressions are not sufficient and remain to be strengthened. As a result, students should be taught not to be limited only on modal auxiliary verbs, but to increase their modal vocabulary and use a variety of expressions as much as possible to make their letter writings plentiful and perfect.

### **Conclusion**

As a kind of social activities, English business letters have their own discourse features and communicative functions for a common purpose of facilitating and smoothing the operation of business and social activities. Through the analysis of the interpersonal function of English business letter, it is found that there are some typical features in its linguistic realization, especially the usage of modality embodying their communicative functions.

Lexically, in English business writing, much modal vocabulary should be used in different modes and expressions to reach its communicative functions and enrich the content of letters. Pragmatically, the features of business letter are acknowledged by most business dealers as such characteristics as being clear, concrete, refined, considerate and courteous. The detailed analysis of the features of business letter is an important factor that helps us to identify the category to which the text belongs. It indicates that members of a particular discourse community hold a set of modality expectations, share prototypical conception of what a certain modal vocabulary and expression should be. Pedagogically, the findings of the study are equal significance, particularly for ESP learning and teaching. It is known that ESP has high lexical formation, definite communicative purpose, making its discourse expression different from others. For this reason, ESP teaching is more fitful for the implementation of a modality-based approach. Consequently, learners' consciousness of communicative function and discourse construction that different letters carry will be cultivated, thus a better understanding and good writing skills will be achieved.



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## A Review of Barriers of Tour Operators Sustainable Tourism Activities

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### Abstract

The sectors as tourism which is seen complex relationship and because of the all stakeholders can effect sustainability process, there is need to full participation for achieve success of sustainability initiatives. Thus sustainability-focused initiatives by all stakeholders in the sector are important. As a key stakeholders tour operators have serious force in the ensuring coordination and motivation among supply and demand items because of the important position of the tourism sector. In addition to this important sectoral position of tour operators, assure play an active role in guiding the participation of all stakeholders in the sustainability process. In this context, besides tour operators contributions to this process their router and administrator position are important on sectoral basis because of the ability to involve the stakeholders in sustainable tourism activities. In contrast with sustainable tourism initiatives of tour operators can be limited by a number of factors. The purpose of this paper exploring the limited elements which maintain an attitude the tour operators to participation of sustainable tourism and the research is generated benefiting from literature. The result indicate that the financial concerns and policy shortcoming are most important factors that limited tour operators participation in sustainability facilities.

**Keywords:** tourism, sustainable tourism, tour operators, sustainability in tour operators

### Introduction

Sustainable tourism initiatives that have given new dimensions to the tourism industry with new tourist products have gradually moved away from their aims (Budeanu, 2007). This is mainly due to the fact that at the heart of tourism, intense economic activities exist and due to the fact that economic dimension of sustainable tourism initiatives rise to prominence. Because of the fact that businesses focus attention on economic benefits in sustainable tourism initiatives has caused the ecological and socio-cultural resources, which will bring value for both the present and the future, to be put back into the plan and the risk of destruction of touristic values in the long term (Kahraman and Türkay, 2012). Moreover, due to the notion of many sources exist where new tourist areas can be created instead of the destructed touristic values, forced businesses to think arbitrarily and to focus on economic interests (Curtin and Busby, 1999). This has led to contradictions between sustainable tourism and business practices, in which the former suggest the development of capital, cultural and natural resources as well as development (Choi and Sirakaya, 2006). This contradiction has been the subject of many discussions both academically and in the

industrial context (Curtin and Busby, 1999; Budeanu, 2005; Tepelus, 2005; Budeanu, 2009; Baddeley and Font, 2011; Khairat and Maher, 2012; Anderson, Mastrangelo, Chase, Kestenbaum and Kolondinsky, 2013; Kong, 2014; Lozano, Arbulu and Rey-Maqueira, 2016). The survey proves that there is an awareness of existing sustainability problems. However, there is a bottleneck at the point of solving the problems and many principles of sustainability cannot be moved beyond a so-called application. It is not wrong to say that the tour operators in particular, which are the main components of the tourism industry, are not able to achieve the efficiency needed for sustainable tourism applications. This necessitates a framework for the obstacles to achieving efficiency in tour operators' sustainability activities. The aim of the survey, which is prepared from this point, is to reveal the elements that limit the participation of tour operators in sustainable tourism activities. The survey, which is based on studies in literature, detects the culminating factors of tour operators' in sustainable tourism practices and adds value by proposing categorization of these barriers. Furthermore, the survey is important in the sense that it focuses on detecting the factors limiting the tendency towards sustainable tourism orientation and solutions are found within this frame.

### **Literature Review**

Sustainability in the tourism industry and the factors that restrict tour operators' tendency to sustainable tourism activities will be covered in this section.

### **Sustainability in the Tourism Industry**

Sustainable development is the search for a balance that advocates the necessity of holistic management of developmental items, which suggests that economic, socio-cultural and environmental efficiency exist under the same roof without casting out each other (Fennell, 2003; Russell, Lafferty and Loudoun, 2008; Kaypak, 2010). Sustainable tourism is the reflection of the sustainable development idea that has been observed in almost every industry (Choi and Sirakaya, 2006; Kaypak, 2010). The concept of sustainable tourism has come to the fore with the uncontrolled progress of the mass tourist movement, which has been actively developing since the 1970s, and the domination of it within the industry as well as the start of discussing possible negative effects (Choi and Sirakaya, 2006; Kilipiris and Zardava, 2012). The problems brought by the intense growth in the industry have been discussed by many researchers and as well as Ecotourism Directive on Package Travel, American Society of Travel Agents (ASTA), Tour Operators Initiatives (TOI), United Nations Environment Programme (UNEP) ve World Tourism Organizations (UNWTO) by many international initiatives (Curtin and Busby, 1999; Budeanu, 2005; Cavagnaro and Ngesa, 2011; Khairat and Maher, 2012; Kilipiris and Zardava, 2012; Anderson etc., 2013). It emphasizes the need to focus on the appropriate development for the purpose of sustainable tourism in order to ensure the continuity of tourism movements and touristic establishments, to take measures against irresistible and irreversible negative effects that mass tourism movements bring to the social, environmental and economic field (Curtin and Busby, 1999; Tepelus, 2005; Kilipiris and Zardava, 2012).

Sustainable tourism, considered as a combination of economic, environmental and socio-cultural resources, seeks to combat macro problems with micro-scale solutions (Tepelus, 2005; Wen and Ximing, 2008). With the idea of sustainable tourism that produces alternatives to mass tourism, differentiated touristic forms have become widespread, an understanding taking into account the natural environment such as ecotourism, nature-based tourism, plateau tourism, which aims to minimize environmental erosion and sociocultural damage, maximize economic input and utility (Weaver, 2001; Kilipiris and Zardava, 2012; Kong, 2014). However, since most of these new forms of tourism are built on fragile and unspoilt natural environment, they have also raised the issue of the possibility that like mass tourism they may lead to socio-cultural and environmental degradation if activities are not well organized (Weaver, 2001; Wijk and Persoon, 2006; Kilipiris and Zardava, 2012). As a matter of fact, the fact that it is the multinational enterprises that are willing to host the important part of the demand for new products, are currently the ones that host an important part of the demand and the fact that they already dominate the market; the management of new tourism forms by these enterprises by means of mass tourism has led to the rapid development of sustainable tourism forms to form a similar structure to mass tourism (Kilipiris and Zardava, 2012). The development of new tourism types at the appropriate level of development has been proven to be possible with the sensitivity of all stakeholders in the tourism industry (Curtin and Busby, 1999; Tepelus, 2005; Budeanu, 2005; Kilipiris and Zardava, 2012; Anderson etc. 2013).

This explains the fact that if all stakeholders in the industry, in coordination with each other direct their activities with sustainable tourism concerns, this will contribute to the development of a sustainable idea with a systematic and multidimensional structure in parallel with the objectives of tourism. One of the important key stakeholders of the development is tour operators. The fact that tour operators have the ability to create sustainable venture pressures on supply and demand dynamics in the industry makes these businesses one of the main building blocks of sustainable tourism practices (Khairat and Maher, 2012; Anderson etc. 2013).

It has been determined that tour operators, considered as the first step in making realistic steps to increase the sustainable tourism performance in the s, can contribute with different dimensions to implement sustainable tourism. It is the tour operators who are in a position to provide information and training to tourists, employees and industrial stakeholders through workshop, seminar, meetings etc. Thus, it is important for tour operators to raise awareness of ways to protect ecosystem and socio-cultural values and to bring about a change of attitude towards reducing the negative effects of touristic movements (Fennell, 2003; Carbone, 2004; Budeanu, 2005; Tepelus, 2005; Lozano etc., 2016; Hardeman, Font and Nawijn, 2017). In addition, tour operators can contribute to sustainable tourism activities by reducing group numbers on tours and choosing local businesses, by choosing stakeholder operations that operate within the framework of environmental performance criteria from sustainable tourism-oriented businesses (Masou and Prideaux, 2003; Carbone, 2004; Tepelus, 2005). Moreover, tour operators can contribute positively to the

development process of the sustainable tourism idea by minimizing the use of resources such as water, energy, solid waste, waste water, protecting the natural environment, and avoiding socio-cultural wastage during the planning, production and operation processes (Dinica, 2006). However, the fact that the travel industry has been expanding in recent years and that businesses organize their activities in the direction of economic interests makes it difficult for tour operators to carry out sustainable tourism-oriented enterprises in their business activities on behalf of sustainable tourism management (Budeanu, 2009). Thus, tour operators who can provide undeniable contribution to sustainable tourism activities can face a number of obstacles in successfully carrying out these initiatives (Dinica, 2006; Budeanu, 2009). In particular, a number of national and international classical understandings bring constraints on the effective application of tour operators' sustainability activities (Baddeley and Font, 2011). This situation can leave most of the establishments to passive and defensive in contributing to sustainable tourism activities (OECD, 2012).

### **Factors Restricting Tour Operators' Tendency for Sustainable Tourism Activities**

The initiatives that support the idea of sustainability of tour operators, which are crucial in creating sustainability sensitivity in touristic regions, industrial stakeholders and demand items through the products they produce in the tourism industry, are creating additional value for the development and sustainability of the industry's sustainability performance (Baddeley and Font, 2011). However, even though there are sustainable tourism-oriented initiatives, it cannot be said that the practices of tour operators generally serve sustainability (Cavlek, 2002). This has made tour operators' initiatives towards sustainability an important debate issue, causing many researchers to research the reluctance of tour operators to pursue sustainable initiatives.

When Table 1 is examined, it is seen that the macro environment mostly causes the factors restricting tour operators' tendency towards sustainable tourism activities. In particular, the inadequacy of demand for sustainable tourism products, the lack of policy to guide sustainable tourism oriented enterprises and industrial enterprises, as well as the financial worries and risks created by the extra costs required by sustainable tourism activities has been regarded as major factors restricting the tour operators' tendency towards sustainable tourism practices in the survey.

Table 1 lists the researchers and constraints that assess the factors limiting tour operators' sustainable tourism oriented initiatives.

**Table 1:** Factors Restricting Tour Operators' Tendency for Sustainable Tourism Activities

<b>Author (s)</b>	<b>Factors Restricting Tour Operators' Tendency for Sustainable Tourism Activities</b>
Curtin and Busby (1999)	Economical concerns High price-driven competition in the industry Lack of environmental management policies in macro and micro scale The fact that businesses cannot escape the understanding of mass tourism

Tepelus (2005)	Inadequate awareness amongst industrial stakeholders of applications supporting sustainable tourism High costs of certifying sustainable tourism activities
Dinica (2006)	Lack of policy Economical concerns Lack of qualified personnel in the industry
Budeanu (2007)	Inadequate demand for sustainable tourism products Lack of policy Functional inadequacy of the establishments Difficulty in finding a stakeholder that provides sustainable tourism-focused service
Budeanu (2009)	Economical concerns Inability to think for long-term Operating culture The fact that establishments avoid the risks Organizational laziness Inadequate demand for sustainable tourism products
Baddeley and Font (2011)	Difficulty of cooperation with stakeholders in implementing sustainable tourism policies Economical concerns Inadequate operating resources Inadequate staff skills
Kahraman and Türkay (2012)	Economical concerns
Khairat and Maher (2012)	Inadequate demand for sustainable tourism products Difficulty of cooperation with stakeholders in implementing sustainable tourism policies Extra costs required by sustainable tourism practices Inadequacy of equity capital The fact that each touristic area has a different sustainability policy Inadequate environmental and socio-cultural funds High costs of certifying sustainable tourism activities
Kilipiris and Zardava (2012)	Lack of qualified personnel in the industry Lack of policy High price-driven competition in the industry
Anderson etc. (2013)	Economical concerns Inadequate demand for sustainable tourism products Extra costs required by sustainable tourism practices
Arica (2013)	Lack of Knowledge, Education and Awareness The Obstacles of State and Local Governments Economical concerns
Geerts (2014)	Economical concerns
Lozano etc. (2016)	Inadequate demand for sustainable tourism products Extra costs required by sustainable tourism practices Economical concerns Inadequate awareness amongst industrial stakeholders of applications supporting sustainable tourism Lack of policy

## Assessment

In this survey, which was prepared to assess the factors that restrict the tour operators' sustainable tourism activities, it was seen that tour operators were experiencing difficulties in implementing sustainable tourism activities due to the macro and micro environmental dynamics affecting the industry. In general, technical solutions, human behaviors and individual benefits can be said to interfere with tour operators' sustainable tourism activities. From this point of view, we can classify macro environmental factors that restrict tour operators' sustainable tourism initiatives as constraints arising from *financial constraints, consumer-induced constraints, state and local governments as well as industrial stakeholders*. We can also evaluate micro environmental factors in the context of *organizational constraints*.

*Financial constraints* are considered as economic costs, high level of price-oriented competition in the industry, financial risk avoidance of enterprises, certification required by sustainable tourism activities and staff training. Financial assets, which restrict tour operators' attempts to implement sustainable tourism practices, can be said to be the most important obstacles to sustainable tourism practices throughout the industry. As a matter of fact, the main aim of the establishments is to maintain its existence in the intense competition environment in the industry. However, the fact that sustainable tourism initiatives lead to high economic expenses and low profits in the business prevents this practice trend (Budeanu, 2009). Another constraint that causes tour operators to be reluctant in their sustainable tourism initiatives is due to consumers. One of the main of the *constraints arising from the consumers' side* that form the demand dimension of the market is that the demand for the sustainable tourism products of consumers is inadequate. As a matter of fact, operations are carried out by maintaining the existence of the enterprises and taking into consideration the customer benefit (Hardeman etc., 2017). In addition to having many low-priced alternatives, potential buyers demand for low-cost are discouraging tour operators from producing sustainable tourism products (Budeanu, 2009). The lack of international, national and local policy, the inadequacy of environmental and socio-cultural funds, the different politics of each region, and the lack of deterrent sanctions have left *the state and local authorities* inadequate. Lack of procedural, policy and management systems, especially on the macro scale and in the private industry, which will lead to operational activities, leads to both the regulation of tourist behavior as well as the tendency of the industrial stakeholders to act jointly and reveal weakness to take long-term concrete steps (Middleton and Hawkins, 1998; Budeanu, 2005; Russell etc. 2008). At this point, defining socio-cultural, ecological and economic problems in tourism activities and developing policies in this direction as well as promoting sustainable tourism initiatives will be supported by effective supervision and penalty systems (Dinica, 2006). The implementation of this task by the state and local governments will increase the success in the initiatives. *The constraints stemming from industrial stakeholders* include the lack of awareness of stakeholders on practices supporting sustainable tourism practices, the lack of expert business and staff in sustainable tourism practices in the industry, the difficulty of stakeholders to provide sustainable tourism oriented services, the difficulty of

cooperating with stakeholders in implementing sustainable tourism policies and the widespread low-skilled employment. In the tourism industry, where cooperation is intense, businesses need to capitalize on the concept of “protect on site” alongside win-win concept. The push of environmental and socio-cultural sensitivity to second plan by establishments will not provide another input other than consuming the future. In sum, the incentives of sustainable tourism initiatives together with in co-ordination of enterprises will create positive outputs in the development of the process.

Macro environmental factors alongside organizational sensitivity which is closely related to sustainability, constraints are present arising from self-organization as well in the tendency of tour operators. The lack of sustainability rules in the internal activities, the inefficiency of business resources, inability for long term thinking, business culture, organizational laziness, the low-skills of operating personnel and inefficiency of equity capital of tour operators are organizational factors that limit the sustainable tourism initiatives. From here it can be said that it is important to design the tour operators' internal business processes and organizational factors to contribute to sustainability. The design of tour operators in their internal activities to contribute to sustainability will help to improve the organizational sensitivity closely related to sustainability, minimize organizational constraints and improve sustainable tourism activities of establishments. At the same time, sustainability-oriented behaviors will provide significant contributions if they are converted into habits in establishments (Baddeley and Font, 2011).

In summary, tour operators, which are the important for sustainable development in the tourism industry, will be able to provide contributions attributable to industrial sustainability through practices that serve sustainable tourism by means of harmonization with the production process alongside identifying sustainable rules in internal activities, choosing stakeholders that provide sustainable tourism-focused activities, training for local elements, stakeholders and employees, informing and raising awareness activities. In addition, the existence of professionalized establishments and employees with sustainable tourism in the industry will be an important supporting force in the development process. Looking from the perspective of the survey, it can be said that categorizing and evaluating the factors that limit the sustainable tourism activities in tour operators in quantitative researches and quantitative analyzes will provide important contributions to literature.

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## Smart City Biker Project

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### Abstract

Smart Bike Program, building an intelligent system on a lightweight private cloud, which is developed for the promotion of regional tourism, and increasing the depth in the journey. The system is divided into three parts: a city bike equipped with a mobile device and environment sensor; a KIOSK with single computer and a network of bicycles to rent; a central IoT big data analysis PaaS which integrate all KIOSKS. To provide tourism recommendations and help bikers to plan their tour, we integrate open data from the government, such as traffic situation, weather forecasting; POIs' information like opening time, tour information, and bicker's instant feedback such as attractions' status, touring experience and other relevant information. Those variety information constructs the base of information for analysis, combined with some real-time data like riders riding traceability, physical loading forecast, on-time location..., we are trying to calculate a tour package in line with personal needs, including the type of POI arrangements, food or drinking supplement recommendations, cycling speed adjustment, hoping to make bike tourists get the most comfortable city experience. In order to achieve our goal, each KIOSK requires pre-processing capabilities for feedback data from riders and on-bike mobile devices. To avoid machine failures due to technical or network problems, each machine will be able to maintain at least 10KM within the relevant information as a recommended analysis source data. Once a bicker approaches to a KIOSK, a real-time data transfer connection will be needed, to update the recommendation and upload the information from bike's sensor to enrich real-time database.

**Keywords:** IoT, smart tourism, big data analysis, context aware

### Introduction

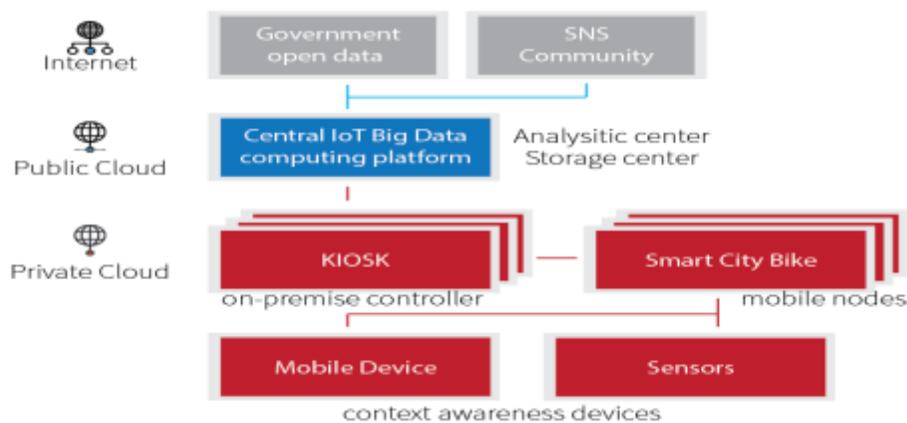
With the popularity of internet and traffic development, backpacking of the tourism industry, begins to move beyond the group tours or conducted tours in recent years. In Taiwan, for example, more and more backpackers came from Japan, South Korea, mainland China and other regions [1], based on the report of World Tourism Organization (UNWTO), the growth rate of visitors to Taiwan is 5% [2], these numbers of visits passengers have exceeded the number of limits that can be loaded by first-tier cities city and caused a decline in the quality of tourism with bad touring experiences. However, Travel spots within a city are not just recorded in a travel guide or blogs, beautiful landscapes, often with many little-known private attractions hiding in the village or in the

mountains. Perhaps because public transportation is difficult to reach those places, as a result, they are easily ignored by tourists, and missed many opportunities to bloom on the world stage.

This project aims to effectively diverting huge backpackers, as well as promoting regional depth tourism and increasing the overall value of the tourism industry. Combined with the IoT platform and the Big Data computing, building a hybrid cloud based smart biking tourism services through the integration of governments' open data, POIs, environment sensors' feedback and bikers' customer personal information, calculated in accordance with the individual needs of the tourist route, expect to be able to make backpackers have the most comfortable city touring experience.

### System Architecture

This project builds a hybrid cloud architecture, consists of three parts: a Central IoT & Big Data Computing Platform, lightweight IoT Computing KIOSK machine, bicycle with mobile device and environment sensors. The Central IoT & Big Data Computing Platform roles as public clouds to collect internet data, providing a merchant interface for attractions stores to maintain the relevant business information; establishment of the tourist community to provide tourism information, general public users and travel agencies to editing packages tours. In the meantime, the central IoT & Big Data Computing Platform also takes care of the task of communication between all KIOSK machines and data transferring, to ensure the accuracy and immediacy of information. The KIOSKS to serve as hosts of private clouds, exchanging information from public cloud and in-bike systems. Through the intelligent bicycle as a mobile cloud node, all over the city as the first line of information collecting device. The system architecture overview is shown in Figure 1.

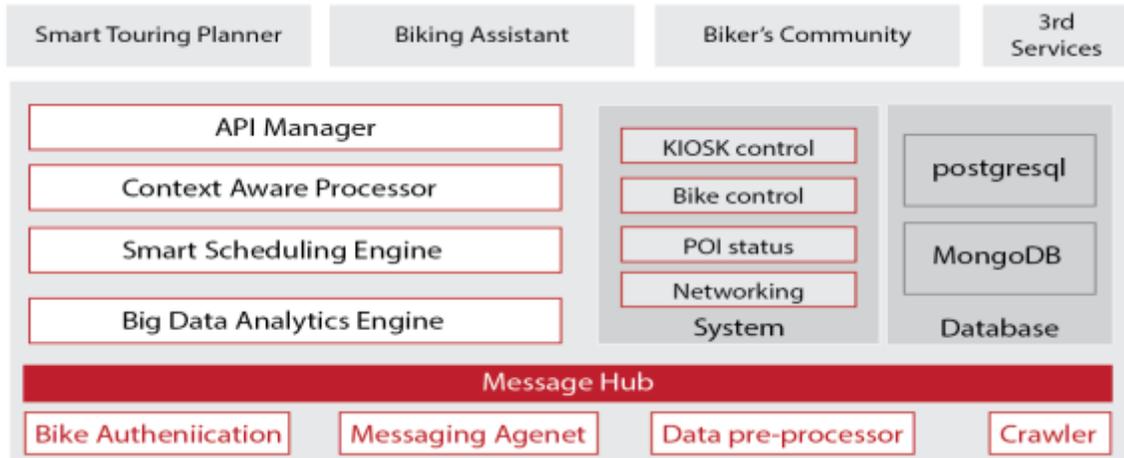


**Figure 1:** System Overview

### Central IoT & Big Data Computing Platform

A Huge central Internet platform with public Cloud architecture, founded on the basis of Cloud Foundry [3], which can provide the capacity of Data collection and massive data processing (Figure. 2). The system collects information from government open data1, POIs

information<sup>2</sup> and meteorological data, analysis the suitability of tourist attractions in real-time and give a weighted score, classified and ranked POIs will be stored in center database, as data source for travel planning.

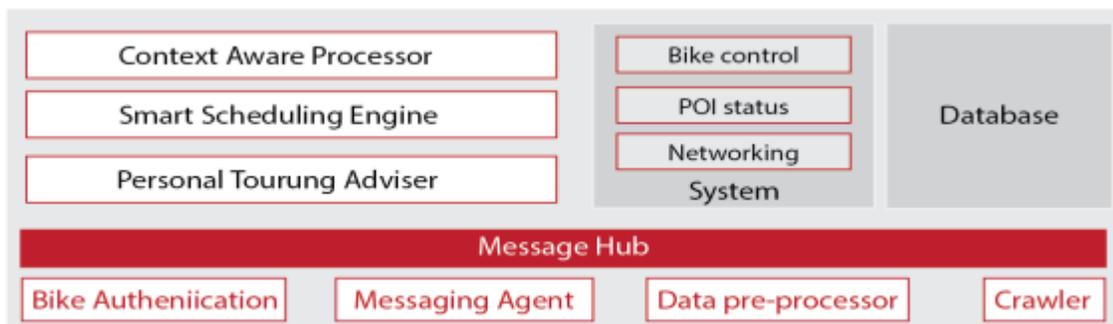


**Figure 2:** Central IoT & Big Data Computing Platform

Government open data<sup>1</sup> including: traffic, Regional tourism related information  
 POIs information<sup>2</sup> including: opening time, crowded, category and property.

**Lightweight IoT Computing KIOSK machine**

Lightweight IoT Computing KIOSK machine (hereinafter referred to as KIOSK), based on the same architecture with Central IoT & Big Data Computing Platform, but tuning for KIOSK resources for lightweight (Figure. 3). It's also a bike rental station, as well as automated trip planning recommendation system, combining the information which comes from the Central Platform, KIOSK on site POIs data and personal traveling history<sup>1</sup>, analysis the suitability of the itinerary and customized for travelers.



**Figure 3:** KIOSK Machine System Overview

On the other hand, KIOSK has the ability to serve as a Wireless local area network (WLAN) access point (AP) for bicycles, and receives the real-time feedback information which comes from in-bike mobile device and sensors.

Personal traveling history 1 including: traffic, visiting history, single-day journey distance, personal information and other travel experience which can be received from a rental account.

### Bicycle with mobile device and environment sensors

In-bike mobile device is fixed on the bicycle, with basic function like: map, navigation, travel information. When user rents smart bike from a KIOSK rental station, it'll download a user's exclusive recommended itinerary into the mobile device, at the same time, this mobile device will start connecting with bike sensors to record the riding information1, once the user is close to another KIOSK or return the bike, the riding information will be uploaded to the KIOSK database and sync with Central IoT & Big Data Computing Platform. Riding information 1 including: average speed, temperature, humidity, routes, and mileages.

### Smart Recommendation System Working Flow

The smart recommendation system working flow divide into three phases: POI information collection and ranking, itinerary generating and personal itinerary suggestion and real-time updating (Figure 4.).

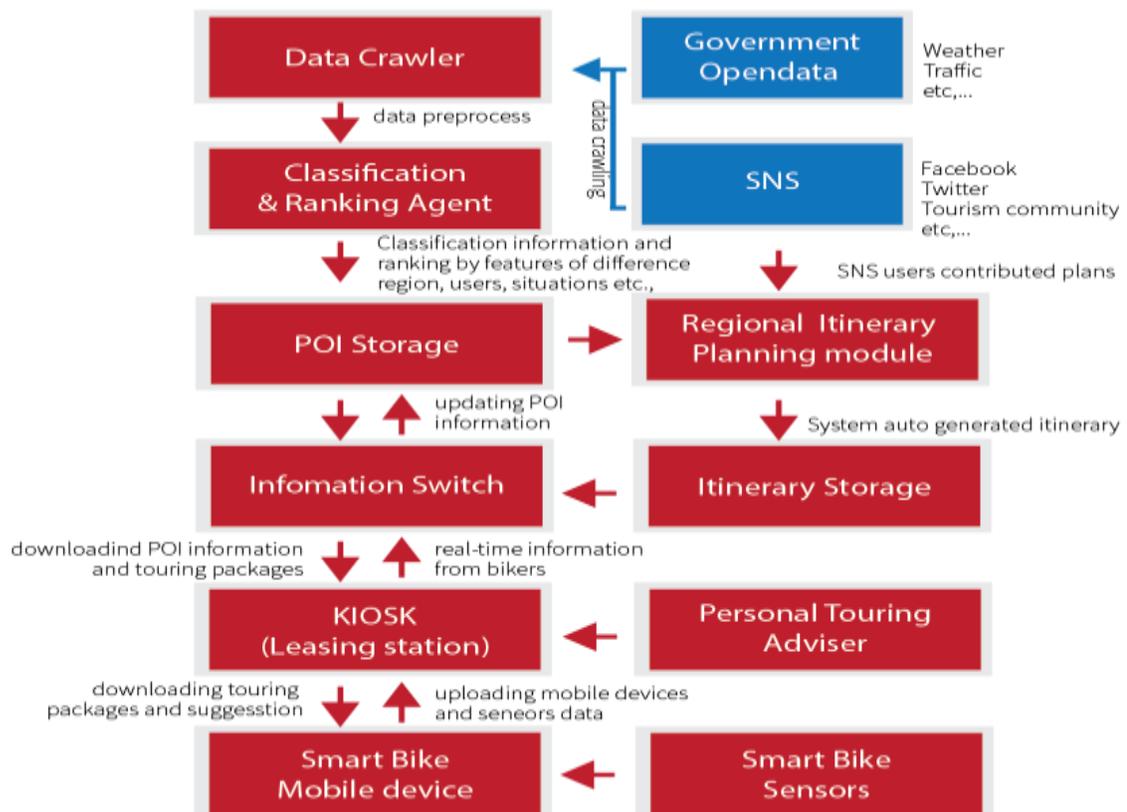


Figure 4: Smart Recommendation System Working Flow

### POI Information Collection and Ranking

The system will periodically crawling government open data and social networks information through the crawler. According to those data to re-rank POIs' sorting. For example, a POI which is categorized as an outdoor activity, it'll get a high ranking on a sunny day; might be downgraded because of the crowded. In addition to the open data, to rank a POI, it also contains the comments of POI on social networks (such as Facebook, Twitter). Once the ranking has been updated, the result will be saved to the POI storage according to the classification and updating regional itinerary planning modules.

### Itinerary Generating

The regional itinerary planning module will create a short distance touring recommendation based on the geographical location, each rental station (KIOSK), analyzing the location between each POI and theirs categories then save as a generic itinerary template. Each POI will retains its attributes and parameters so that the system will have the ability to adjust the itinerary by personal information to each individual user. Itinerary templates are also able to be created by a user who comes from the smart bike community, as well as those generate by the system, also have characteristics of automatic adaptation.

### Personal Itinerary Suggestion and Real-time Updating

In order to create each individual itinerary for all travelers, this project implements itinerary customized function on the KIOSK rental station. Once a user picks up a bike from the KIOSK, the system chooses the appropriate itinerary for the user and publish into the in-bike mobile device by means of analyzing the records and user profile. In the process of riding, the mobile device and the sensing device on the bicycle will simultaneously detect the speed, route, and environmental information about the user's riding, and predict the physiological state of the rider. Once the rider is in the range of another KIOSK, the collected information will be uploaded to the KIOSK, combined with the updated weather, traffic and attractions information, new recommendations will be generated according to the weighted calculation by new data. As soon as the user makes some change of new POI or route, the itinerary will immediately re-scheduled, to record and analysis user's behaviors, the choice will also upload to the Central IoT & Big Data Computing Platform through the KIOSK. Figure 5 shows the scenario of personal itinerary suggestion and real-time updating progress.



**Figure 5:** Personal Itinerary Suggestion and Real-time Updating Scenario

## Conclusions

This project aims to enrich the depth of regional tourism, through the hybrid cloud model, serves a wireless local area network in particular regions with the ability to provide up-to-date travel information for travels. In order to create the best touring experience, we maintain the new status of POIs by connecting open data and tourism community as data source, and predict user behavior patterns, physiological states to dynamically, analysis real-time data and user profile to adjust the itinerary dynamically. On the business side, in addition to the local business to promote business opportunities, this project and smart bike community also allow professional cycling travelers to recommend a better tourist route, to reach the goal of leading tourism industry and economy. According to the World Economic Forum reported, Taiwan's global tourism competitiveness ranking is 15th of 141 countries [4], shows that the experience of promoting smart tourism in Taiwan might be a good example for duplicating to the other countries. We can also expect a number of possible economic models that may be extended, for example, business promoting fees, advertising costs, charges itinerary template... etc., will be discussed in the follow-up research of this project.

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## Towards A Global Tax Law

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### Abstract

After the BEPS experience at the OECD/G-20, it is difficult to argue that tax competition between States will not disappear and that there will not be a real and efficient control of the tax behaviour of multinationals if we do not design and adopt a Global Tax Law.

**Keywords:** global tax law, base erosion and profit shifting OECD/G-20, digital economy, aggressive tax planning, exchange of information on tax matters

### Introduction

Global Tax Law is looking for a type of “global tax armistice” that aims to put a stop to international tax competition that has no rules, taking tax systems towards a global standard of transparent international tax coordination.

### Literature Review

Hail, Yoy (2016) Base Erosion and Profit Shifting (BEPS) Are You Ready?: Wolters Kluwer. Kenkre, C.A. Akshay (2016) A Handbook On Base Erosion And Profit Shifting- Addressing Global Tax Avoidance. Lexis Nexis. Goldfarb, Avi, E. Tucker , Catherine and Greenstein, Shane M (2015) Economic Analysis of the Digital Economy (2015): National Bureau of Economic Research Conference Report. OECD/G20 Base Erosion and Profit Shifting Project Neutralising the Effects of Hybrid Mismatch Arrangements, Action 2 - 2015 Final Report (2015): OECD. OECD/G20 Base Erosion and Profit Shifting Project Countering Harmful Tax Practices More Effectively, Taking Into Account Transparency and Substance (2014): OECD. Baistrocchi, Eduardo (2013). Resolving Transfer Pricing Disputes: A Global Analysis: Cambridge Tax Law Series. Oberson, Xavier (2015). International Exchange of Information in Tax Matters: Towards Global Transparency: ELGAR. Sabbadini, Pierre M. and Traversa, Edoardo (2016). Anti-avoidance Measures and State Aid in a Post-BEPS Context: An Attempt at Reconciliation: Springer

### Methodology

Legal experience tells us that human reason is not simply deduction and rigorous rational demonstration, but also the search for data and exhausting deliberation. Researching in this way, Law demonstrates that there is a type of intermediate reasoning between logical syllogism and pure irrationalism (intuitive), to be precise, topical and rhetorical reason, that is, prudence.

Research must be carried out using legal techniques, systematising positive Law, designing general categories and institutions that can describe reality, revitalising them if needed, creating principles that give sense to the norms and constantly reconstructing legislation itself.

The first challenge is to legally structure financial activity maintaining the unitary idea of Tax Law, as it is well known that the uniqueness of the financial phenomenon derives not only from it being anticipated in the Budget, but from being subject to constitutional principles. Not surprisingly, among the factors that most negatively affect the single construction are positivism, statism, protection and the demise of dogmatism.

When creating the theory, which cannot be separated from the social reality that it must serve, it is essential to analyse the positive data and the legal system. The latter enables a complex legal reality to be understood and is of great use. That said, rapidly changing positive Law hinders scientific construction. Despite this, the researcher must try to produce general explanations of legal reality.

Lastly, current research is inevitable when referring to Comparative Law, and to Supranational organisation Law, evidently, with care, and without automatically importing solutions offered by other legal systems to the problems that we face. By automatically creating limitations, we avoid the creative effort of dealing with the problem, which can make us understand the real sense and limits or defects of the solution that we imitate. It does not matter if we reach the same conclusions and methods as other countries - what is important is that we reach them after a personal fight with the substantive issue. In any case, first the conceptual map of each legal system must be known, in order to be able to identify and locate within it the internal legal norms that regulate the specific issue. In fact, it cannot be learnt from a legal system, without previously understanding the basic map of categories with which social problems are solved.

### **Findings**

After the two-year experience that the development of the BEPS (Base Erosion and Profit Sharing) models involved, after the signing of the coordinates by representatives of the G20 countries that lead to an indication of the structure of international non-double taxation, and aggressive tax planning, and also after the ATAD (anti-tax avoidance directive) project, there is an imposition to identify characteristics that could mean a multilateral agreement, on different levels of international orders, aimed at avoiding base erosion, and the separation of the laws that tax delivery of goods and services operations, and the added value that each receives in said jurisdiction.

The aim of the role presented is to identify those features that must make up the proposal for a multilateral model to avoid the aforementioned ends (Base Erosion and Aggressive Tax Planning). In other words, the work in hand aspires to identify all those aptitudes that are essential in a Global Tax Law model.

### **Conclusions**

The parts that are essential in a Global Tax Law model are the following:

1. Control of the Digital Economy
2. Uniform treatment of hybrid mismatches
3. Limits to interest tax deductibility.
4. Harmful Tax Practices Global Tax Law
5. Treaty Shopping Global Tax Law



6. Global Model of Transfer Pricing
7. Disclosure of Aggressive Tax Planning Arrangements
8. CFC (Controlled Foreign Corporations)

### **Digital Economy Global Tax Law**

The digital economy and its business models present some key features that are potentially relevant from a tax perspective, and include mobility, reliance on data, network effects, the spread of multi-sided business models, as well as a certain tendency towards monopoly or oligopoly and volatility.

Within the concept of “the digital economy” we can find a number of categories: e-commerce, app stores, online advertising, cloud computing, participative networked platforms, high-speed trading, and online payment services and so on. Likewise, the digital economy has accelerated and changed the spread of global value chains in which multinational enterprises integrate their worldwide operations.

### **Proposals for the Fiscal Control of The Digital Economy**

Modification of the concept of permanent establishment (in general, tax agreements establish that business profits of foreign companies are susceptible to tax in a particular State only when the company has permanent establishment in that State, in which case it must charge the benefits itself. As a consequence, the definition of the concept of “permanent establishment” in the treaties is of vital importance in order to determine if the income obtained by a non-resident company has to pay taxes, or not, in another State). The modified concept of permanent establishment aims to address those circumstances in which artificial arrangements relating to the sales of goods or services of one company in a multinational group sets out to avoid the presumption that it has acted in a particular territory via a permanent establishment. This circumstance would arise, for example, where the sales force of a local subsidiary of an online seller of tangible products or an online provider of advertising services habitually plays the principal role in the conclusion of contracts with prospective large clients for those products or services, and these contracts are routinely concluded without material modification by the parent company, hence this activity would have been carried out in a permanent establishment of the parent company.

The collection of VAT on cross-border transactions, particularly those between businesses and consumers, is the second problem for the control of the digital economy. Hence, countries are recommended to apply the principles of the OECD International VAT Guidelines and consider the introduction of collection mechanisms referred to there.

### **Hybrid Mismatch Arrangements Global Tax Law**

Hybrids, that is figures, contracts or business carried out between operators of two or more States that have an unequal nature and tax treatment in each State (for example, constituting a tax deductible expense in the paying State without it being income in the receiving State) exploit the differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions which could lead to double non-taxation, or long term deferral of the taxes. These types of mechanisms and/or arrangements, whose use is widespread,



results in a substantial erosion of the taxable bases of the countries concerned resulting in an overall negative impact on competition, efficiency, transparency and fairness.

### **Proposals for a Global Fiscal Control of Hybrid Mismatches**

Design of rules that align/coordinate the tax treatment of an instrument or entity with the tax treatment in the counterparty jurisdiction without disturbing the commercial outcomes. The rules apply automatically and there is a rule order in the form of a primary rule and a secondary or defensive rule.

This coordination rule establishes that countries deny the taxpayer's deduction for a payment to the extent that is not included in the taxable income of the recipient in the counterparty jurisdiction or it is also deductible in the counterparty jurisdiction. If the primary rule is not applied, then the counterparty jurisdiction can generally apply a defensive rule, requiring the deductible payment to be included in income or denying the duplicate deduction depending on the nature of the mismatch.

A second proposal aims to ensure that hybrid instruments and entities, as well as dual resident entities, are not used to obtain unduly the benefits of tax treaties.

In circumstances of dual resident entities, that is, those that are residents of two States for tax purposes, the resolution will be on a case-by-case basis rather than on the basis of the current rule based on the place of effective management of entities.

### **Interest and Other Financial Payments Global Tax Law**

Multinational groups can use financial instruments to make payments that are economically equivalent to interest but have a different legal form, therefore escaping restrictions on the deductibility of interest. Base Erosion and Profit Sharing (BEPS) risks in this area may arise in three basic scenarios:

- Groups placing higher level of third party debt in high tax countries.
- Groups using intragroup loans to generate interest deductions in excess of the group's actual third party interest expense.
- Groups using third party or intragroup financing to fund the generation of tax- exempt income.

### **Proposals for the Fiscal Control of Interest and Other Financial Payments**

It would be recommendable to create a fixed ratio rule that limits an entity's net deductions for interest and payments economically equivalent to interest to a percentage of its earnings before interest, taxes, depreciation and amortisation (EBITDA). As a minimum, this should apply to entities in multinational groups.

The fixed ratio rule should be created along with other provisions, like:

- A *de minimis* threshold that carves out entities that have a low level of net interest expense.
- Exclusion for interest paid to third party lenders on loans used to fund public-benefit projects, subject to conditions.



- The carry-forward of disallowed interest expense and/or unused interest capacity (where an entity's actual net interest deductions are below the maximum permitted) for use in future years. This will reduce the impact of earnings volatility on the ability of an entity to deduct interest expense.

### **Harmful Tax Practices Global Tax Law**

There is serious global concern about the risk caused by the use of preferential tax regimes to artificially transfer/shift profits and also about a lack of transparency in connection with certain tax rulings.

The aim of a Global Tax Law must be to create an open index on harmful tax practices with an improvement of transparency as a priority, including compulsory spontaneous exchange on rulings related to preferential tax regimes, and with the existence of substantial economic activity as a basic requisite to apply to any preferential regime.

There must be a holistic approach to evaluate preferential tax regimes in the BEPS context.

### **Treaty Shopping Global Tax Law**

The Global Tax Law aims to identify circumstances of treaty abuse, and in particular treaty shopping.

Taxpayers engaged in treaty shopping and other treaty abuse strategies undermine tax sovereignty by claiming treaty benefits in situations where these benefits were not intended to be granted, thereby depriving countries of tax revenues.

Normally, *treaty shopping* appears when a person who is not a resident of a State attempts to obtain benefits that a tax treaty concluded by the State grants to residents of that State, for example by establishing a letterbox company in that State.

### **Proposals for the control of Treaty Shopping**

Inclusion in tax treaties of an explicit statement that the States that enter into a tax treaty intend to avoid creating opportunities for non-taxation or excessively reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements.

Inclusion in the OECD Model Tax Convention of a specific anti-abuse rule, the LOB (Limitations-on-benefits) rule, which limits the availability of treaty benefits to entities that meet certain conditions. These conditions, based on the legal nature, ownership in, and general activities of the entity, seek to ensure that there is a sufficient link between the entity and its State of residence.

Inclusion OECD Model Tax Convention of a more general anti-abuse rule based on the principal purposes of transactions or arrangements (the principle purposes test, or PPT rule) in the to deal with any abusive use of the treaties, including those not included in the LOB. Under the PPT rule, if one of the principal transactions or arrangements is to obtain treaty benefits, these benefits would be denied unless it is established that granting these benefits



would be in accordance with the object and purpose of the provisions in the treaty.

### **Transfer Pricing Global Tax Law**

Over several decades, and in step with the globalisation of the economy, worldwide intra-group trade has increased. Transfer pricing rules, which are used for tax purposes, are concerned with determining the conditions, including the price, for transactions within a multinational company resulting in the allocation of profits to group companies in different countries.

The arm's length principle requires that transactions between associated enterprises are priced as if the enterprises were independent, operating at arm's length and engaging in comparable transactions under similar conditions and economic circumstances.

For intangibles, it must be clear that legal ownership alone does not necessarily generate a right to all (or indeed any) of the return that is generated by the exploitation of the intangible. The group companies performing important functions, controlling economically significant risks and contributing assets will be entitled to an appropriate return reflecting the value of their contributions. These specific guidelines will ensure that the price analysis is not weakened by information asymmetries between the tax administration and the taxpayer in relation to hard-to-value intangibles, or by using special contractual relationships, such as an intra-group cost contribution arrangement.

The universal methods to calculate the price of goods and services with regards to assigning benefits to important economic activities. It will no longer be possible to allocate the synergistic benefits of operating as a group to members other than the ones contributing to such synergistic benefits.

Specifically, the splitting and assigning benefits method (method of determining the market value applicable to large intra-group movements of goods and services) must be reviewed so as to align transfer pricing outcomes with value creation, even in the case of integrated global value chains.

### **Disclosure of Aggressive Tax Planning Arrangements**

Aggressive tax planning has been defined as the exploitation or enjoyment of the mismatches that exist between different tax systems in different States, with the aim of reducing their tax burden, which would not be possible otherwise.

This classic concept has evolved. From the perspective of a Global Tax Law, there are three essential elements in aggressive tax planning:

- a. The enjoyment of the disparity between the different tax systems in order to obtain a tax benefit,
- b. The separation between production of wealth and the state tax system, and
- c. The subsistence of double non-taxation that the States have not intended to concede.

All three requisites are necessary in order to be able to classify a transnational tax saving operation as aggressive tax planning.

The most important of the three is the second: misalignment/separation. This element characterises aggressive tax planning as the phenomenon where tax savings imply base erosion and/or the shift of business benefits to a privileged tax regime (or to a State that has one), so there is a separation (misalignment) between where the wealth is produced and the State where the corresponding taxes are paid.

### **Aggressive Tax Planning must be Addressed on Three Policy Levels**

The first level (superior) consists of a set of common rules inspired on best practice and able to offer coherent solutions to emerging taxation problems on an international level, in accordance to the holistic approach. This first phase is developed in international organisations, tax authorities and representatives of civil society.

The second phase of this process consists in the preparation, via soft law, of the best technical scheme to respond to the problem of base erosion on an international level, and concludes with the production of the common rules.

The third and last phase gives these rules a positive legal, binding dimension within the individual tax systems. This is usually produced via the voluntary adoption by each national legislator, which generally only modifies the common scheme when it is necessary for specific demands of the legal context, usually constitutional, of its State.

### **CFC (Controlled Foreign Corporations) Global Tax Law**

Controlled foreign corporations (CFC) rules respond to the risk that taxpayers with a controlling interest in a foreign subsidiary can strip the base of their country of residence and, in some cases, other countries by shifting income into a CFC. Without such rules, CFC provide opportunities for profit shifting and long-term deferral of taxation.

#### **Proposals for the control of CFC**

- a. **Definition of a CFC:** CFC rules generally apply to foreign companies that are controlled by shareholders in the parent jurisdiction.
- b. **Definition of income:** Although some countries' existing CFC rules treat all the income of a CFC as "CFC income" that is attributed to shareholders in the parent jurisdiction, many CFC rules only apply to certain types of income (e.g. interest, capital gains, dividends and royalties).
- c. **Attribution of income:** when possible, the attribution threshold should be tied to the control threshold and that the amount of income to be attributed should be calculated by reference to the proportionate ownership or influence.
- d. **Prevention and elimination of double taxation:** One of the fundamental policy issues to consider when designing effective CFC rules is how to ensure that these rules do not lead to double taxation. Therefore, it is not only important to prevent and eliminate double taxation, but it is convenient that the jurisdictions with CFC rules allow a credit for foreign taxes actually paid.

## **Global Tax Law Should Increase the Effectiveness of Dispute Resolution Mechanisms**

In order to be able to create an international tax system that boosts economic growth and a resilient global economy, it is critical to eliminate opportunities for cross-border tax avoidance and evasion, as well as effectively and efficiently preventing double taxation. The adoption of the measures developed to address base erosion and profit shifting taking into account the strategies and recommendations in the OECD-G20 Action Plan on Base Erosion and Profit Shifting should not lead to unnecessary uncertainty for compliant taxpayers and to unintended double taxation. Improving dispute resolution mechanisms is therefore an integral component of the work on a Global Tax Law.

The different countries have agreed to important changes in their approach to dispute resolutions, in particular by having developed a minimum standard with respect to the resolution of treaty-related disputes.

The objectives of this minimum standard are to:

- Ensure that treaty obligations related to the mutual agreement procedure are fully implemented in good faith and that MAP (mutual agreement procedure) cases are resolved in a timely manner;
- Guarantee the implementation of administrative processes that promote the prevention and timely resolution of treaty-related disputes; and
- Ensure that taxpayers can access the MAP when eligible.

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## Turkish TV Dramas As a Marketing Tool to Promote Image of Turkey As a Touristic Destination among Latin Americans

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### Abstract

The impact of mass media products on tourists' decision-making has been studied since 1990s. Films, TV shows, TV dramas, and soap operas turned out to be influential motivators for travelers. Recently, an unexpected success has been achieved by Turkish TV dramas on Latina American TV screens reaching out nearly 630 million Latin Americans in twenty countries and on Telemundo and MundoFox, targeting Hispanic-Americans audiences in the US, nearly 60 million people as well as on Netflix. To illustrate, in 2016, Turkish TV drama, "Sıla" broadcast in Chile, received as high a rating as the Copa America qualifying soccer-game between Brazil and Chile. Also, more than 12 million people in Argentina alone watch the other Turkish TV drama, "Fatmagul". Given these, the overall purpose of the proposed study is to examine the effectiveness of Turkish TV dramas as a marketing tool to promote image of Turkey as a tourist destination among Latina Americans. The proposed study investigates whether audience involvement with Turkish TV dramas plays a role in shaping Turkey's destination image and influencing behavioral intentions such as visitation interest and word of mouth recommendation. In addition, the proposed research aims to examine whether audience involvement depends on the genre of the show, the nationality of the audience, mode of watching (TV or the Internet), and whether the show is being dubbed or subtitled. The data collection is to be conducted via an online survey. The sample consisting of Turkish soap opera viewers who are Latin American and Hispanic American will be reached out via fan groups on social media such as "Novelas Turcas". The data will be analyzed using factor analysis, multiple regression, and ANOVA.

**Keywords:** TV drama, film tourism, destination image, audience involvement

### Introduction

The impact of mass media products on tourists' decision-making has been studied since 1990s (Urry, 1990; Butler, 1990; Riley and Van Doren, 1992). Movies, TV shows, TV dramas, series, soap operas, even songs and video clips turned out to be influential motivators for travelers (Tooke and Baker, 1996). The term "film tourism" has gradually been shaped as a concept over time (Hudson and Ritchie, 2006a, 2006b). Destination Marketing Organizations (DMOs) have jumped ahead to use the niche marketing opportunity as a vehicle to promote image of their destinations (Connell, 2012). An unexpected soap opera success is achieved by Turkish TV dramas in Latina America lately. However, about 25 or 30 years ago, Latin American TV series' stormed Turkish TV channels, and their actors became well-known figures in Turkey. After private TV broadcasting had been introduced in the 1990s, Turkish audiences began to watch more local content. Today it is evident that the roles have reversed. Turkish TV series are

watched with keen interest in the region. To portray, in 2016, Turkish TV series "Sıla," which is aired in Chile, received as high a rating as the Copa America qualifying game between Brazil and Chile (Varol, 2016). Also, more than 12 million people in Argentina alone watch the other Turkish TV drama "Fatmagul" (Tali, 2016). It is reported that some charity fundraising events have had the themes "Turkish TV dramas" and Turks living in Latina American countries have been asked how to travel Turkey. When Turkish President visited those countries lately, the opening talks were about the Turkish soap operas. It seems that these TV series have achieved something that most diplomacy tactics would not have (Kaplan, 2016). It is well known that watching Novellas (Soap operas) is a huge part of leisure culture of Latin Americans (Vicente, 2015). Nevertheless, it is still interesting how Latin Americans fall in love with Turkish dramas regardless of cultural and geographical distance. The success of Turkish soap operas has become the subject of a number of news reports released by the global mainstream media outlets such as BBC, NPR, International Business Times, and Aljazeera. In a BBC news report penned by Tali (2016), a Chilean Turkish soap opera viewer indicates "they are easier to connect to than US TV series. I enjoy the old-fashioned romance in Turkish TV dramas more than over-sexualisation and violence of Hollywood products." The other big fan of Turkish TV dramas from Peru stresses that she comes together with her friends and host Turkish TV nights and they find that the plots are clever not including Hollywood clichés and stereotypes and the products are excellent. In the same news report, Burhan Gun (2016), president of the Turkish TV and Cinema Producers, highlighted the number of reasons why Turkish soap operas are embraced warmly by Latina Americans. One of the leading reasons is that Turkey is a very multicultural country and actors represent a lot of different ethnic backgrounds and it is easy for audiences to affiliate themselves with Turkish actors and actresses. Erdogan (2007), the President of Turkey, asserted that Turkey consists of 36 ethnic groups in one of his public discourses. Omar Al-Ghazzi (2016), a lecturer in journalism at the UK's University of Sheffield, who has written a number of academic papers about Turkish popular culture, adds that Turkish TV dramas "offer a seductive modernity." He also adds "Turkish TV soap operas showcase very saleable ideas about a comfortable middle-class life that is accessible and culturally relevant for many people." The other reason could be that those developing countries have been going through the similar societal changes with Turkey (Pinto, 2015). Lately, as well as being boardcast on Netflix, the American streaming media, the Turkish TV series have begun to be aired on Telemundo and Mundo Fox, the American entertainment TV channel in Spanish language, which targets Hispanic-Americans audiences in the US, nearly 60 million people. As well as Hispanic-Americans, 630 million Latin Americans in twenty developing countries in South and Central America plus Mexico consist of an enormous tourism market and where the population has been enjoying the solid economic growth in the first two decades of this century, with a rise of its middle class who are more eager to travel internationally (Gao, 2015). The statement "close in distance, far in mind" used to define current situation between Korea and Japan, having controversial relationship despite of their geographical proximity (The Korea Times, 2004). It inspired to name the connection established over a cultural phenomenon, TV dramas, between two cultures, Turkish and Latin American, as "far in distance, close in heart", which can lead this phenomenon to create economic opportunities in long-run beyond tourism activities. The first move into South America began in 2014 when Turkey's hit series "1,001 Nights" aired on Chilean TV (Kaplan, 2016).

It quickly became Chile's most-viewed series of the year. After its success there, it is aired in Brazil, Argentina, Peru, Uruguay, Bolivia, Paraguay, Ecuador, Colombia and Costa Rica and is scheduled to soon broadcast in the Dominican Republic, Nicaragua, Guatemala, El Salvador, Panama, and Honduras and the others. Only a decade ago, Turkish exports of television series were about \$1 million per year. In 2016, the exports reached the minimum \$350 million; it is reported that export revenue has increased 25 percent in 2015 alone. Turkey became the second largest export of TV dramas after the US. Turkish dramas were previously sold for between \$35 and \$50 per episode. Today, these prices range from \$500 to \$200,000 per episode (Kaplan, 2016). Turkish TV dramas are regarded as a “soft power” of promoting image of Turkey positively, Celik (2014), Cultural and Tourism Minister of Turkey, signified. Almost 130 Turkish TV dramas have been exported and watched by more than 400 million people in 140 countries around the world, Akman (2014), chair of the Association of Television Broadcasters, suggested. The Middle East, South Asia, the Balkans and Russia rank among major importers, redefining a sort of Ottoman Empire territorial expansion through the airwaves (Varol, 2016). Soylu (2016), Istanbul Chamber of Commerce Board Member, remarked that Turkey expects the size of market reaches \$1 billion by 2023, 100th anniversary of the Republic of Turkey.

### **Need and Rationale for the Study**

Film tourism is not something new although the subject has become popular within the academic research for slightly over last two decades. It could trace back to a hundred years ago when the first movies were filmed (Beeton, 2009). Even the film tourism phenomenon can be considered as a continuum of the tourism motivated by literary. People read the novels, poems and some other literary works and these vicarious experiences *-in the imagination through the feelings or actions of another person-* induce them to travel places featured within the art pieces (Beeton, 2006). Because film industry tourism research is a relatively new area, the theoretical base of the field is still weak, and the body of knowledge is not well structured. Two streams studies exist in film tourism research. The one stream attempts to construct a theoretical framework (Beeton, 2005; Busby & Klug, 2001; Croy & Heitmann, 2011) and the other stream aims to empirically test the concept with quantitative research (Hudson & Ritchie, 2006; Fernandez-Young & Young, 2008). The earlier studies were conducted to suggest whether film tourism phenomenon exist (Riley and Van Doren, 1992, Tooke and Baker 1996). The visitor numbers assisted in proving the fact that films increase the number of visitors at the destinations featured in the films although few scholars such as Macionis and Sparks (2006) have kept their skeptical position on the issue. As next step, the studies have focused on the reasons why some movies attract the people to the destinations (Buchmann, Moore & Fisher, 2010; Karpovich, 2010; Kim, 2012). The focus areas have become the storylines, genres, the level of audience involvement or the landscapes featured in the movies (Kim & Richardson, 2003; Shani et al., 2009, Kim and et al., 2007). These constructs are utilized in this projected study to find out how they impact the destination images, awareness, place familiarity, and behavioral intentions such as visitation interest and word of mouth recommendation. As the final step, DMOs realized this opportunity to promote their destinations and nurture tourism in destinations in order to increase the economic benefits of tourism (Connell, 2012). The conducted film tourism studies overwhelmingly have focused on movies. Very few TV series have become a subject of research such as the

Korean TV series “winter sonata” (Kim et al., 2007) within film tourism studies. In the same time, Beeton (2010) brought the fact that the film tourism concept is only discussed within a western paradigm; the products are Westerns, host destinations are Westerns, and audiences are Westerns. There is a need to implement non-Western origin research in order to diversify the body of knowledge as well as justify film tourism phenomenon in a wider cultural and geographical senses. The studies regarding Korean TV series were one of the very first attempts in film tourism area beyond a Western paradigm, but the nature of the studies bases on the cultural and geographical proximity because the Korean TV series gained the popularity in neighboring countries. On the other hand, Iwashita (2008) and Shani et al. (2009) assert that foreign destinations represent the most unfamiliar locations. Therefore, conducting research beyond cultural and spatial proximity eradicates the limitations created by cultural and spatial proximity. Connell (2012), the scholar who has the only meta-analysis work regarding film tourism, welcomed studies that focus on the parapsychological dimension of film tourism. Beeton (2010), the scholar who has the only book dedicated to film tourism, highlights the lack of interdisciplinary research between tourism and media studies. There is a need of adding social psychology component into film tourism concept to have a better understanding of film tourism phenomenon. Shani et al. (2009) offered one of the few studies to investigate genre on destination image and visitation interest. There is no single study utilizing audience involvement to inquire effects of movies or TV dramas on place familiarity, destination image, and behavioral intentions including visitation interest and word of mouth recommendation.

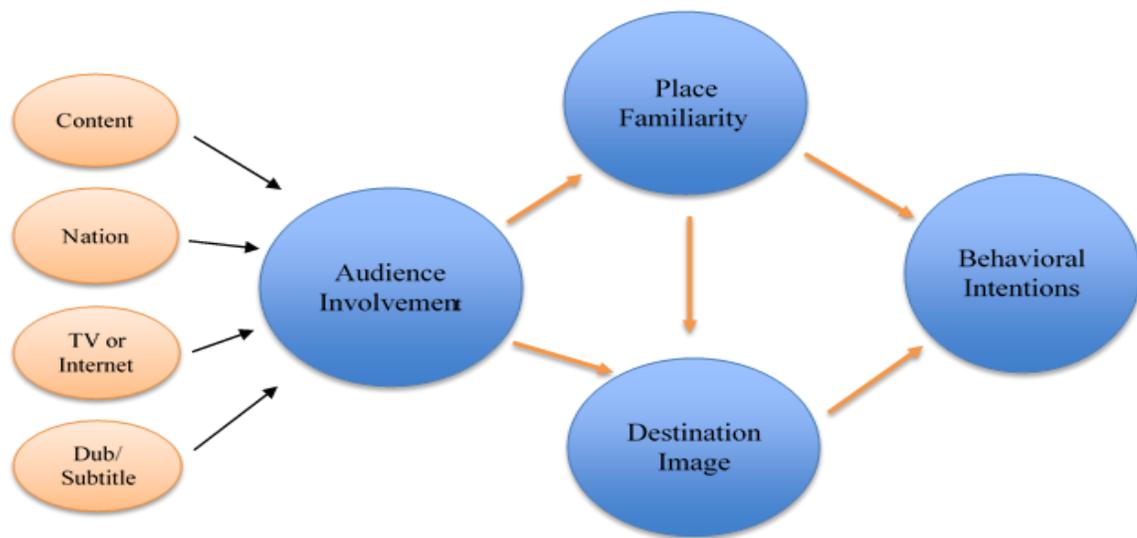
### **Purpose of the Study**

The purpose of this study is to examine the effectiveness of Turkish TV dramas as a marketing tool to promote image of Turkey as a tourist destination within Latin American audiences. The present study projects to fulfill the noted objective due to adding the socio-psychological dimension with applying audience involvement scale to produce more in-depth explanations of the relation between TV dramas and the concepts of destination image, place familiarity, and behavioral intentions containing visitation interest and WoM recommendation. The proposed study has four distinctive attributes. It has a cross-cultural attribute focusing on outbound tourism opportunities created by TV dramas. The TV dramas, which are the subject of the present study, and the destinations featured through the TV dramas, are Turkish and the audiences are Latin Americans. Furthermore, the body of film tourism knowledge has been overly built on the Western origin studies (Beeton, 2009). The TV dramas, the destinations featured, and the audiences are Westerns; at least one of these three pillars. The proposed study is an attempt on understanding of film tourism beyond a Western paradigm. The TV dramas, the destinations featured, and the audiences are non-Westerns. In addition, the present study examines film tourism phenomenon beyond a cultural and spatial (geographical) proximity. The audiences are located in mainly South and Central America. TV dramas have been filmed in the destinations in Turkey, the Eurasian country. Besides, culturally, these two locations do not have solid close ties or common grounds. Different languages are spoken in those two places, Turkey and Latin America. People affiliate themselves with different religions and they have different ethnic backgrounds in these two locations. Last but not least, the proposed study is projected to be contribution to the discussion on the influence of TV shows on destination image as a promoter and as a motivator of the travel decisions with

utilizing audience involvement concept as a first study, which consists of the major significance of the proposed study to tourism studies literature.

### Research Questions

The research is primarily focused on the Turkish TV dramas as an effective marketing tool to promote image of Turkey as a tourist destination among Latin Americans including Hispanic Americans. RQ 1: Does audience involvement with Turkish TV dramas affect place familiarity, destination image, and behavioral intentions including visitation interest and WoM recommendation among Latin American origin audiences? RQ 2: Does audience involvement depend on the genre of the show, the nationality of the audience, mode of watching (TV or the Internet), and whether the show is being dubbed or subtitled?



**Figure 1:** Modeling the Relationship among Variables

The diagram above is modeling the relationship among variables. Audience involvement influences Place Familiarity and Destination Image. Place Familiarity and Destination Image have a reciprocal relationship between one another. Behavioral Intentions are affected by Place Familiarity and Destination Image. On the other hand, (a) the content of the TV dramas, (b) the nationality of audiences, (c) being dubbed or subtitled, (d) watched on TV or the Internet have impacts on Audience Involvement.

### Theoretical Framework

The conceptual framework is reinforced by multiple components. From marketing aspect, the product placement is the one pillar (Balasubramanian, 1994). From tourism studies aspect, tourism motivation theories are the other pillar (Riley and Van Doren, 1992). Kim (2012) utilized an audience involvement scale in case of visitation experience on-site within film tourism studies. Audience involvement leads to consumer involvement theory inevitably.

### Literature Review

Film tourism is presented as a subsequent of literary tourism (Beeton, 2005) because film tourism is also a medium through which a range of cultural meanings and values are

communicated as well as being a function of media (Busby and Klug, 2001). It is presently witnessed that people are more relying on audiovisual sources than written basis as information source. Film tourism refers to “visitation to destinations where movies and TV programs have been filmed and which can be a production studio, a district, a town and a country featured within products.” Throughout the literature, film tourism is also named as film-induced tourism (Beeton, 2005), movie-induced tourism (Riley et al., 1998) media-related tourism (Busby & Klug, 2001). Some studies have sought a more inclusive term to name it. Screen tourism is one of them offered (Connell and Meyer, 2009, Kim et al., 2009). Cohen (1986), Urry (1990), Butler (1990) are the very first scholars dedicated their studies to explore film tourism phenomenon. The Second wave was actualized by Riley and Van Doren (1992), Tooke and Baker (1996) and Riley, Baker and van Doren (1998). They attempted to frame the film tourism studies. Beeton (2001), Busby and Klug (2001) Connell (2005) explored the opportunities. The first book dedicated to the film tourism is published by Beeton in 2005. Early studies attempted to find out the effects of the movies and TV series on increase of tourism in destinations. After Hudson and Ritchie (2006a, 2006b) indicated some TV series and movies are useful to promote destinations and induce tourism, studies have been directed to find the features of successful movies concerning promoting destinations and boosting tourism. As parallel, some marketing tools are applied by DMOs to market their destinations and to leverage tourism economy in their places. The late 2000s has witnessed the explosion of the number of journals dedicated to film tourism studies. However, all studies have remained within a western paradigm in mainstream film tourism studies until Korean entered into the scope. The first attempt to understand film tourism phenomenon beyond a western paradigm within mainstream film tourism literature studies on Korean TV dramas. In 2007, statistical data demonstrate that the TV drama *Fireworks* increased the number of Taiwanese tourists to Korea (Kim, Chen, and Su, 2009). Another TV drama *Winter Sonata* stimulated primarily Japanese tourists and some other tourists from Taiwan, Thailand, Singapore and China to Korea (Kim and et al. 2007). This Korean Wave (Hallyu), the popular culture, induced the inter-regional outbound tourism. A number of studies have showcased that significance of film of tourism should not be underestimated. Urry and Larsen (2011) argue the effect of media products creating demand for destinations within postmodern concept, which means travelers avoid restricting themselves with the conventional motives to travel and traditional places to visit. They seek authentic and novel incentives and places. Korean TV series *Daejanggeum* (Kim, 2012) and the Scottish TV series (Connell, 2005) are successful examples. The countries enjoying film tourism are as primary UK, USA, Australia, New Zealand as secondary some European countries and Korea. Some of them have boosted this potential with strategic marketing approaches. Suni and Komppula (2012) claimed that film tourism in the UK is worth nearly 1.6 billion pounds. There is some evidence to suggest an average increase in visitor numbers of 30-60% for film destinations (Connell 2012). Busby and Kulg (2001) acknowledged that two-thirds of respondents agreed with the fact that TV shows and films induce tourism to certain locations. The existing literature states that film and TV product consumption are effective in shaping the image of destination and to increasing visitation interest. The study of Hudson and Ritchie (2006b) revealed that 80 percent of British people consider the movies as a source of supplying destination options and 20 percent exactly visit the locations depicted in their favorite TV shows and movies. Iwashita (2008) affirmed that 20 percent of Japanese tourists visiting the UK is motivated by film

and TV dramas. An interesting result is reported by D'Angelo et al. (2006). The results of the study showed that responses were more favorable to the item "Films` influence on the past three years travel purchase" than the item "Films` influence on travel destination choice." It is inferred that tourists are not conscious of the fact that their travel behaviors are affected by films or TV series. It is recognized that the locations featured in TV series or movies gain the pulling power of these visual products to boost tourism in location. Connell (2005), Iwashita (2008), Beeton (2005) are favorable of the argument that the places featured in TV and films attract more tourists while few others have still been questioning it. Attracting tourists to destination with TV series or films occurs in 2 distinct ways; the one way is to visit film locations where the filming takes place and other associated film sites. The other one is to visit locations featured as touristic places through TV series and films where the film or TV drama may not have been experienced. The movie "Close Encounters of the Third Kind induced visitors to Devil Tower National Monument after 12 years its release. More than 20 percent of the visitors acknowledged that their knowledge of the Monument comes from the movie (Workman, Zeiger, and Caneday, 1990). According to Riley et al. (1998), 12 US locations attracted nearly 43 percent more tourists five years after the movies filmed at those destinations were released. And the data analysis indicated that at least four years of visitation increase. For example, tourists still visit the bench on which Forest Gump was sitting whiling telling the story through the movie many years after the movie release. One of the interesting exploratory studies was conducted by Shani et al., 2009, which in the case of the movie The Motor Cycle Diaries featuring South America. The study suggested that the content of film did not have impact on overall perception of the destination image viewing it after and before. Alfred Hitchcock, the late American film director, used remarkable settings promoting cityscape, landscape, and landmarks. His movie Vertigo (1958) became a milestone to promote touristic icons of San Francisco worldwide (Wexman, 1986). Crofts (1989) evaluates this Australian movie, Crocodile Dundee, success as the first movie to develop tourism to Australia. Lord of the Rings trilogy is another success story. Figuratively speaking, it put New Zealand on the map. New Zealand had not been as known as once the trilogy-movies were filmed there. Lord of the Rings trilogy should be categorized in series in terms of longevity. Three independent movies were released, but it took over three years like TV series. In the case of Notting Hill, the heritage site experienced a 10 percent increase in visitors in August 1999 alone after the launch of the movie. The Movie "Braveheart" and its impact on tourism and image of Scotland were studied by Frosts (2006). Im and Chon (2008) indicated that the classical musical "The Sound of Music" still contribute to tourism in Salzburg, Austria many years after it released. Munshi (2012) reported that after the Bollywood movie "Zindagi Na Milegi Dobara" was released the arrivals to Spain from India increased 12 800 to 115 000 in 2011. Almost 1000 percent increase. It is learned from the study of Bharath and et al. (2014) that Swiss Alps became a tourist attraction for Bollywood audiences after a number movies have been filmed in Switzerland. TV series may have an advantage by nature to be a tourism booster, which is their longevity. Their longevity could aid in a long-term audience involvement with TV dramas (Hudson and Ritchie, 2006b). Hawaii is a long-run success story in terms of long term ties between the audiences and the destination. Hawaii Five-O in 1968 introduces Hawaii to the world. It is learned from Bly (2004) that people still email Hawaiian Tourism office and request information about the locations they saw in the TV series. The newer

TV series, *Lost* helped the Hawaii re-promote itself (Majendi, 2005). The old long-running TV show "Dallas" brought 500 000 tourists, in particular, Western Europeans, each year to Dallas those years (Riley et al. 1992). Kim (2012), Kim and et al. (2009), and Kim and et al. (2007) studied Korean TV dramas and their attracting foreign tourists to Korea as well.

### **Methods**

The primary question being addressed by this study is: *RQ-1 Does audience involvement with Turkish TV dramas affect place familiarity, destination image, and behavioral intentions including visitation interest and WofM recommendation among Latin American origin audiences?* The secondary question being addressed by the proposed study is: *RQ 2 "Does audience involvement depend on the genre of the show, the nationality of the audience, mode of watching (TV or the Internet), and whether the show is being dubbed or subtitled?"* The population of interest is Latin Americans including Hispanic Americans who viewed a reasonable number of episodes of at least one Turkish TV drama. The sample population is projected to consist of around 400 respondents. The estimated response rate is 20 percent, which is anticipated response rate for the web-surveys (MacInnes, 2016). For that reason, it is targeted to distribute the questionnaire to the minimum 2000 viewers. Anyone who watches a reasonable number of episodes of at least one Turkish TV drama and who has Latin America origin, including Hispanic Americans, is eligible to be a subject of the study.

### **Implementation:**

*The type of survey:* The self-administered survey is projected to be implemented. The Qualtrics, online survey software, will be utilized. A Likert scale (7-point scale - 1 through 7, with 1= strongly disagree and 7= strongly agree) will be employed to measure the items of four subgroups; audience involvement, destination image, place familiarity, and behavioral intentions as well as demographic questions. The questionnaire is initially written in English and will be translated into Spanish and Portuguese. For the translation, native language speaking PhD candidates from the relevant departments in Linguistic Faculty at the University of Florida will be hired. As the final step, the back-translation will be done by the IRB officer who works at the IRB office on the University of Florida campus and who has proficiency in Portuguese and Spanish. It is planned to reach participants via social media platforms. The Turkish TV drama fans have a number of groups, pages, and accounts on Facebook, Twitter, and Instagram. The most populous groups, pages, and accounts on those social media platforms such as *Novelas Turcas*. The questionnaires are projected to send out in the weeks between the end of April and the early May. In order to obtain response rate as high as possible, an incentive procedure will be implemented. The respondents will be informed that each questionnaire that is filled by them will be a meal for a child from underdeveloped countries. To establish this purpose, it will be cooperated with "*ShareTheMeal*", the initiative of the United Nations World Food Programme. On average, the donation for each meal costs to US\$0.50

### **Instrumentation-Measurement**

First of all, previous studies in tourism (Kim and et al, 2007; Kim, 2011) and the other relevant studies from media (Rubin and Perse, 1987; Sood, 2002; Perse, 1990) studies were

reviewed in order to determine scale and identify items, which could be utilized or modified to measure the major variables of the study; audience involvement, place familiarity, destination image, and behavioral involvement. Sood's (2002) audience involvement scale, which is generated for a radio soap opera mainly targeting children and having education-entertainment purposes, was taken as reference, the modified form of which was also used by Kim (2011) to measure relationship between audience involvement and on-site film tourism experiences at the locations featured in *Jewel in the Palace*, the Korean TV drama. Kim et al. (2007) and Kim (2011) did not utilize the audience involvement scale to identify the effects of the Korean TV dramas on destination image or visitation interest but these studies are valuable as they are the very first research implementing audience involvement in tourism research. Sood (2002) developed the scale with its five dimensions (affectively oriented interaction, cognitively oriented interaction, behaviorally oriented interaction, referential reflection, and critical reflection) for entertainment-education media programs, in particular for monitoring "targeted education messages" in entertainment media programs. However, TV dramas are entertainment TV shows but they do not contain education messages, especially targeted ones. For these reasons, some dimensions and items are useless to apply for the proposed study. For instance, referential reflection dimension completely aims to identify whether or not audiences think the media program reflects real life such as "I felt that TV show presented things as they really are in life". On the other hand, some items seem emotional by nature but they were included in behavioral involvement dimension such as "I felt sad when bad things happened to my favorite actors." or vice versa; for example, the face value of the item "I scheduled my day/week around the soap opera." seems more compatible with behavioral involvement but it is placed in emotional involvement. In addition, when Sood's (2002) developed this scale the social media platform was not widely used and its utilization was disregarded. In the proposed study, social media activities were considered as reliable indicators to measure level of audience involvement. As the ultimate purpose of the study is to examine the relationship between audience involvement and behavioral intentions including visitation interest, the scale built upon behavioral involvement will be an easy-to-measure and a more credible indicator structure. All the things discussed above considered, in order to remove the fogs gathering over the instrumentation issue and to clarify the ultimate look of the audience involvement scale, factor loading will be implemented. Some other ways are applied in order to diversify the items projected being used to measure level of audience involvement with Turkish TV dramas as well as taking Sood's (2002) and Kim's (2011) studies as a trigger. The news reports, the content of which consist of Turkish soap operas, and including experts' and audiences' views, from global and local mainstream media outlets such as BBC and NPR are one of those. For instance, a Turkish soap opera fan from Peru cited that she comes together with her friends and host Turkish TV nights. They share their thoughts and feelings about some scenes and the whole episode while watching and after they watched. We also learned from the news reports that some audiences have already begun to give names of Turkish actors and actresses to their newborn babies. Moreover, the comments and posts of the audiences on social media were carefully monitored to have a wiser approach to produce items to measure behavioral involvement. For example, some fans who missed an episode were looking for the recommendation where they could watch it or they were asking if anyone recorded the episode and could share it with them. The other example, some fans were seeking gossip about the next

episode or opened a discussion on the expected events in the next episode. Furthermore, personally, living in Florida, where Latin American population are substantial, and being enrolled at the University of Florida (UF), where a number of international students study at from Latin American countries, gave a chance to collect information and listen to their anecdotes regarding Turkish TV dramas in person. It assisted me in collection some ideas from casual conversations with Latin American folks on campus and around town. Besides, attending the festival “*Downtown Latino Gainesville 2016*” hosted by Chamber of Hispanic Affairs Gainesville, which took place on October 1<sup>st</sup>, 2016 created an opportunity to talk to wider population at once. For instance, a graduate student at the UF from Ecuador indicates that Turkish TV dramas in her country are like what *the Games of Thrones* is in the US. The other Cuban student shares that the whole family, male and female members of the family, some members of which live in Cuba and some others live in Miami watch Turkish TV dramas with enthusiasm. The family members facetime one another to discuss the events in the drama sometimes before sometimes after the episodes were aired. She also shares that when her mom gets pissed off at her for some reasons her mom calls her “you are such a Hurrem”, Hurrem is a female character in the Turkish drama, *the Magnificent Century*, who has reputation with her *bitchy* plans and actions. The other Puerto Rican living in Ocala, Florida said that in summer 2016, she visited Puerto Rico for a wedding event. The week she visits overlapped the week of on which the final episode of Turkish drama, *Fatmagul*, was broadcast. Everyone at the wedding talked about final of the drama. She highlighted that the wedding ceremony and the wedding dress of the bride, which are the regular conversation subjects at a wedding event, were shadowed by the talks on the Turkish TV drama. All those things considered, the modified 9-item 7-point Likert scale will be implemented to measure behavioral audience involvement with asking the degree to which respondents agree with nine statements: (1) *I voiced my thoughts and feelings towards some scenes while watching Turkish TV drama;*(2) *I discussed the episodes with friends after I viewed them,* (3) *I looked forward to watching the next episode;* (4) *I sought information or gossip about the upcoming episodes before they were released;*(5) *I did not respond phone calls while watching Turkish TV drama;* (6) *I liked pages, followed groups or posted something regarding Turkish TV drama or actors/actresses on social media (Facebook, Twitter, Instagram, etc.);* (7) *If I coincides with anything about Turkish TV drama on TV, in a newspaper, on the social media, or magazine, I watch/read it,* (8) *I arranged my daily/weekly schedule around Turkish soap opera.* (9) *I looked for ways to watch the episodes I missed.* Even though Sood’s (2002) audience involvement scale from media studies, which was utilized to measure audience involvement with a radio soap opera carrying entertainment education messages, was taken as reference to design the items and even Stepchenkova (2017) asserts that the items have face validity, factor loadings will be implemented to have a statistically more reliable and valid scale. Place familiarity will be measured using an existing 4-item 7-point Likert scale developed by Kim and Richardson (2003). This scale was produced through a discussion with expert panel members comprised of researchers experienced with scale development. Yang (2011) also used the same scale in her research. Place familiarity is measured ranging from “not at all familiar” to “extremely familiar,” with physical environment and local lifestyle by the scale. The scale includes four statements ranging from (1) *Watching Turkish TV drama/s increased my familiarity with the culture of people in Turkey,* (2) *Watching Turkish TV drama/s increased my familiarity with the cultural/historical attractions in*

Turkey, (3) *Watching Turkish TV drama/s increased my familiarity with the landscape in Turkey*, to (4) *Watching Turkish TV drama/s increased my familiarity with entertainment in Turkey*. Destination image, from evaluative aspect, with its both cognitive and affective components, will be measured using the brand-new multi-item scale developed by Knock et al. (2016) for both cognitive and affective constructs. The both scale is the 4-item 7-point bipolar, single dimensional, and reflective construct. The affective destination image will be measured by four-item scales below;

*How do you feel about Turkey as a tourism destination after watching the Soap Opera/s? (7-point scale) (1) like/dislike, (2) pleasant/unpleasant, (3) attractive/unattractive, (4) comfortable/uncomfortable.* The cognitive destination image will be measured by four-item scales below; *After watching the Soap Opera/s, taking a holiday to Turkey is ... (1) positive/negative (2) good/bad (3) favorable/unfavorable (4) worthwhile/not worthwhile.* Behavioral intentions consist of two dimensions; visitation interest and WofM recommendation. Visitation interest will be measured using the 4-item 7-point scale, which is the combination of adapted forms of two scales; one of which was outlined by Oberecker and Diamantopoulos (2011) and the other one was produced by Shani et al. (2009). WofM will be measured using the 3-item 7-point scale, which is the modified form of the scale developed by Arnett et al. (2003). The scale items have also been used by Kock et al. (2016). The scale utilized to measure visitation interest includes four statements: (1) *The TV drama I watched promoted Turkey as a suitable tourism destination for me*, (2) *The TV drama I watched made me dreamt myself visiting Turkey*, (3) *The TV drama I watched increased my interest in getting information on traveling to Turkey*, (4) *The TV drama I watched made me likely to book a vacation to Turkey at some point in future*. The scale used to measure WofM recommendation asks respondents about their agreement with three statements: (1) *I would talk about Turkey positively in a conversation about holiday destinations*, (2) *I would recommend Turkey as a tourism destination to other people when asked*, (3) *I would react (like, share, or commend) the pictures from Turkey on social media (Facebook, Twitter, Instagram) positively*.

### **Data Analysis (Statistical) Procedures**

The primary RQ “*Does audience involvement with Turkish TV dramas affect place familiarity, destination image, and behavioral intentions including visitation interest and WofM recommendation among Latin American origin audiences?*” In order to predict and explain the relationship between Audience Involvement and Place Familiarity, Destination Image, and Behavioral Involvement, Multiple Regression Analysis will be applied. In addition, Factor Loadings will be utilized for audience involvement scale items. The secondary RQ is “*Does audience involvement depend on the genre of the show, the nationality of the audience, mode of watching (TV or the Internet), and whether the show is being dubbed or subtitled?*” In order to predict and explain the relationship between audience involvement and (a) the content, (b) nationality, (c) dubbed/subtitled, and (d) TV/the Internet, ANOVA will be implemented.

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## The Effect of Alignment of Reporting on an Executive Decision Support Framework for the Financial Service Sector of a Developing Economy

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### Abstract

Alignment to organisational strategy is a critical success factor for any organisations survival. Due to complex environments within which organisations operate, many struggle to achieve strategic alignment across the organisation at operational, tactical and strategic levels. A mixed method research approach was followed where semi-structured interviews were held with Chief Information Officers. The semi-structured interviews thereafter informed the survey questionnaires design. Within the organisation and at all levels throughout business units and divisions, Key Performance Indicators alignment with the strategy of the organisation is required. Performance against strategy proved to be a critical aspect of the Executive Information Systems Framework as per the structural equation modelling conducted. The strongest link was 49.3% between the alignment of Key Performance Indicators and Performance Management against strategy. Once the Key Performance Indicators are aligned throughout the organisation and these KPI's are aligned to the strategy, these KPI's form part of the internal factors of input components that need to be infused into the Executive Information Systems Framework. Alignment of Reporting is linked to an Executive Decision Support Framework. Although Alignment of Reporting can be made up of other latent variables that may affect it, there is a linkage between Alignment of Reporting and an Executive Decision Support Framework.

**Keywords:** alignment, reporting, KPI, executive decision support, finance sector

### Introduction

Businesses currently operate within a dynamic environment of fierce competition, shrinking budgets and heavy price measures (Shahin and Mahbod, 2006). As a consequence, organisations deal with many KPI's that need to be aligned to its goals and objectives (Kathuria, Joshi and Porth, 2007). Alignment of KPI's requires a shared understanding of organisational goals and objectives by managers at various levels and within various units of organisational hierarchy (Kathuria et al., 2007). Misaligned KPI's throughout the organisation in various management reports create targets and indicators that fail to reflect and achieve the strategy of the organisation (Allio, 2012).

## Literature Review

### Understanding Alignment of Reporting

Grosswiele, Roglinger and Friedl (2013) confirm that alignment to strategy is important for reporting at all levels in an organisation. Strategies are translated into measures that provide the necessary information to challenge the content and validity of strategies; i.e. to challenge the performance monitoring of how far the company is in achieving its set strategy (Grosswiele et al., 2013). Vasarhelyi and Alles (2007) suggest that financial reports take place both within and outside the organisation, with the handover of reports taking place at the boundary between the firm and its users. Ismail and King (2007) refer to information processing theory which assumes that an organisation is a complex system whose primary problem is relating to its environment in the acquisition and utilization of information. Ismail and King (2007) posit that several studies have found that firms with high levels of strategic alignment perform better than those with low levels of strategic alignment. Reporting at all levels of management enables strategic alignment (Ismail and King, 2007). Due to this the researchers agree that reporting throughout an organisation depends on its systems and data for reporting to occur. The researchers are of the view that due to the acknowledgement by the latter authors, an organisation's reporting requires elements of internal and external factors that need to be made visible to strategic leaders.

Therefore, the researchers are of the opinion that the content coming through reports to different executive and senior management across an organisation should ideally be providing aligned messages to prevent confusion, doubt and strategic drift. It can also be noted that confusion and doubt can contribute to executive and senior management developing mistrust in reports if messages are contrary, hence contributing to adverse information quality problems and thereafter no decision support. Alignment of KPI's for reporting is significant (McIntyre and Murphy: 2008).

### Significance of Alignment of Reporting

Agency theory as explained by McIntyre and Murphy (2008) suggests that the interests of management differ from the interests of shareholders therefore there's the Board of Directors (BOD) that work for shareholders of the company to hold management accountable. According to McIntyre and Murphy (2008), this structure of the BOD and internal management of the company, does not allow for internal management to pursue their own interests.

Hence, alignment of objectives of the BOD and internal management is crucial through reporting to ensure the same messages are reported to the different parties and the agreed strategy is followed. McIntyre and Murphy (2008) assert that in situations of uncertainty re-negotiation with internal management would be a significant emphasis for the BOD.

They confirm that management information may not be as complete and it is difficult to keep it up to date, therefore information enhancement and alignment is a high priority. Bazerman, Galinsky, Ordonez and Schweitzer (2009) however emphasise that goal setting throughout the organisation is a complex process as goals should not be too specific and should not have inappropriate timelines.

Although alignment of reporting KPI's may not be immediately feasible in a complex organisation due to constant changing dynamics, a piecemeal approach could be used to work towards alignment in agreed and specified timeframes. It can be noted that if changes occur during the process of alignment then change management procedures should be followed to ensure alignment of reporting KPI's is monitored. EG: Appointment of new leadership in the organisation may change KPI's and re-aligning to the new leaders KPI's should follow the process of development and embedment.

Vasarhelyi and Alles (2007) mention that a system being designed has to rethink the entire process by which data that is held by the firm can be translated into decision relevant information for senior users. Vasarhelyi and Alles (2007) argue that the issue is whether users would prefer to have access to more information closer to its raw format in order for them to manipulate and aggregate as they see fit. Vasarhelyi and Alles (2007) explain companies need to assess whether it is still appropriate to aggregate and condense information and assess its usefulness. The researchers emphasise that the skills however of end users that would need to process unstructured data into a structured format for meaningful reporting could prove to be a challenge. Therefore, the researchers conclude that allowing users access to increased raw data may not be a viable solution.

Shahin and Mahbod (2006) argue that alignment of reporting is linked to prioritization of KPI's. According to Shahin and Mahbod (2006) there must be a consistent method to prioritize KPI's throughout the organisation to ensure stakeholders are moving toward a set direction for the company. Shahin and Mahbod's (2006) view infers that stakeholders should not be able to manipulate and aggregate data as they see fit, which is contradictory to the view of Vasarhelyi and Alles (2007).

The researchers argue that Vasarhelyi and Alles's (2007) proposed solution above for reporting alignment, through providing data closer to its raw form to senior and executive management, can perpetuate adversities. The adverse drawbacks include management that are not information experts in data aggregation, data mining etc; and usually do not have time to compile even strategic reports leave alone sift raw data for a strategic conceptual view of the organisation. For these reasons, the researchers view Vasarhelyi and Alles's (2007) solution as not a practically feasible solution. Alignment of reporting throughout the organisation culminates into challenges (Grosswiele et al., 2013; Cai, Xiao and Lui, 2009), which is discussed next.

### **Challenges to Alignment of Reporting**

Vasarhelyi and Alles (2007) emphasise that internal manager's affect the degree to which past performance affects future performance, therefore affecting reporting for external stakeholders. Vasarhelyi and Alles (2007) iterate that users of financial statements complain that these reporting statements conceal more than they reveal. Allio (2012) suggests that misaligned reporting results in targets and indicators that will fail to reflect strategic initiatives and activities. According to Allio (2012) KPI's in organisational reporting that are imposed without consultation toward the strategy, are poorly explained and interpreted. Allio (2012) is of the opinion that executives can spend a disproportionate amount of time on the wrong aspects, if alignment of reporting is not achieved. Inputs and

activities tend to be measured rather than outputs toward the strategy (Allio, 2012). The researchers are of the opinion that strategic drift as per Allio's (2012) explanation can thereby occur which highlights that KPI's are required to be aligned throughout the organisation.

Vasarhelyi and Alles (2007) maintain that a great deal of cost analysis is needed to reverse the accounting and find out what the statements are really saying about firm performance. Vasarhelyi and Alles (2007) explain that users have to sort through voluminous and information to effectively forecast the future earnings, cash flows or intrinsic value of a company. These authors further contend that too often investors are in the dark about the true value of companies. Vasarhelyi and Alles (2007) argue that if financial reporting changes need to be made, investors transform financial statements to assist in their decision making. Therefore, the researchers agree that the reporting should have been presented in the first place, in the form into which the investor transformed the results. Allio (2012) explains that indicators without alignment of reporting throughout the organisation towards strategy, often lack adequate context and this results from insufficient investment in data definition and acquisition. Context of data analysis is therefore crucial to explain, for example seasonal peaks and troughs. This supports the view of the researchers that allowing end users to have access to raw unstructured data, proves a challenge if they are not skilled for data extraction and integration, and may not be the experts in obtaining context of the data.

Grosswiele et al. (2013) contend that human information processing capabilities have limits, as decision makers suffer from stress and loss of clarity as misinformation is grounded not only in too much information but also in irrelevant, redundant and heterogeneous information. The researchers suggest that the correct level of granularity and alignment of reports at senior and executive management will combat information overload and/or irrelevant information. Cai et al. (2009) postulate that KPI's for measuring against set performance, are difficult and intricate to align throughout the organisation from mission, objectives and strategies. Cai et al. (2009) state that the latter has become a bottleneck for many companies. Cai et al. (2009) propagate that KPI relationships are not normally specified and hard to keep up with the dynamic nature of organisations, where KPI's become difficult to improve. Strategic alignment is emphasised by the correct levels of granularity which are readily available when required. The researchers agree strategic alignment allows support for the decision making process and promotes no decisioning delays, which allows the organisation's ability to keep up with constantly changing dynamics.

The researchers acknowledge that KPI's are difficult to develop, maintain and improve however; it is required to move the entire organisation in one direction throughout all the business units that make up the organisation, through the measurement against set objectives. An example of the South African Revenue Services (SARS) can be used as a benchmark for KPI's. The national monetary target for tax collection set by the minister of finance in SA, is filtered down into tangible amounts to be achieved by every single employee at SARS at all levels for performance management for performance bonus at financial year end (SARS, 2012).

This has enabled SARS to meet targets yearly set by the minister as the entire organisation works as a collective to move toward one set monetary target (SARS: 2012). Solutions which present advantages are recommended for alignment of reporting below (Toccafondi and Manetti, 2012), will now be discussed.

### **Alignment of Reporting**

McIntyre and Murphy (2008) explain that the information from the Board of Directors and executive and senior management within the organisation should be shared and aligned to support an effective decision making environment. Toccafondi and Manetti (2012) agree that stakeholder inclusivity is growing and becoming dialogic in nature. Toccafondi and Manetti's (2012) empirical investigation proved that when there was stakeholder engagement in the process of reporting, the quality of reporting for timely decisions improved.

Vasarhelyi and Alles (2007) argue that financial reporting would not be needed if all internal and external stakeholders in the firm shared the same information about how the firm has performed historically and had similar expectations as to how it will perform in the future. The researchers argue that this however may not be a feasible recommendation due to the Generally Accepted Accounting Practice and International Financial Reporting Standards which separates reporting for external stakeholders per financial accounting, and reporting for internal management per management accounting principles.

Vasarhelyi and Alles (2007) explain that in reality those within a firm are inevitably in a better position to know its state than those outside of the firm. Moreover, the former are not just informationally advantaged but as managers they can actually shape the firm's future performance (Vasarhelyi and Alles, 2007). Kathuria et al. (2007) support the need to link reporting at all levels in an organisation. Kathuria et al. (2007) are of the view that corporate strategy provides direction and guides business strategy in functional areas; therefore all KPI reporting should be aligned. Kathuria et al (2007) refer to Swamidass (1986) who found that in the manufacturing sector CEO's and middle managers emphasised different priorities that could undermine the overall strategy.

Vasarhelyi and Alles (2007) explain that there is a reflection of the conflict of interest battle between shareholders who only care about financial performance of the firm reflected in its market price and managers who directly benefit from exploiting the firm's assets. Vasarhelyi and Alles (2007) term this battle as the fundamental informational asymmetry that both motivates and bedevils reporting. The researchers therefore emphasise the importance of aligned reporting both internally within the organisation and externally outside of the organisation.

Kathuria et al. (2007) found that firms are more successful, which have strategic and operational reporting aligned and there is 'visibility in the alignment'. This is consistent with Day (1984) referred to by Kathuria et al. (2007), who found that business strategy should be integrated with functional strategies to achieve sustainable competitive advantage. The researchers contend that this allows every person in the organisation to be adds toward the direction set from the strategy, although this can be difficult to achieve in

large organisations. Vasarhelyi and Alles (2007) do acknowledge that any recalibration of the reporting process would require many critical issues to be addressed, for example: The trade-off between meeting the needs of sophisticated users for more data against the concerns of the firm's managers about revealing competitive data; What is gained and what is lost when firms process information less and users have to do more; and how many 'checks' will be provided with the information and who will provide it.

Vasarhelyi and Alles (2007) mention that the above are not independent since aggregation is an extreme form of information processing where a great deal of information can be potentially lost. Reducing the degree of pre-processing and aggregation of information would also reduce the ability of the firm managers to manipulate that information, and place more of the burden on users to understand the reporting. The researchers agree that this then highlights the need for aligning operational reporting to tactical reporting and finally strategic reporting to senior and executive management. The researchers note that although solutions are presented above, each solution has its own adversities for consideration. Evidence using examples where alignment of reporting is occurring is provided (Ramakrishnan, Jones and Sidorova, 2012; Abraham, Gopinath and Castolino, 2012), in the next section below.

### **Examples of Alignment of Reporting Successes**

The CFA (Chartered Financial Analyst) Institute released a comprehensive business reporting framework that proposes changes to reporting specifically aimed to increase meeting the needs of investors with incremental improvement. Vasarhelyi and Alles (2007) elaborate that the current questions on the ability of reporting are being assessed as the economy moves at a rapid pace and reporting is in 'catch up' mode. Kathuria et al. (2007) recommend that both vertical and horizontal alignment of reporting is needed throughout the organisation, as it ensures complexity is being measured throughout the organisation. The researchers agree that robust alignment both horizontally and vertically are needed for reporting.

The ERBC (Enhanced Business Reporting Consortium) was formulated to improve quality, integrity and transparency of information for decision making in a cost effective and time efficient manner in an incremental way. The ERBC mentions 'Galileo' which was a sample report that presented ideas of incrementally improving the reporting process which focused on technology (Vasarhelyi and Alles, 2007). The 'Galileo' report focused on an aligned accounting reporting system that must arise from the IT foundation of the firm and its management. Vasarhelyi and Alles (2007) maintain that there are forces such as misalignment of reports that cause the existing systems of business reporting to be dysfunctional. The researchers argue that the systems need to be aligned per the set KPI's by the organisation, to ensure reporting at any level is not sending differing messages to various stakeholders.

Vasarhelyi and Alles (2007) provide a 'Cisco' example. In May 2001, Cisco systems had to write down its inventory by \$2.25bn, which was an amount larger than the value of its inventory on its books. This example highlights a compelling problem which is the systematic inability of the current reporting systems to meet the needs of users and hold

senior management accountable. Ramakrishnan et al. (2012) explain that business analytics tools can assist for reporting however, organisations have not been successful in utilizing these tools. Ramakrishnan et al. (2012) are of the opinion that business analytics can help achieve a consistent view of business information which is important for strategic decision making.

Ramakrishnan et al. (2012) confirm that a single version of the truth helps achieve high quality data for better data analysis. A single version of the truth saves time for users and facilitates communication among different senior stakeholders because they have access to the same information. The researchers emphasise that in the South African banking sector, a single view of the customer has still not been achieved in any of the banks.

Abraham et al. (2012) provide a prime example of Janalakshmi Financial Services (Pty) that have been highly successful in a very challenging niche market of providing financial services to the urban poor of India. Abraham et al. (2012) explain in the case study that one of their key success factors being able to scan the internal and external environment through timely, aligned and reliable information. Ultimately this valuable information delivered an overall aligned balanced scorecard containing aspects such as operations, finance, and procurement and other key strategic reports to all levels of management (Abraham et al., 2012). Meaningful reports to senior managers were achieved via integrating and aligning reports and data, from operations to strategic management (Abraham et al., 2012). The researchers acknowledge from the above experts and examples provided that the successes of alignment of reporting are rewarding for the company, however this takes planning and time to achieve in a complex organisation.

Vasarhelyi and Alles (2007) reiterate this viewpoint as they confirm that it requires a broader set of stakeholders across the organisation for transforming the reporting to achieve alignment of reporting. Vasarhelyi and Alles (2007) recommend that a reengineered reporting system is needed to better reflect the changes that have taken place in the economy [*referring to exogenous factors relevant to the organisation*], then a reporting process which only focuses on financial reporting for the company. Alignment of reporting is significant as it could affect the stakeholder's perceptions of the company (Ramakrishnan et al., 2012; Grosswiele, et al., 2013).

Ramakrishnan et al. (2012) assert that failing to align information in an organisation can cause business partners, competitors, customers, investors and other stakeholders to question the decision making ability of the firm. Ramakrishnan et al. (2012) thereby confirm that misalignment of information via reports can affect the legitimacy of the firm. These authors argue that it is vital for data to be clean and consistent to ensure aligned reporting throughout the organisation, rather reporting that contradicts each other in the same organisation. Grosswiele et al. (2013) support and confirm that it is crucially important to align all reporting to strategic objectives of the organisation. A summary of the literature review on alignment of reporting will now be provided.

Alignment of reporting throughout an organisation prevents strategic drift. Aligned reporting enhances alignment to strategy and provides other advantages such as ensuring

that the various stakeholders focus only on the objectives set, rather than focusing on each of their different vested interests. Aligning reporting is a process which contains many elements such as culture change and system integration. There are obstacles that an organisation may experience in an effort to align its reporting. Organisations that consistently have aligned reports have shown positive effects, therefore making alignment of reporting a vital applicability component to form part of the Executive Decision Support Framework. Therefore, the research question being considered is to ascertain whether Alignment of reporting (AOR) does form part of the Executive Decision Support Framework

### **Research Methodology**

The research paradigm consisted of a pragmatic approach per the epistemology and ontology due to a mixed methods research methodology. It was conducted using a case study of Company A, which is an organisation in the financial services sector of a developing economy. A deductive research logic since theory was looked at first, as per the theoretical default framework above. The time horizon was cross sectional due to time and resource constraints of the researchers.

The mixed method approach methodology consisted of semi-structured interviews as the qualitative aspect. The reason why a mixed method methodology was used was to ensure high validity and high reliability of the conducted research, since quantitative and qualitative research is deals with high validity and high reliability respectively. Semi-Structured interviews were held using a purposive sample with the four Chief Information Officers (CIO's) to obtain depth of knowledge and context, before the survey questionnaires could be designed. The results of the semi-structured interviews were thereafter used to inform the quantitative aspect per the survey questionnaires. The semi-structured interviews were conducted using a voice recorder and interview notes. The survey questionnaires were then designed and piloted among 9 persons across the organisation before the survey questionnaires could be finalised for distribution. This pilot was done to ensure the questionnaires were understood by participants. No major corrections on the survey questionnaires resulted after the pilot was conducted. The survey questionnaire was in the form of a Likert scale. The population consisted of 706 persons in total due to the total number of senior and executive managers across the organisation. Thereafter proportional sampling techniques were performed to carry out the survey questionnaires to ensure a stratified sample response across the divisions in the organisation.

The results of the semi-structured interviews were analysed and synthesized using themes and counting techniques, to ensure all input was included for consideration into the survey questionnaires. The analysed feedback was then inputted into the formation of the survey questionnaire. The survey questionnaires were handed out manually and sent via email to participants to increase response rates. A reminder for survey responses had to be sent via email to participants to ensure an increased response rate across the divisions, which is summarised in below. The results of the survey questionnaires after the survey questionnaire was conducted, were inferentially analysed using SPSS and IBM AMOS computer software to identify trends and patterns because the SPSS and IBM AMOS

software has more accuracy than manual analysis of trends and patterns. Thereafter descriptive statistics were used to represent the results emerging from the survey questionnaires using bar graphs and /or pie charts.

Triangulation of results took place by the researcher to increase the validity and reliability of the research, through manually comparing the results emanating from the semi-structured interviews to the survey questionnaires. This provided in depth triangulation outcome results after the comparison of the data was completed. High validity was maintained using the qualitative semi-structured interviews and high reliability was maintained using the quantitative survey questionnaires, therefore confirming the choice of a mixed method methodology of maintaining high results in both validity and reliability of the research. Ethics throughout the research process was maintained. For the statistical analysis, structural equation modelling was used for validity and reliability of the research; and the maximum likelihood estimates method were used to show if the constructs were mathematically related.

### Discussion of Findings

The semi-structured interviews are summarised in the figures below which highlights the common themes and outlying themes for every construct from the Chief Information Officers from each division of Company A.

<b>B) Alignment of Reporting</b>		
<b>Theme</b>	<b>Common</b>	<b>Outliers</b>
Functional strategies never aligned to corporate strategy.	X	
Reconciliations of figures, always a problem.	X	
Reports need checking & reconciliation.	X	
Vertical and horizontal alignment missing in KPI's		X
Mostly excel reports used	X	
Operational reports not aligned to strategic reports	X	
Too much cost cutting KPI's	X	
No revenue generating KPI's	X	
No standardised KPI's		X
4 years already; 'siloesd KPI's' in business units		X
Agility of data to support changing KPI's not able to	X	

**Figure 1:** Alignment of Reporting Summarized from the Semi-Structured Interviews

The commonalities encompass KPIs not being aligned with validation checks not done all the time, and too many rigid financial KPIs used. This concurs with the findings of the experts in the literature review (Allio, 2012; Grosswiele et al., 2013; Vasarhelyi and Alles, 2007). Both vertical and horizontal alignment were outliers show that robust alignment throughout the organisation needs to occur which is echoed by experts (Kathuria et al., 2007; Ramakrishnan et al., 2012).

### Geographic and Demographic Analysis

The respondents to this survey totalled one hundred and seven (n=107) bank officials. Those in the Retail and Business Bank divisions accounted for 43% of respondents, the remainder comprised: Corporate and Investment Banking, 17.8 %; Financial services Insurance 14.0 % and Enterprise Support Services 25.2%. Almost all of the respondents are based in South Africa (99.1%) while the remainder (0.9%) are from Barclays Africa (12 countries). The respondents in South Africa amounted to 99.1%.

**Table 1:** Percentage Response from Each Division of Company A

Area	Frequency	Percent	Valid Percent	Cumulative Percent
Retail and Business Bank	46	43	43	43
Corporate and Investment Banking	19	17.8	17.8	60.7
Company A Financial Services (Insurance).	15	14	14	74.8
Enterprise Support Services (IT, Risk, Compliance, HR, Finance)	27	25.2	25.2	100
Total of each area	107	100	100	n/a

As compared to the initial sample frame of 141 respondents at the onset of the research per the research methodology; there was a 76% response rate. There was no initial sample target set for respondents in South Africa. However, as stated, most respondents were from South Africa, i.e.: 99.1%. Retail and Business bank had a targeted response rate of 19.7%; the actual response rate achieved was 43%. Corporate and Investment Banking had a targeted response rate of 20%; 17.8% was actually achieved. Financial Services Insurance was initially allocated a 20% response rate target; a 14 % actual response rate was achieved.

Enterprise Support Services was initially allocated a 20% response rate and achieved a 25.2 % response rate. Retail and Business Banking and Enterprise Support Services had an increased response rate of 24% (i.e. 43%-19.7%) and 5.5% (i.e.: 25.2%-20%) respectively, based on the initial sample frame. Corporate and Investment Banking and Financial Services Insurances had a decreased response rate of 2.2% (i.e. 20%-17.8%) and 6 % (i.e. 20%-14%) respectively. An overall summary of responses will be provided next.

### Overall Summary of Responses

**Table 2:** Frequency Distribution of the Overall Opinion on Aligning Performance Indicators

Option	Frequency	Percent
Strongly Disagree	1	0.9
Disagree	61	57
Neutral	40	37.4
Agree	4	3.7
Strongly Agree	1	0.9
Total	107	100

It can be noted that most of the sample population ‘disagreed’ in terms of the questions on aligning performance indicators. The questions for this section were designed per the literature review and the semi-structured interviews which stated the ideal of how key performance indicators should be aligned in an organisation. The fact that most of the responses were in keeping with ‘disagree’ reinforces the points that the ideal alignment of reporting as discussed in the literature review and semi-structured interviews are not occurring in the industry.

## Structural Equation Modelling for Validity and Reliability

**Table 3: SEM for Validity and Reliability**

Construct	Instrument (i.e.: Questionnaire)	No. of Items (i.e.: No. of Questions)	Cronbach's Alpha	No. of Valid Sample
Aligning Performance Indicators	C1 – C14	14	0.81	106

To evaluate the reliability of the measurement items by determining how participants interpreted the questions per category, Cronbach's Alphas with an acceptable value of 0.70 as confirmed by Hair et al. (2010), was calculated and confirmed to be greater than the recommended value of 0.70. This confirms the validity and reliability of the participants whom have answered the survey questionnaires. Alignment of Reporting (AOR) is significant and does form part of an Executive Decision Support Framework. This is articulated in the research conducted from the participant's responses received and analysed, which is also aligned to the literature review. Therefore, AOR should form part of the Executive Decision Support Framework.

### Conclusion

Alignment of reporting throughout an organisation prevents strategic drift to focus on set objectives rather than vested interests of each stakeholder. Aligning reports contains many elements such as culture change and system integration however there are obstacles that exist in an effort to align its reporting. Organisations that consistently have aligned reports do show positive effects. The literature review stated that alignment of reporting is of crucial strategic importance throughout an organisation. There was acknowledgment of this importance from the survey questionnaires and the results from the survey questionnaires also confirmed the several challenges as mentioned in the literature review; that need to be overcome to achieve this alignment. Organisations require guidance and frameworks to be implemented in order for alignment of reporting throughout the organisation to occur, that will essentially support Executive Decision Support Framework and prevent strategic drift.

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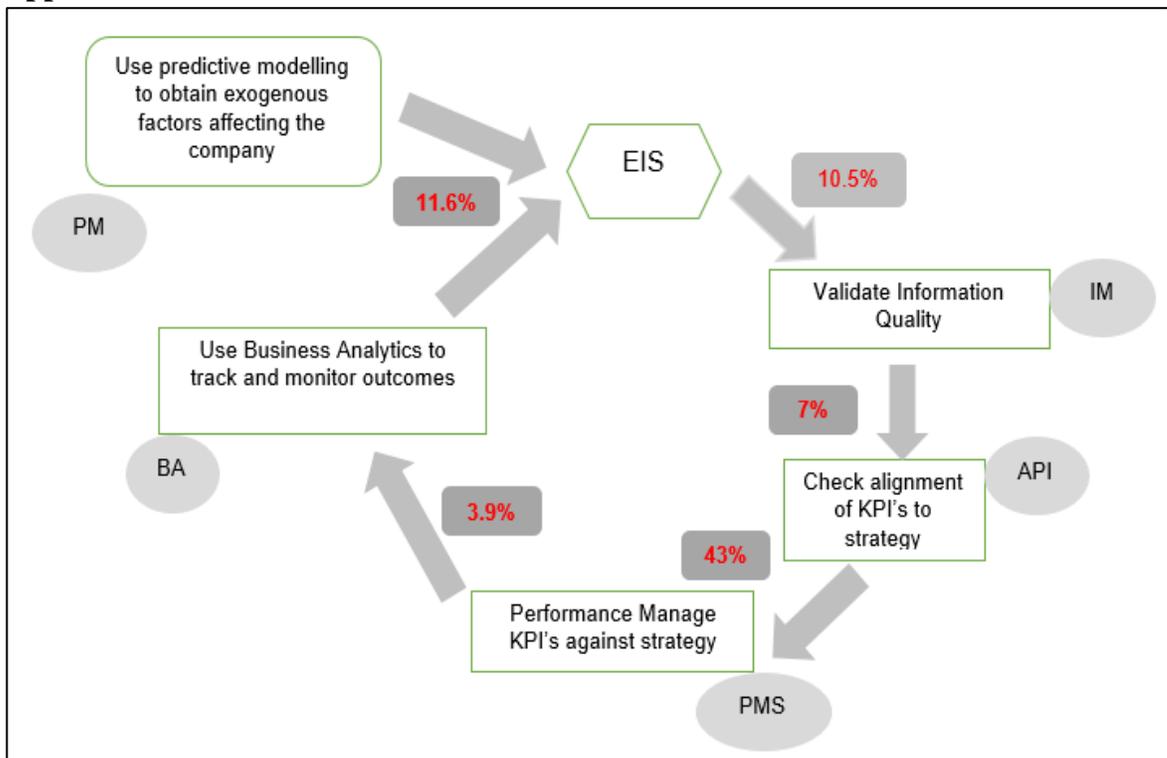
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### Appendix A



**Figure 1:** The EISF Components and Usability Framework



## **Business Models: A Motivational Approach for Consumers in Tourism**

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### **Abstract**

The general aim of this study is to discuss the role of tourists in the business models of tourism industry on the basis of their motivations in three domains, namely being the target customer, distribution channels and their relationships with service providers (i.e. touristic agencies, companies, facilitators etc.). Among these aspects, the impact of customer interface on the basis of their motivation in general and specifically in tourism sector will be analyzed. Furthermore the intention of this study is to explain and naively model the role of tourists in business models developed for the businesses in tourism. Regarding to literature, a rough model will be presented where tourist motivation is the main source for the effectiveness of business models. In conclusion, this manuscript will underline the importance of tourist motivation within the tourism industry.

**Keywords:** business models, consumer motivation, tourist quality of life

### **Introduction**

Business modeling is defined as the managerial equivalent of the scientific method where people can start with a hypothesis, test in action and reverse if necessary (Magretta, 2002). According to the definition of Timmers (1998) a business model is the architecture for the product or service that includes different business actors, their diversified roles, potential benefits derived from the business and the description of the resources required for the revenues. Although a business model is not the same concept as a strategy, it can be used as interchangeably in some instances (Magretta, 2002).

Historically, Drucker (1995) emphasized the role of customer and the function of customer value in the business models. Starting with the business model canvas of Osterwalder and Pigneur (2010), it reflects a “shared language for describing, visualizing, assessing and changing business models”. The canvas consists of four main pillars namely product, customer interface, infrastructure management and financial aspects (Osterwalder & Pigneur, 2005).

Customer interface of business model canvas include the elements which involve the target customer (tourist), distribution channel and relationship (Henne, 2014). The first element can be adapted as the tourist to whom the service or product offering is useful and therefore represent potential customers a touristic agency wants to address (Chesbrough & Rosenbloom, 2002; Osterwalder, 2004). From this point of view, it is significant to make use of successful market segmentation, that breaks a market into different groups of people who share common characteristics (Gordijn & Akkermans, 2003), particularly for tourism sector. On the other hand, the distribution channel focuses on the ways that tourist can be approached. Those channels may have various

characteristics; for instance, inbound versus outbound forms, direct or indirect forms, and even automated forms (Anderson, Day & Rangan., 2012). Moreover, the right distribution channel also determines the richness of the information that would be transferred to the customer (Weill & Vitale, 2013). The other aspect is the relationship implies the proximity of tourists to the touristic company or agency. Valuable recommendations, good advice and trust are the fundamental elements that any organization should be offering in order to form a strong relationship with its customers (Weill & Vitale, 2013).

### **Being the Target Customer**

The success in business sector depends on a firm's ability to evaluate and capitalize on consumer behavior trends (Xiang, et. al., 2015). In order to test the applicability of a business model for a particular customer segment, the initial step must be understanding who the customer is. Through evaluating the environment and the experiences of customers within a geographic, demographic and social context, the likelihood of a customer's response to a particular good or service can be determined. Thus, customer segments must be well examined and business models must be developed accordingly.

In general, customer segments are described as the community of customers to whom products and services are aimed to be sold. Customers can be segmented into various groups with respect to needs, behaviors and motivations. Furthermore, customer segment is dependent on demographic properties such as age, gender, ethnicity, profession. An organization can have multiple customers segments; however, careful analysis is required to market goods and services with maximum amount of profit.

There are several main characteristics that organizations may intend to categorize their customers into distinct groups on these bases. First, customer groups may have a specific need which makes the production of a certain product or creation of a certain service possible. For example, presence of people with disabilities leads to the emergence of related services, which increase the likelihood to be preferred by people with disabilities for the organizations providing those services. The group may also require a different distribution channels, as it will be explained in the next section. Moreover, the group may have a different type of relationship with other groups in the market. Regardless of this relationship is financial, social, political or a combination of these, it prevents consumers to benefit from these products or service in an equal proportion with other groups. Profitability is an vital element for the determination of a particular customer segment. As the main dynamic of capitalist economic system, if investing in a domain is more profitable than the other, an organization will surely select the area with more returns. Therefore, profitability may create customer segments by its own. The types of customer segments can be listed as mass market, niche market, segmented, diversified and multi-sided platforms. Since the discussion of these customer segment types in detail exceeds the scope of this manuscript, the discussion will be limited to customer segments within the tourism industry.

Specifically for tourism research, segmentation of travelers has long been discussed in destination marketing literature (Prayag & Hosany, 2014; Prayag et. al., 2015; Paker & Altuntaş Vural, 2016). For these segments, motivation is argued to be the most

important source for the behavior models of tourist consumption (Gnoth, 1997) Motivational domains of tourists may vary from socio-psychological, prestige, cultural, social, educational and utilitarian (Prayag&Hosany, 2014) based on their benefits. Well-determined customer segmentation will make it easier for organizations in tourism industry to control what their customers require and what they do not. As a result, parallel to the increase in the service quality for customers from selected segments, tourist satisfaction will increase and the aim of business models will become realized.

### **Distribution Channels**

Having discussed the impact of customer segmentation in business models, distribution channels appear as another important aspect for business modeling. Distribution channels are defined as the company's interface with its customers (Barquet et. al., 2013) and related to concepts such as value creation and delivery (Bocken et. al., 2014). Distribution channels can be either direct or indirect. Direct distribution channels allow consumers to receive a good or service directly from its provider or manufacturer whereas indirect distribution channels include wholesalers and retailers. In tourism industry, indirect channels are mainly the case despite increasing number of examples for direct channels.

Direct distribution channels are the simplest form that travel suppliers utilize. In this form of distribution channel, there are no intermediaries between tourists and service providers and tourists directly purchase what they want or need from these suppliers. Parallel to the advancements in technology, such as the use of internet, has increased the direct availability of purchase as well as information about the service. Considering the benefits of direct distribution channels, it makes purchasing the service and reaching the information simple for potential travelers, allows flexibility, provides greater profits for service providers and increases competition in tourism market by maintaining a higher quality for tourism services.

On the other hand, indirect distribution channels include intermediaries between service providers and tourists and it is the most common practice among tourism suppliers. It allows professional and low-cost assistance along with multiple options. These indirect distribution channels can be two, three or even more levels with respect to the number of intermediaries between the service suppliers and the end customers. The clearest example of indirect distribution channels in tourism sector is package tours, where two or more services is priced together. For instance, the tour operators purchase tourism services in advance, make a meaningful combination, and offer it to the customers. By doing so, these tour operators purchase the tourism services earlier at a reasonable price and receive a profit margin by offering it later to the travelers. This process is mutually beneficial both for tourists and for service providers, since the providers arranging a tourism plan and inform tourists about these options.

Nevertheless, as the end customers differ, the necessary distribution channels may differ accordingly, since an organization is prone to allocate its capital to the most profitable investments, leading the already established technology to be disproportionately favored whereas leaving disruptive technology to scarcity of resources (Chesbrough, 2010). Although, in tourism sector, wholesalers or retailers do not take place between service

providers and end users, there can be numerous ways of direct relationship. Internet is one particular example of this variety. After internet has become a common means of communication, tourism agencies started to use this area actively, through online advertisements, social media, or even online reservation and check-in for a room. As a response to the advancements in technology, new distribution channels have emerged, creating a variety for users to apply which one is suitable for them. Moreover, efficient use of technology also has benefits for service providers, since providing a well-designed channel for marketing touristic services will more likely to increase the number of customers for these tourism organizations. In the end, distribution channels play a significant role in determining the impact and success of a particular business model.

The selection of a particular distribution channel, or a combination of different distribution channels are dependent on the motivation of tourists. Previous studies have indicated that tourists with the similar motivations, such as self-centered or community-related motivations (Munar & Jacobsen, 2014) are inclined to contribute to different sites (Brooner & de Hoog, 2011; Wilson et. al., 2012). Therefore, along with all aspects of distribution channels that have been discussed above, tourist motivations lie at the core of these selections.

### **Relationship with Service Providers**

The last factor that has a fundamental impact on the success of business models is the relationship with service providers. Some factors that affect customer's receptivity to relationship maintenance, including environmental variables, partner variables, customer variables and interaction variables arise either from constraints or from dedication (Bendapudi, 1997). The relationship between service providers and end users is important for the maintenance of the economic relationship itself, and for tourism sector, it can also be considered as the relationship with the service providers in whole destination. Since tourists use different types of services during their stay in a destination, such as F&B services, accommodation, entertainment etc. failing to recognize the importance of one relationship will end up with the failure of other service providers.

Service providers or stakeholders in a given destination are of great importance for the economy in general. As long as service providers invest in tourism industry by maintaining high quality services, the destination will be capable of luring tourists and general welfare of this destination will increase. Not only for their own sector, but also for the other sectors, the activities of service providers appear as the determinant factor of economic growth and development of this particular destination. Through directly affecting the motivation of tourists, service providers play a significant role in touristic activities.

The demand-based point of view proposes that both product-oriented and customer-oriented business models are capable of creating economies of scope in use as compared to product-only business models (Visnjic et. al., 2016). The product-oriented business model is claimed to source products and product-related services from the same provider as "one-stop shop", preventing customers from extra time spending, transaction costs and search costs with only one product or service provider (Ye et. al., 2012). Therefore, profit

margin of product-oriented business model is expected to be higher than product-only business model (Visnjic et. al., 2016).

On the other hand, integrating product and service offerings is claimed to have the potential for improving the efficiency, leading to a positive economic and environmental impacts for the industry and community (Mont et. al., 2006; Reim et. al., 2015). These improvements will eventually add uptime and total-care services by increasing the likelihood of intensified use of products as well as timely replacement with more efficient and innovative products (Sundin and Bras, 2005). Thus, service providers should enrich their offerings by marketing products combined with their services in order to provide more benefit both for themselves and for the rest of the society.

### **The Model**

In the previous sections, the concepts contributing to the success of business models have been discussed in detail. These concepts are related to customer segments, distribution channels and the relationship of customers with service providers. In order to reveal the impact of business models in a quantitative manner, a rough model will be presented, since mathematical representation of such effects will be both objective and falsifiable.

Thus, our model can be considered as:

$$BM_{imp} = \beta_0 + \beta_1.CS + \beta_2.DC + \beta_3.SP + \varepsilon \quad (1)$$

where,

BM<sub>imp</sub> implies the impact of Business Model

CS implies the effect of Customer Segment

DC implies the impact of Distribution Channels

SP implies the effect of Service Providers

$\beta_0$ ,  $\beta_1$ ,  $\beta_2$  and  $\beta_3$  imply coefficients, and,

$\varepsilon$  implies residual (i.e. the effect of other variables).

Objective indicators such as Quality of Life can be used for determining the impact of service providers and financial or psychological (satisfaction) improvements can be taken into consideration for the assessment of the customer segment. Similarly, the impact of distribution channels can be also transformed into numeric data, such that percentage of use of a particular channel in all possible channels in the sector.

By using the model above, the combination of customer segment, distribution channels and service providers is claimed to depict the impact of a particular Business Model. The findings derived from this rough model can also be generalized for other type of models and allows comparison among models to determine which is best for one particular context and which for other situations.

### **Concluding Remarks**

When a new model is capable of altering the economics of a particular industry and if it is difficult to replicate, it can automatically create a strong comparative advantage (Magretta, 2002). Insights on the advantages and disadvantages of the current design of products could

be readily used to design better-performing and easier-to-service products (Visnjic et. al., 2016). Since quality of service is dependent on the competition among the actors in the economy, increasing number of new models contribute to the quality of services. In turn, motivation of customers as well as service providers for better quality services will increase.

Furthermore, different business models have long been required by firms in order to change the particular characteristics of sustainable technologies into new ones to create economic value as well as prevent markets from barriers that hinder market penetration (Bohnsack, et. al., 2014). As tourism organizations have various business models for different types of customers (customer segmentation), availability of different distribution channels and different relationship types with service providers, they will be ready for possible shifts and alterations in the market and adapt these changes easily. Also, the profit they make will be more meaningful, as different factors are taken into consideration and the organization expands itself within the market.

The variables that have been discussed above are effective in the success of business models by manipulating customer motivations. In tourism sector, determination of customer segment, selection of distribution channels and the relationship that service providers maintain involve in the process of creating a successful business model which serves to the satisfaction of customers as well as service providers and/or stakeholders. In short, through contributing to tourist motivation, these aspects determine the success of a potential business model in tourism sector.

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## Team Innovation Capability: Influence of ‘Organizational Culture’ and ‘Organizational Structure’ on Academic and Industrial Research Teams in India

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### Abstract

‘Team-level’ innovation capability seems to have received an insufficient attention in the extant literature as compared to ‘organizational-level’ or ‘individual-level’ innovation capability. Innovation capability of teams deserves a detailed study especially due to the emerging importance of teams as a ‘strategic tool’ to explore and exploit employee’s creative talents. This paper examines the role played by ‘organizational culture’ and ‘organizational structure’ while building innovation capabilities in academic and industrial research teams. ‘Organizational Culture’ constitutes three aspects – ‘Risk-taking’, ‘Experimentation’ and ‘Problem-solving’ skills whereas ‘Organizational Structure’ is constituted of ‘Decentralization’, ‘Formalization’ and ‘Communication’ along the chain-of-command in an organization. An online questionnaire consisting of 18 items was developed to seek responses from academic as well as industrial research teams belonging to some of the most ‘elite’ research laboratories funded by the government in India. ‘Comparative Analysis’ using independent sample t-test was performed on the data-set consisting of responses from 80 academic research teams (363 respondents) and 56 industrial research teams (265 respondents). Results reveal that Academic and Industrial research teams differ on ‘organizational culture-related’ aspects such as (1) giving enough "freedom to experiment" with new ideas /solution and ‘organizational structure-related’ aspects like (1) avoiding "unnecessary" formal procedures, permissions & delays in executing plans (2) providing “enough flexibility” to its members to design their work-plan and time-schedule. These can have important theoretical and practical implications while developing long-term ‘innovation capabilities’ in academic and industrial research teams, as discussed below.

**Keywords:** ‘team-level innovation capability’, academic and industrial research teams, organizational culture and organizational structure

### Introduction

In highly dynamic and uncertain business environments, organizations compete against each other through their ‘capability’ to conceive, develop and deploy new range of products or services within short deadlines (Lawson & Samson, 2001). This requires an organization to have a ‘strategic capability’ to innovate which gives it a sustainable competitive advantage against its competitors. This ‘strategic capability’ is known as ‘innovation capability’, which deserves to be studied from theoretical as well as practical dimensions.

In highly dynamic, uncertain and volatile environments, it has been suggested to invest in (organizational) learning, which strategically helps organizations to develop long-term ‘capabilities’ to innovate (Leopoldo et al, 2016). Hence, irrespective of the product or service-based nature of the organization, importance of strategically investing in building long-term ‘innovative capabilities’ has gained a lot of acceptance.

Within an organizational setting, ‘innovation capability’ can be studied at three different levels: individual-level, team-level and organizational-level. Among these, innovation capability at an ‘organizational-level’ has been extensively researched. This is clearly evident from the gamut of studies undertaken around the world - Turkey (Türker 2012), Sweden (Börjesson & Elmquist 2011), China (Zhu et al, 2016), India (Parasher & Singh, 2005), Russia (Gurkov 2011), Spain (Camisón & Villar-López 2014), Brazil (Zawislak et al, 2012), Finland (Saunila & Ukko 2012), France (Boly et al, 2014), European Union (Dervitsiotis 2010), Iran (Rahmani & Mousavi 2011).

Innovation capability as a concept has also been researched quite extensively at individual-level. Researchers have studied individual-level factors like motivation skills, entrepreneurial skills, negotiation skills, interpersonal communication skills (Ritala et al, 2009); group relations, problem approach & solving style and individual’s leadership style (Scott & Bruce 2011); task-characteristics, intrinsic motivation, contextual-influences and individual-differences (Hammond et al, 2011); idea-generation, opportunity recognition and idea-championing (Jong et al, 2008). Unfortunately, as compared to organizational-level and individual-level, ‘team-level’ innovation capability has not been researched sufficiently. Especially in today’s scenario, ‘teams’ have emerged as one of the most popular and widely accepted ways to leverage upon employees’ talent, creativity and potential. Unfortunately, organizations fail to visualize ‘innovation capability’ at team-level as a source of long-term competitive advantage and capitalize on it.

Attention towards carefully understanding the basics of team-level innovation capability has been quite insufficient and inadequate (Burningham and West, 1995) especially while studying the ‘cross-level’ impact of ‘organizational-level’ factors (higher-level) on the ‘team-level’ (lower-level factor) innovation capability (West 2002). Existing literature merely covers the relationship between dimensions such as team-level tasks and composition of teams (West & Sacramento, 2006, p. 25); task characteristics and innovation effectiveness of teams (West 2002). Some dimensions such as ‘minority dissent’ (De Dreu & West 2001); team-level creativity and team innovation (Somech & Drach-Zahavy 2011); ‘risk-taking ability’ and ‘constructive-controversy’ (Tjosvold 2001); ‘team-diversity’ & identity-integration (Cheng et al, 2008), ‘group potency’ and ‘motivation’ (Wong et al, 2009) on team-level innovation have been researched.

Thus, the extant literature on ‘team-level innovation capability’ suffers from several deficiencies such as non-coherence of definitions, improper conceptualization and lack of comprehensive models to completely explain the main concept. Literature also falls short of explaining major dimensions such as cross-level or multi-level influence, mediation/moderation and multivariate models. Hence, the factors influencing ‘team-level’

innovation capability demand to be explored much more extensively. The proposed conceptual model (figure 1) is an initial attempt to explain the cross-level influence of organizational culture and organizational structure on ‘team-level’ innovation capability and overcome a few gaps in the existing literature. ‘Organizational Culture’ constitutes three aspects – ‘Risk-taking’, ‘Experimentation’ and ‘Problem-solving’ skills whereas ‘Organizational Structure’ is constituted of ‘Decentralization’, ‘Formalization’ and ‘Communication’ along the chain-of-command in an organization.

## Literature Review

### Team-level Innovation Capability

Team-level ‘innovation capability’, has been conceptualized from an organizational ‘capability’ perspective which helps in achieving a long-term sustainable competitive advantage over the competitors. The paper proposes that creative talent possessed by ‘teams’ should be perceived as a ‘strategic’ source of competitive advantage. Top Management Teams (TMT) in an innovation-driven organization should orient their ‘research teams’ towards ‘target’ customers and develop innovations in a customer-centric way in order to gain market success and leadership. TMTs should also encourage their ‘research teams’ to manifest their capabilities in order to reach out to their ‘target’ customers, collaborators and competitors. A conceptual model explaining this concept has been proposed in **Figure 1** and explained in the subsequent sections.

‘Team-level innovation capability’ has been defined as a (research) team’s ability to transform its collective knowledge, skills and resources into new products or services, for the benefit of the (innovating) organization through continuous customer-orientation and periodic manifestation of its innovative capabilities (Lawson & Samson 2001). Kandampully (2002b) proposed that the best way to ensure market success is through ‘continuous’ innovation, performed in close association with target customers. Gressgård (2011) posits that commercial success of new product/services depends heavily on ‘effective’ and ‘efficient’ exploitation of consumer insights. Proper customer-orientation facilitates R&D teams to understand the ‘pain-points’ of their ‘target’ consumers and helps them in developing new value-offerings. Customizing products/services according to pain-points of the ‘target customers’ ensures product success and market leadership.

Manifesting innovative capabilities by R&D teams plays a vital role in translating research from laboratories to the market. Manifestation (of innovation capabilities) can be used as a tactic to demonstrate ‘superiority’ or ‘power’ over competitors; and may eventually lead to long-term market leadership. Manifestation allows R&D teams to display their creative talent through their ‘working’ prototypes. Teams can benefit by showcasing their working ‘prototypes’ to the feedbacks, suggestions and criticisms from their ‘target’ customers. Manifestation also helps in opening up a forum (platform) for teams to connect with their ‘potential’ customers, collaborators or competitors. It carries the game-changing potential to open up new opportunities and possibilities for launching new ideas and products. The next section explains the role of organizational-level factors ‘culture’ and ‘organizational structure’ on innovation capability of teams.

## **Organizational Culture**

Organizational culture has been identified as a primary determinant of innovation (Ahmed, 1998) and the need to better understand this relationship or process is a necessary prerequisite to nurturing it, in a more structured and systematic manner (Lemon & Sahota, 2004). Culture has multiple elements which can serve to enhance or inhibit the tendency to innovate (Ahmed, 1998). Possession of positive cultural characteristics provides the organization with necessary ingredients to innovate. In this regard, various researchers have tried to understand what type of organizational culture would support creativity and innovation (Martins & Martins 2002). Jassawalla and Sashittal (2002) studied the distinctive features of highly innovation-supportive cultures in product-innovation settings and proposed how organizations might develop such innovation-supportive cultures.

The dimension of risk-taking (Figure 1) was defined as the tolerance of uncertainty and ambiguity exposed in the organization (Isaksen & Ekvall, 2013). Employees need to know the level of risk they can take safely which helps them to define their ‘action space’, the space within which they are allowed to act in an empowered manner (Ahmed, 1998). In a high ‘risk-taking’ organization, bold new initiatives can be taken even when the outcomes are unknown vis-a-vis ‘risk-avoiding’ climate with hesitant mentality (Isaksen & Ekvall, 2013). Understanding risk, provides clearly-defined priority and space for innovative actions (Ahmed, 1998). At the same time, it is important that risk taking should be calculated and balanced to allow employees freedom in taking risks, but also to increase the possibility of success by creating a culture that allows risk taking (Martins, 2002).

Experimentation also seems to be an important aspect of innovative culture. Ahmed (1998) emphasizes on “freedom to experiment” as one of the key attributes of innovative culture and encourages organizations to introspect and ask whether it is busy inventing a narrow base of products or busy experimenting with creating innovativeness? Similarly, Lemon and Sahota (2004) highlighted that (nowadays) organizations are increasingly becoming more responsive to new ideas and open to alternative ways of working by giving individuals greater autonomy and discretion in how they undertake their work. This eventually results into a more enthusiastic approach to experimentation and interactive problem solving. On the other hand, apprehension about (performance) evaluation appears to divert attention away from the innovation because individuals become reluctant to (experiment and) take risks since these risks may be evaluated negatively.

Problem-solving skills (Figure 1) also seems to be an important dimension to be considered while studying innovation cultures in organizations. Lemon and Sahota (2004) also believe that greater tacit knowledge is generated through experimentation and problem solving and suggest that learning should occur when experts of diverse fields, collectively solve problems which eventually helps in dealing with uncertainty (Lam, 2000). The need to experiment and anticipate future trends is important for organizations operating in a knowledge-intensive sector within a highly volatile and competitive environment. This can be done through knowledge-building activities like shared problem-solving, experimentation & prototyping, implementation & integration of new processes or tools, and the importation of knowledge (Lemon and Sahota, 2004). In fact, Van de Ven & Angle (1989, p.20) propose that “innovation refers to the process of bringing any new problem

solving idea into use ...it is the generation, acceptance, and implementation of new ideas, processes, products, or services.”

### **Organizational Structure**

An organizational structure (Figure 1) defines how activities such as task allocation, coordination and supervision are directed towards the achievement of organizational goals (Pugh, 1990). It also explains how its resources are allocated and managed, how the lines of communication as well as hierarchy in decision making are designed (Cushaway, p.256). Organizational structure affects organizational action in two major ways. First, it provides the foundation on which standard operating procedures and routines rest. Second, it determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization’s actions (Jacobides, 2007).

Formalization (Figure 1) has been defined as the degree to which jobs within the organization are standardized. Standardization not only eliminates the possibility of employees engaging in alternative behaviors, but it even removes the need for employees to consider alternatives. If a job is highly formalized, the incumbent has a minimal amount of discretion over what to do and when and how to do it. Where formalization is low, job behaviors are relatively un-programmed, and employees have a great deal of freedom to exercise discretion in their work (Robbins, 2003; p. 431). We are curious to understand the influence of formalization on innovation capability at team level.

Centralization (Figure 1) refers to the degree to which decision making is concentrated at a single point in the organization. In centralized organizations, top managers make all the decisions, and lower-level managers merely carry out their directives. In organizations at the other extreme, decentralized decision making is pushed down to the managers closest to the action (Robbins, 2003; p. 485). A decentralized organization can act more quickly to solve problems, more people provide input into decisions, and employees are less likely to feel alienated from those who make decisions that affect their work lives. Thus, it keeps all the stakeholders well-informed and updated about all the work-related happenings. We wish to empirically test the impact of these aspects on innovation capability of teams working in an innovation-oriented organization.

While the chain of command was once a basic cornerstone in the design of organizations, it has far less importance today (Robbins, 2003; p. 483). But still, researchers have suggested that contemporary managers should consider its implications. The chain of command is an unbroken line of authority that extends from the top of the organization to the lowest echelon and clarifies who reports to whom. We are curious to understand the role of formalization, centralization and communication (flow of information) along the chain of command on innovation capability of teams.

### **Methodology**

An online questionnaire consisting of 18 items was conceived to garner responses from members of the research teams belonging to some of the best academic as well as industrial research laboratories funded by the government in India. Responses from 56 industrial research teams (265 respondents) and 80 academic research teams (363 respondents) were

collected and analyzed. From each team, 4 or 5 team-members along with their team-leaders, were requested to fill-up the survey. The questionnaire was carefully developed to check each respondent's "perception" about his or her "team" on several parameters considered important for innovation. Respondents were asked to grade their responses on a five-point 'Likert' scale.

### **Data Analysis**

Independent sample t-test was used to do a 'Comparative Analysis' on the responses collected from 56 industrial research teams (265 respondents) and 80 academic research teams (363 respondents). Table 1 and Table 2 indicate the constituent items belonging to 'Organizational Culture' and 'Organizational Structure' respectively. Descriptive statistics namely sample mean and standard deviation for each and every item was calculated and accordingly reported in the tables. SPSS Version 21 was used to compute the descriptive statistics and the t-statistic for the independent samples. The t-test is a statistical technique used to infer whether there is a significant difference between the sample means belonging to two completely independent and unrelated groups. It helped us to understand the way in which teams from various backgrounds differ from each other on 'Organizational Culture' and 'Organizational Structure' related aspects.

### **Findings**

Results reveal that Academic and Industrial research teams differ on organizational culture-related aspects like - giving enough "freedom to experiment" with new ideas /solution and organizational structure-related aspects such as (1) research teams getting stuck with "unnecessary" formal procedures, permissions & delays in executing plans (2) providing enough "flexibility" to research team members to design their work-plan and time-schedule. This implies that there is a significant difference between the way Indian academic and industrial research teams operate in terms of their organizational culture and structure.

The degree of "freedom to experiment" with new ideas /solutions may not be higher in industrial research whereas academic research teams might be getting stuck in "unnecessary" formal procedures, permissions & delays in executing plans. Industrial researchers must try to find the right balance between 'flexibility' in scheduling their work and achieving deadlines during product innovation. Since, academic work culture offers a lot of flexibility in work-planning, academic research teams need to improve their orientation towards the outer world. This might help them in opportunity recognition and problem identification so that they can pursue innovation which may or may not be motivated by monetary returns or commercial success. These findings can have important theoretical and practical implications while building long-term 'innovation capabilities' as explained below.

### **Implications**

The proposed conceptual model may serve as a reference model for Top Management Teams (TMT) which are responsible for designing organizational-level policies, practices and processes for improving innovative performance of research teams irrespective of their

nature (academic or industrial). It also helps them to understand the importance of some of the important dimensions associated with organizational-level factors which tend to significantly impact the long-term team-level innovation capability within an organizational setting, as shown below:

1. Top Management Teams (TMT) in technology-driven organizations should ensure that their research teams are given enough "freedom to experiment" with new ideas. This will naturally encourage academic as well as industrial teams to think creatively and come up with innovative ideas/solutions. For industrial research teams, constantly generating new ideas is vital for their long-term survival in the competition. Academic research teams can use their 'freedom to experiment' in order to come up with radically new ideas/ approaches to problem-solving without any pressure to perform in the market. This makes them the source of innovative thinking and learning from failures. Hence, TMTs should build a culture that encourages 'experimentation' throughout the organization irrespective of their academic or industrial nature.
2. Top Management Teams (TMT) can periodically check if their research teams are not stuck with "unnecessary" formal procedures, permissions & delays in executing plans. These unnecessary delays creates barriers for the speed of development and time to launch new products in the market, which are critical dimensions for industrial research teams. Academic research teams may lose their motivation to innovate if they get stuck in long administrative procedures for procuring critical instruments and equipment. TMTs should facilitate speedy execution of formal procedures (especially by using online platforms) so that research teams' time to develop new innovations in not stuck in unnecessary paper-work and formal procedures and permissions.
3. Top Management Teams (TMT) can evolve new ways to ensure that the research teams provide enough "flexibility" to its members to design their work-plan and time-schedule. Flexibility allows organizational members to efficiently break-down their work and complete it at a pace which is acceptable to everyone. This avoids any friction or dispute between participating members and ensures smooth accomplishment of the task. Especially if multiple entities are sharing any particular resources, flexibility allows everyone to accommodate each-other and plan for any contingencies. TMTs in academic as well as industrial research organizations must inculcate the importance of being 'flexible' in scheduling of work as long as the collective output is not hampered.

### **Summary and Conclusion**

In this study, we have argued that 'team-level innovation capability', has been relatively understudied as compared to organizational-level or individual-level innovation capability. Academicians as well as practitioners in the industry seem to acknowledge this gap and demand to overcome it through in-depth studies. Especially, aspects related to managing team innovation and performance deserve to be understood in greater detail so that best practices can be conceived and shared with a large subset of people. The proposed

conceptual model explains the impact of two organizational-level factors ‘Organizational Structure’ and ‘Organizational Culture’ on team-level ‘innovation capability’ of R&D teams operating in technology-driven organizations. Top leadership should work on organizational culture-related aspects such ‘Risk-taking’, ‘Experimentation’ and ‘Problem-solving’ skills along with organizational structure-related aspects like ‘Decentralization’, ‘Formalization’ and ‘Communication’ along the chain-of-command in order to build long-term ‘innovative capabilities’ in an organization.

Data was collected through a nation-wide online-questionnaire constituting of 18-items seeking responses from research teams operating in India’s most ‘elite’ research-driven government-funded organizations involved in academic as well as industrial research. Comparative Analysis using student’s independent sample t-test was performed on the data-set constituting of responses from 80 academic R&D teams (363 respondents) and 56 industrial R&D teams (265 respondents). Results reveal that Academic and Industrial research teams differ on ‘organizational culture-related’ aspects such as (1) giving enough "freedom to experiment" with new ideas /solution and ‘organizational structure-related’ aspects like (1) avoiding "unnecessary" formal procedures, permissions & delays in executing plans (2) providing “enough flexibility” to its members to design their work-plan and time-schedule.

These findings emerge as our ‘original contribution’ towards the literature on ‘innovation capability’ and technology-driven organizations can judiciously utilize these empirical findings to develop their innovation processes and people practices. An organizational culture that provides ample amount of freedom to their research teams to experiment with new ideas and approaches for problem-solving enables them to be more creative and innovative. An organizational structure that provides a lot of ‘flexibility’ to its employees in executing their work-plans and helps them avoid ‘unnecessary’ formal procedures, permissions or delays, inadvertently encourages innovation throughout the organization. Academic as well as industrial research teams should learn from each other as to how to create such organizational cultures and organizational structures that promote innovation throughout the organization and help them build ‘innovation capabilities’ that are absolutely critical for their long-term survival. Top Management Teams (TMT) should work on developing such innovation-friendly environment which empowers, enables and encourages innovation throughout the organization. Facilitating research teams to develop innovations from customer’s point-of-view and manifesting such innovative capabilities can also be a source of sustainable competitive advantage

**Table 1: Organizational Culture (Academic and Industrial Research Groups)**

ITEM	Academic Researchers (80 Teams) N1 = 363	Industrial Researchers (56 Teams) N2 = 265	Academic -Industrial Researchers
	Mean (SD)	Mean (SD)	T – test 99 % Confidence
My team challenges the “status-quo” in order to find better ways to do things	3.76 (1.03)	3.75 (1.00)	0.86
My team carefully assesses all kinds of risks (Financial/ Non-Financial) involved in taking up new projects	3.87 (0.99)	3.94 (0.93)	0.39
My team prepares a plan to overcome all kinds of risks, before venturing into innovative projects	3.65 (1.01)	3.79 (1.01)	0.10
My team encourages “out-of-the-box” thinking while generating new ideas/solutions	3.99 (1.06)	3.86 (1.02)	0.12
My team gives enough "freedom to experiment" with new ideas /solutions	4.23 (0.98)	4.03 (0.98)	<b>0.01</b>
My team “does not punish” for making mistakes / failures	4.01 (1.10)	4.05 (0.97)	0.67
My team “collectively brainstorms” to find all possible solutions to a given problem	3.76 (1.06)	3.80 (1.10)	0.63
My team selects the “ideal solution” after detailed discussion & analysis	3.93 (1.00)	3.85 (1.02)	0.36
My team “never gives up easily” while tackling difficult problems & situations	4.07 (0.98)	4.13 (0.88)	0.39

Where \*:  $p < 0.05$ ; \*\*:  $p < 0.01$

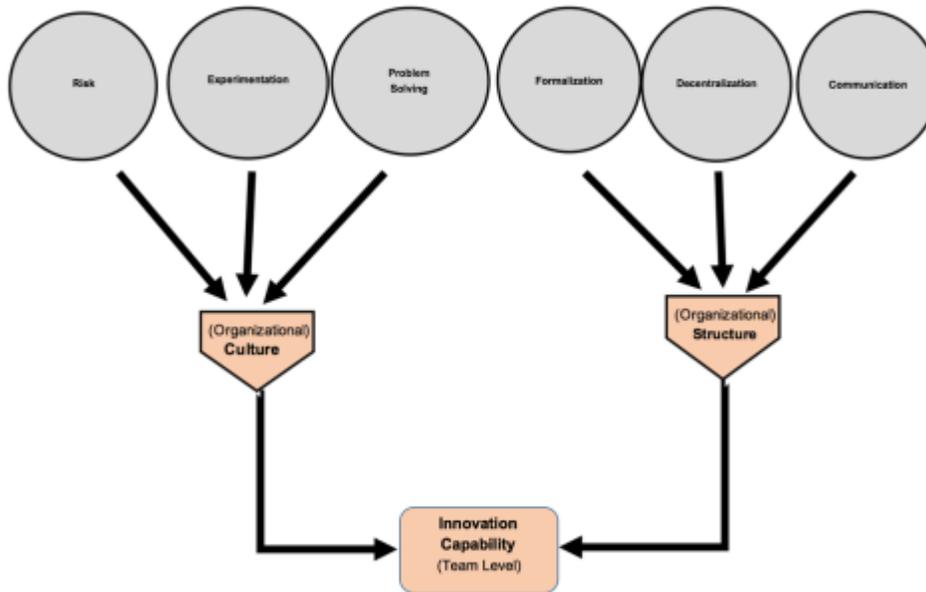
**Table 2: Organizational Structure (Academic and Industrial Research Groups)**

	Academic Researchers	Industrial Researchers	Academic -
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ITEM	(80 Teams) N1 = 363 Mean (SD)	(56 Teams) N2 = 265 Mean (SD)	Industrial Researchers T – test 99 % Confidence
My Team promptly shares “critical information” up & down the hierarchy	3.84 (0.97)	3.73 (0.92)	.21
My Team regularly updates all the "stake-holders" about the latest developments made by the team	3.72 (0.94)	3.80 (1.02)	.32
My Team maintains a record of all types of communication made by the team	3.79 (0.99)	3.81 (0.91)	.83
My Team empowers everyone to perform their allocated task in their own style	4.04 (1.09)	3.95 (0.99)	.25
My Team encourages everyone to take quick decisions and start executing their plans	3.93 (0.97)	3.86 (0.92)	.36
My Team encourages everyone to actively participate in the decision-making process	4.01 (1.03)	3.97 (0.94)	0.57
My Team avoids "unnecessary" formal procedures, permissions & delays in executing plans	<b>3.66</b> <b>(1.02)</b>	<b>3.30</b> <b>(1.04)</b>	0.00
My Team provides “enough flexibility” to its members to design their work-plan and time-schedule	<b>4.15</b> <b>(1.08)</b>	<b>3.88</b> <b>(1.08)</b>	0.00
My Team collaborates with other teams in the organization by breaking down “inter-departmental barriers”	3.81 (1.11)	3.87 (1.04)	0.50

Where \*:  $p < 0.05$ ; \*\*:  $p < 0.01$



**Figure 1:** Proposed Conceptual Model

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## Developing City Brand Strategy from Corporate Branding View Point\*

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### Abstract

City branding has seen as a topic of significant interest for academics and policy makers. Because cities scramble for attracting tourist, investors, talented people, new residents, students globally, as well as to achieve many other objectives, the brand strategy concepts are increasingly practiced by the commercial world and adopted to apply in pursuit of urban and rural development, renewal and quality of life. To succeed, the city management need to complete a strategic examination of trends in the social and economic environments; determine where the opportunities, skills, resources, and capabilities lie within the city; what core values, attitudes, behaviors, and characteristics have enabled the city to achieve these; and then figure out what combination of these provides a differentiated appeal to its various target groups. City branding can be approached by a number of different perspectives. A refined framework for understanding cities as brands is provided by focusing on cities as tourism destinations. Another view is the attempt to examine the possible adaptation of the concept of corporate branding and specific methodologies developed in this field. Corporate branding framework is one of the most instructive and insightful ways. A corporate branding framework connects city (corporate) brand attributes to city (corporate) brand attitudes. Because city branding issue necessitates efficient and sustainable using of experience and human resources of the city, it is found useful to handle issue in view point of corporate branding. This paper explores the implications of corporate branding for the management of internal brand resources of a city. It then concentrates on the advantages of the corporate branding and extracts major lessons from corporate-level marketing concepts. The paper contributes to the city branding literature by using corporate branding view point.

**Keywords:** city branding, brand strategy, brand management, corporate branding

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## The Moderating Role of Job Satisfaction on the Relationship between Servant Leadership and Turnover Intention

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### Abstract

In today's business world, the transformation which is experienced in the organizations as a result of technological has also brought with a alteration in employees' expectations and perceptions. Employees have begun to show more emotional reactions to the existence or absence of their social rights and development opportunities rather than the physical conditions of the working environment. Those refer to as a Job Satisfaction (JS) when these reactions appear to as motivation, achievement and productivity, and refer to as a Job Dissatisfaction (JdS) when they appear to as stress, burnout, absenteeism and Turnover Intention (TOI) which is the antecedent of resignation. In this context, the problem of this study seeks to solve could be mentioned as difficulties in finding applications or leaders that are capable of raising the JS and eliminating TOI of the employees who are considered as the crucial force of sustainable competition. In the literature, the gains of JS which affects individual and organizational outputs positively, are largely affected by managers' attitudes and behaviors. Therefore, the subject of this study is the affects of Servant Leadership (SL) approach on job attitudes which has been suggested to contribute for solving problems of followers by offering opportunities for personal development and achievement. Thus, the aim of this study is determined to find out whether there is a moderating effect of JS perception in the relationship of SL-TOI and how the JS perceptions of leaders who follow the SL approach affect their JS perception and TOI levels. The data were gathered in October 2016 in Turkey by a survey from answers of 191 participants who were employed in five-star facilities which are members of Antalya-Belek Union of Hospitality & Tourism Entrepreneurs. In the preparation of the survey, Dennis and Winston' (2003) SL scale, Scott and friends' (1999) TOI scale and Chen and friends' (2009) JS scale were used. The validities of the scales were assessed by a multiple factors for SL and single factor for JS and TOI. The Cronbach's alpha coefficients of the scales (SL=.95; JS=.87; TOI=.86) were evaluated rather reliable. According to the correlation and hierarchical regression analyses, all variables were included in the model. The results show that SL has a medium level, significant and positive direct effect on JS ( $p < .01$ ,  $r = .40$ ); SL has a significant and negative direct effect on TOI ( $p < .01$ ,  $r = -.45$ ); JS has a significant and negative direct effect on TOI ( $p < .01$ ,  $r = -.49$ ) and JS has a partial indirect effect on the relationship between SL and TOI. All these results taken into consideration, it could be mentioned that leaders possessing SL qualities contribute to the improvement of employees and support the intentions of continuing to work in the same business.

**Keywords:** job satisfaction, servant leadership, turnover intention



## The Differential Influence of E-commercial Development to Real Estate Market

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### Abstract

Since 2010, E-commerce achieved tremendous development in China, bringing improvement for China economy and becoming an implement factor that stimulates the market of real estate. However, seen from different sectors of real estate market, the influences from E-commerce are various. Since our business trade does not rely on real transaction that takes place in retail store, the demand of property for business has been changed under E-commerce. Some companies move their offices from retail buildings to office buildings in order to save the rent and cost. Therefore, we can expect an asymmetric effect on different real estate sectors when E-commerce develops. In this paper, we used the data from Beijing, Shanghai and Shenzhen to investigate this asymmetric effect. Our data starts from the second quarter in 2011 to the first quarter in 2016; and our result shows that E-commerce has higher positive impetus on office building than the retail building.

**Keywords:** e-commerce; retail houses; office; real estate market



## **The Differential Impact of Urbanization on Carbon Emission: An Empirical Comparison between China and the US**

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### **Abstract**

The development of urbanization is a key issue for the past two decades in China. During this process, millions of residents move from countryside to metropolitan area, which leads to a dramatic changes of industrial production and living behaviors. Therefore, carbon emission and energy efficiency comes to be a topic that attracts the focus of scholars in environmental science. However, traditional views of the impact of urbanization to carbon emission are rather contradictive. Some scholars consider that, due to the advanced technology, residents in the urban area can consume energy more efficiently than those in rural areas. Hence, urbanization reduces carbon emission in this case. Nevertheless, others concern that urbanization induce higher numbers of labor and industrial development, which increase carbon emissions eventually. In this paper, we employ the data from China and the US, who are in different stage of urbanization, to empirically analysis and compare the influence of urbanization. We confirm that both conjectures are reasonable, and such influence has different pattern during different phases of urbanization.

**Keywords:** urbanization, economic development, carbon emission, China, US



## The Regional Difference of Exchange Rate Effect on Housing Prices

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### Abstract

In the past two decades, real estate market in China continuously grew and became one of the hottest topics in economic researches. Among the reasons given, inflow of hot money is regarded as an important factor to the increment of housing prices. With the data of China and other countries, we can observe a higher influence of hot money to houses price in empirical comparison. One major reasons of hot money inflow is expectation of RMB (Chinese currency) increase. Therefore, the relationship between exchange rate can housing prices can be developed. However, due to the different in level of openness for different cities, the effects of exchange rate may not be the same. This paper uses the empirical data of ten major cities in China to detect the influence of exchange rate to housing prices. Our result confirms that such effect is higher in the 1<sup>st</sup> tier cities where international trade developed more rapidly.

**Keywords:** exchange rate, house price, international trade; 1<sup>st</sup> tier cities



## **An Examining Key Success Factors of Cafe Amazon in Thailand**

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### **Abstract**

The coffeehouse business is a novel industry in Thailand at large which has experienced phenomenal growth in recent years. Competition has stiffened as new players such as Café Amazon operated by PTT Public Company Limited, Thai state-owned oil and gas listed company. It currently entered into the coffee market and expand their operations. The firms have come up with strategies in attempt to gain market share. The strategies employed revolve around the key success factors in the coffeehouse business. The study established the strategies adopted by the coffeehouses so as to take advantage of the key success factors while at the same time determined the level of importance given to the different key success factors. The study also confirmed product development, customer service, branding, outlet expansion and technological advancement as the key success factors in the industry. The research was based on primary data collected using questionnaires which were administered using personal interviews. The findings were analysed using both descriptive analysis. Descriptive analysis was used to establish the trends in the industry and these findings were than extensively interpreted and analysed using the information gathered from the personal interviews and the literature review. Some observations were arrived at and this included customer service and product development are the most highly rated key success factors. Outlet expansion on the other hand got the lowest rating. It was also proposed that expansion strategies such as franchising and joint ventures as opposed to organic growth be put to greater use as this would minimise some of the challenges related to achieving strategy such as the lack of capital. Recommendations were also made for further comparative studies such as a research to determine the value attached to the different key success factors by the coffeehouse customers.

**Keywords:** key success factors, customer service, coffeehouse business



## **Promoting Quality of Life of Citizens in Bang Bua Thong Municipality, Nonthaburi Province**

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### **Abstract**

This research aims to study living quality and promoting quality of life of citizens living in Bang Bua Thong Municipality, Nonthaburi Province. Sample of the study were 400 people living in Bang Bua Thong Municipality, Nonthaburi Province, which were randomly selected using probability sampling method. Questionnaire was an instrument in collecting data. Descriptive statistics used to analyze data were frequency, mean and standard deviation. The study found that the overall quality of life of citizens life in Bang Bua Thong Municipality, Nonthaburi Province were high. Result also revealed that the citizens' health were the most crucial factor. The study also found that there were additional factors which the citizens were concerned, including economic, environmental and social aspects, respectively. It is recommended that the Bang Bua Thong Municipality should promote the social aspects of citizens' life by emphasizing on family value, community involvement and religious activities.

**Keywords:** quality of life, Bang Bua Thong municipality, Nonthaburi province



## Value Co-creation in the Sharing Economy: The Case of Airbnb

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### Abstract

In recent years, “sharing economy” has become a buzzword among academics and practitioners (Eckhardt and Bardhi, 2015; Gold, 2004; Hamari et al., 2015; Heinrichs, 2013; Sundararajan, 2013). Various forms of sharing and collaborative consumption, such as sharing of accommodation (i.e. Airbnb), ridesharing (i.e. Uber, Lyft), and tour sharing (i.e. Vayable, Toursbylocals, Tripforeal), emerge and grow rapidly in the marketplace. These new developments have shifted the traditional theories on service production and consumption towards a new strategic model. Moreover, service experiences are argued to be co-created given the fact that customers are mostly present at the service encounter, during the process of service production and delivery, particularly in the hospitality and tourism industry (Cabiddu et al., 2013; Binkhorst and Den Dekker, 2009; Bharwani and Jauhari, 2013; Chathoth et al., 2016). Researchers and practitioners have observed that value co-creation brings different stakeholders together jointly to enhance the experiential values (Chathoth et al., 2016), which echoes the essence of collaborative consumption. For example, Airbnb recently announced an investment in upgrading its app that includes a matching system designed to offer travelers access to insider tips from Airbnb global community of hosts, thus providing a complete experiential proposition for travelers based on host recommendations. This co-creative experiential offering resembles a major trend in the sharing economy. However, due to the emergent nature of sharing economy and limited studies on value co-creation, there is a need to craft a detailed framework mapping the integration of value co-creation in the sharing consumption model and suggest innovative management strategies for practice. This paper aims to discuss the nature, scope, and focus of value co-creation in the context of sharing economy and provides insights and implications for research and practice advancing the future of hospitality and tourism industry. Empirically the research is based on qualitative interviews with both Airbnb hosts and guests. A theoretical framework depicting value creation network in the sharing economy is presented and priorities for future research and managerial considerations are provided.

**Keywords:** sharing economy, value co-creation, Airbnb, social media, qualitative research



## Entering Thai Market: The Plan for Amazon Prime

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### Abstract

This paper presents a strategy for Amazon to successfully launch Amazon Prime Instant Video in Thailand. Amazon.com's Corporation is an American electronic commerce and cloud computing company founded in 1994. Today, Amazon is the largest Internet based retailer referring sales and market share. Amazon Video is a media library and an on-demand online streaming service for movies, TV shows and series. Since 2014 it is included in the Amazon Prime membership, which is a charged program for loyalty customers offering special services. Due to the technological progress, Television and purchasing or lending movies is more and more supplanted by online streaming. In order to maintain their leading role as the world's largest online retailer, Amazon drives an expansion strategy. The following analysis tends to introduce a concept to establish Amazon Video in Thailand and thereby reinforce the brand awareness of Amazon itself. To enter the Thai market successfully with Amazon Video there are many issues to consider. Using Porter's Five Force Model the competitive analysis determines issues like the bargaining power of buyers and suppliers, threats of market entry or substitute products and takes a closer look on rivals. Further points to regard are political, economic, social, technological, environmental as well as legal aspects concerning the business environment, which are comprehensively examined in the PESTEL analysis. The current market situation is investigated with the SWOT analysis. A specific plan referring required changes or adjustments of the offered services to enter the Thai market is provided by the marketing mix analysis focusing on the 4 P of marketing. The conclusion summarizes the results of the analysis and gives recommendations to Amazon in order to establish Amazon Video in Thailand successfully.

**Keywords:** marketing plan, technology progress, emerging market, strategic marketing



## **From Asian and South American Countries to Visiting Los Angeles County, California**

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### **Abstract**

In 2014, the Los Angeles Convention and Visitors Bureau (LASVB) experienced forty-one (41) million visitors per calendar year with the goal is to achieve fifty (50) million visitors by the year 2020. Face-to-face interviewing research was conducted: To identify the duties and responsibilities of LASVB management and employees to achieve nine (9) million more international visitors to the greater Los Angeles County area by 2020, especially Asian and South American tourists. With the cultural & social macro and micro environments as a necessary component, the cultural objective for this project was: To describe the social & cultural needs and desires of international customers purchasing hospitality related services. As the world becomes smaller, students are required to think beyond current capabilities and imagine a new world that is filled with new employment positions, professional technology and scientific opportunities. The International Assembly for Collegiate Business Education (IACBE), a professional accrediting organization for business program goals include: Demonstrate awareness of the global perspective on business issues which can be achieved with a student project goal: To analyze, discuss and participate with the business - marketing action plans meeting the needs, wants and desires of international visitors.

**Keywords:** international travelers, hospitality customers needs, convention and visitors bureau, academic business program accreditation



## **The Relationship between Brand Reputation and Goodwill: Empirical Literature Evidence**

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### **Abstract**

Intangible asset is one of the important factors to measure corporate wealth. At present, intangible asset has increasingly seen as a Brand Reputation and Goodwill and become a major drive towards sustainability of particular business performance. Wide ranges of academic personnel are interesting to see how these factors affect business in a long run. It becomes a new paradigm to measure a business performance and also market value. Thus, intangible asset likes Brand Reputation and Goodwill are increasingly researched as sources of sustainable business factors. Research reveals that what is usually called brand reputation has been known as goodwill. This work is a review of empirical studies on relationship between Brand reputation and Goodwill with emphasis on how it can help organizations achieve the value of its performance.

**Keywords:** brand reputation, goodwill, intangible asset, business performance



## CSR and Corporation Performance in Supply Chain Management

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### Abstract

Which member in supply chain should be responsible for CSR behaviors? We build a consecutive monopoly model in which different CSR allocations in both non-cooperative model and cooperative model by examining whether the upstream or downstream firm is required to conduct CSR activities. The comparisons among the equilibrium and corporation performance under different CSR allocations, we prove that if consumer friendly respond to CSR activities, CSR choice of supply chain members are strategically complementary and upstream or downstream firm with CSR behaviors is higher profit and social welfare regardless of the CSR allocation.

**Keywords:** mixed duopoly, corporation social responsibility, corporation performance, supply chains management



## Evaluation of a Process Innovation in Enterprise-sponsored Fundraising Program

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### Abstract

The non-profit organization governing body is constantly seeking for strategies to acquire new donors, creative approaches to motivate donors to give, and innovative process and programs to create opportunity (Getz, 1997; Swindoll, 2015). Enterprise-sponsored community fundraising events for nonprofit organizations involve extensive efforts of strategic planning to achieve its goals. Event planners for a non-profit organization to creatively design fundraising programs involves engaging talents and labor, building rapport, outreaching to its constituents and often requiring proactive planning. This study intended to assess the process innovation in an enterprise-sponsored community fundraising event. More specifically, this study examines the relationships among donor involvement, event performance and donor behavioral intention to continue supporting the event in responding to the collective enterprises sponsored fundraising event. Literature reviews, focus groups, key informant's validation of the constructs and pilot tests were employed to develop the study instrument. A total of 412 survey data from donors who attended at a fundraising event were collected on-site through intercept surveys. Structural equation modeling analysis revealed involvement positively influences satisfaction of the process innovative event while the hedonic and informative dimensions of event performance significantly predict. The findings indicated that donors positively responded to a process innovated fundraising event program involving the enterprises' signature food, drinks and entertainment. The enterprise-sponsored fundraising events attracted not only the community members, but also the employees of the sponsoring organizations. In addition, the non-profits organization designed innovative process of fundraising activities in a tourists-concentrated shopping outlets where attract tourists who are also the sponsored enterprises' major markets. The added new sources of donors, tourists, provide monetary contributions to the non-profit organization fundraising event. This study identified "fun" perceived by donors resulting from process innovation of the program and effective communication influenced donor satisfaction judgment. The enterprise sponsored community fundraising event attracted three major sources of donors. They are: community members, tourists visited the venues as well as the members of the enterprises supporting the non-profit organization fundraising program. Furthermore, this study reveals that when promoting fundraising events, emphasizing the connections of event objectives to attendee self-concept, values and self-relevant involvement are effective stages. The final section discusses theoretical and practical implications in marketing a fundraising event to prospect donors.

**Keywords:** enterprise sponsorship, fundraising event, innovation, non-profit, satisfaction



## Market Timing on US Equity Indices-Portfolios versus Individual Indices

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### Abstract

In this paper, we test the application of moving average (MA) investment timing strategy on US equity indices and compare their performance with respect to strategy and composition. To this end, we apply the MA strategy to a combined pool of, main and sectoral, indices out of which we compose portfolios and groups (of individual indices) based on volatility. A strategy-wise comparison reveals that when applied to portfolios and individual indices, MA strategy does not outperform the well-known buy-and-hold strategy; nevertheless, on a standalone basis, MA strategy exhibits some significant performance. Furthermore, robustness tests such as alternative lag lengths, random switching, and trading behavior provide no support for the success of MA strategy. Instead, buy-and-hold strategy produces substantial returns, in both cases, which increase monotonically with rising volatility. On the other hand, a composition-wise comparison indicates that under buy-and-hold strategy, volatility-sorted portfolios yield slightly better returns than individual indices. In contrast, individual index returns are somewhat better than portfolio returns under MA strategy.

**Keywords:** technical analysis, buy-and-hold strategy, volatility portfolios



## **Online Travel Agencies: The New Safety Net for Hotels**

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### **Abstract**

The hotel industry encompasses a perishable product, rooms, that can be very hard to expand or decrease the inventory. The room inventory can be pre-sold and it is variably priced. With this, the Sales and Marketing department along with the brand's website try to keep the hotel full. The stand-alone brand's website attracts as many customers and has possible offerings of saving or rewards (Inversini, 2014). Even with all of this, hotels still at times find themselves not totally booked. The average is only in the mid-40s percent level booked (Hotelexcutive, 2017). This is where the Online Travel Agencies (OTAs) become the most tempting to use. The OTAs use the dynamic pricing to compares rates to find the lowest price to drive sales (Hotelexcutive, 2017). The hotels see this as an opportunity to hand over the non-sale rooms to these OTAs as the last effort to save the possible revenue (Inversini, 2014; Toh, 2011). This relationship of hotels and OTAs is evolving for key revenue points (Hotelexcutive, 2017). This study could provide insight from the above view, in the use of the OTA has a safety net for hotels to capture the possible loss revenue as standard procedure.

**Keywords:** hotel revenue, rooms revenue. hotel sales



## **The Predictive Effect of Price to Earnings Ratio to Stock Investment: An Empirical Comparison between Various Firm Sizes**

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### **Abstract**

According to the theory of portfolio investment. The price-to-earnings (P/E) ratio, which shows the relationship between a stock price and its company's earnings per share, is a fundamental index in determining the value of investments for individual stock. When the P/E ratio is higher than market's benchmark, it indicates that current stock price cannot be supported by the profit of the company, therefore higher possibility of decline in the following period. Therefore, to control the risk of investment, investors should avoid those stocks with high P/E ratio theoretically. However, the effectiveness of P/E ratios has been criticized for long, especially in emerging markets. In this paper, we try to investigate whether the P/E ratio of different groups of stocks in the same market may have different predictive effect for investment return. We employ the property stocks' performance in China and the Panel Data regression to verify our hypothesis, and we eventually confirm that P/E ratios for the stocks of larger firms has more significant effect on investment return.

**Keywords:** P/E ratio, firm size, panel data, china stock market



## Revisiting the J-curve hypothesis: The Trade between the UK and the USA

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### Abstract

The aim of this study is to examine the validity of the J-curve hypothesis, which asserts that the depreciation of home country's real exchange rate worsens the trade balance of the country in the short run but improves it gradually in the long run. In this study, we examine the J-curve hypothesis between the UK and the USA over the period of 1960Q1-2016Q1. To this end, we apply not only the linear but also the nonlinear Autoregressive Distributed Lag (ARDL and NARDL, respectively) cointegration approaches. Unlike ARDL, NARDL enables us to examine the separate effects of appreciations and depreciations of the British pound (GBP) on the UK's trade balances. The results of the ARDL tests suggest cointegration, implying the validity of J-curve hypothesis. However, the findings of the NARDL approach reveal that although there is a long run relationship between the real exchange rate and the trade balance, there is not any evidence of the J-curve hypothesis for the UK and the USA. This study also indicates that the UK's trade balance responds differently to the positive and negative changes in real exchange rate.

**Keywords:** asymmetry, J-curve, nonlinear ARDL, the UK



## **Entrepreneurship Intention and Readiness among Russian-Speaking Minority in Estonia**

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### **Abstract**

Entrepreneurship is important sources for economic growth of the country or region, and minorities represent part of the population that could be involved in entrepreneurial activities. But before that could be done, it is necessary to understand entrepreneurship intention of minorities and their readiness to start up. The aim of the article is to explain entrepreneurship intention among minorities namely on the example of Russian-speaking minorities in Estonia. Data was gathered in the frame of Global Entrepreneurship Monitor study in 2014. Altogether 2357 citizens participated in the survey (76.2% Estonians and 23.8% Russian-speakers). Results of the analysis reveal that entrepreneurship intention is related to entrepreneurship readiness, namely to attitudes toward entrepreneurship and competencies. Research results prove that there are differences in attitudes, competencies and intention among minorities and titular population. Results show that less than half of minority respondents see good opportunities for starting a business in area where they live, but only one third of respondents from minority group responded that they have knowledge, skills and experience required to start up business. In general, intention to start up at the moment of survey or within three years for minorities is very low. Results of the study imply that there should be different approach to ethnic minority entrepreneurship.

**Keywords:** entrepreneurship intention, entrepreneurship readiness, GEM, Estonia



## **Generation Y's Perceived Entrepreneurial Drivers and Barriers: A Cross-Cultural Study**

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### **Abstract**

The aim of this study was to depict the entrepreneurial drivers perceived by young entrepreneurs. Furthermore, this study identifies the perceived meaning of entrepreneurship and its associated barriers as factors hindered their pursuit of new businesses. This study conducted 36 in-depth interviews with young entrepreneurs in five countries. The projective techniques adopted Forced Metaphor Elicitation Technique (FMET) were incorporated to the interview process in order to elicit conscious and sub-conscious meanings (affect and cognitive constructs) related to entrepreneurial intentions. Furthermore, the perceived constraints of pursuing new business were addressed during the data collection process. Interview data were recorded and cross-translations from multiple languages and English were involved. Triangulation by engaging multiple researchers and key informants in the processes of data interpretation, data coding, and theming were adopted to ensure the trustworthiness of the findings. The findings reveal six situational factors related entrepreneurship intention. They are: Personal drive, economy status of the country, values, perceived risk, experience, and resources scarcity. Four categories of perceived constraints were also identified. The findings indicated participants using metaphors related to their cultures in perception of entrepreneurship drivers and constraints. The theoretical and practical implications were presented.

**Keywords:** entrepreneurship; entrepreneurship drivers; perceived constraints; cross cultural study; generation Y



## **Reinventing Tourism Cities: Examining Technologies, Applications and City Branding in Leading Smart Cities**

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### **Abstract**

Cities become the engines of economic growth ever than before. Economic growth by industrial revolutions has brought prosperity by sacrificing healthy, livable, workable, efficient and sustainable conditions for people. For enhancing these conditions, nowadays, a number of cities have been using big data, technological and innovative delivery efforts that can be called as “smart city applications”. These applications can be seen at government and private building constructions, city facilities, energy, water, gas and waste management, inner-city and inter-city transportation infrastructure, informational and communicational technology infrastructure etc. for citizens and governmental bodies. Cities have become more healthy, livable, workable, efficient and sustainable by using smart city applications. With the greater use of smart city applications, new advantages and opportunities can be utilized by citizens as the micro economic actors of city economics. Smart city applications have contributed city economic development by efficient usage and allocation of limited resources for production: labor, capital, natural resources, and entrepreneurship; made city intelligent by using smartphone penetration, Wi-Fi access points, open data sources, dynamic traffic lights, the use of road sensors, smart parking, information apps etc. These applications have also net-positive impact on environment by reducing usage and unnecessary usage of energy, water, gas, public and private transportation vehicles etc. Smart city applications also, reduces harmful emissions by encouraging environmental-friendly transportation methods and vehicles like cycling, hybrid or electric car etc. On the city branding side, efficient and powerful city economy, tidiness and regularity in urban facilities, enhanced civic imaginary have made city attractive to its target audiences. In this paper, smart city applications in leading smart cities examined. Then, standard and city-specific applications are listed. Lastly, in the light of inferences, some suggestions developed for tourism cities targeting to let economic development by tourism and being an attractive city for its existing and prospective visitors.

**Keywords:** tourism, city branding, innovation, smart city



## **Risk-driven Corporate Security Defense**

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### **Abstract**

No matter how you harden your workstation or laptop you are always at risk of being hit by an attack despite any defense systems you employed, including all antivirus systems and all intrusion detection systems you adopted. The current effective response strategy is devised in terms of current risks and available countermeasures. This paper goes a step further by proposing a probabilistic model that detects new attacks and through human input planning responses that have not been originally defined in existing intrusion detection and response systems. Over time, new attacks and their responses may be defined and used to update current defense systems. We apply Dempster and Shafer theory to manage security risks and maintain a real time information security management system that satisfies the ISO 27001 standard. We also provide a numerical example to demonstrate the working of the proposed model.

**Keywords:** intrusion detection and response systems, defense systems, Dempster and Shafer theory, information security management systems, ISO 27001

## **The Impact of Transformational Leadership on Talent Retention in M&A in the Emerging Market: Case in China**

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### **Abstract**

Talent retention is seen as crucial to organizational performance, especially to post-merger and acquisition (M&A) in emerging market where there are more and more M&A occurred. There is extensive research on talent retention in the literature from perspectives of employee engagement, motivation and job satisfaction. There is also research showing that transformational leadership can be one of the most important factors in predicting talent retention but little research has been presented in order to understand the underlying mechanisms that transformational leadership exerts its influence on talent retention, particularly in post-M&A in emerging market. The aim of this research attempts to fill the gap through exploring answers to ‘To what extent does executive-level managers’ transformational leadership exert influence on talent retention in post-M&A and To what extent do mediators of transformational leadership influence on talent retention? A critical realist research approach was taken and a case study was used, which is a Chinese local company acquired by a multinational corporation. The research outcomes show transformational leadership style at executive-level; especially their individualized consideration, idealized influence, and inspirational motivation directly exert positive influence on talent retention. Transformational leaders can increase the rate of post-M&A talent retention through enhancing talents’ job satisfaction, learning and development opportunities, and external job factors (e.g. supervisor and co-worker relationship, and effectiveness of communication and working flow).

**Keywords:** talent retention, transformational leadership, M&A, China



## Hotel Managers Perception of Antalya As an Accessible Destination

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### Abstract

Travel and tourism has become the world's largest and fastest growing industry, having a yearly consistent growth. Many countries, including Turkey, are developing tourism as part of their national development strategies as well as creating an important driver for economic growth (<http://www2.unwto.org/content/why-tourism>) In the world, there are almost 700 million people with disabilities (PwD) and a growing number of people aged 65 (Genoe and Singleton, 2009). This fact shows that PwD is becoming a significant market. Since each PwD has family members who may travel with them, the market share becomes even bigger (Darcy & Pegg, 2011). Many researchers examined the economic impact of the PwD market in tourism in different parts of the world including Europe, United States, Canada and Australia (Buhalis et al., 2005; Neumann and Reuber, 2004; Van Horn, 2007) Antalya is one of the top touristic destinations in the world, currently encountering marketing positioning problems. The accessible tourism niche market is a potential area that could attract potential new comers. (Retrieved 10 January 2017 from <http://www2.unwto.org/content/why-tourism>) The purpose of this research paper is to examine the perceptions of hotel managers in Antalya (or Turkey) of Turkey as an accessible destination. The accessible tourism is one of the travel industry's untapped opportunity as more and more people worldwide are looking for accessible travel options (Genoe and Singleton, 2009). The objective of this study is to understand the current opportunities and challenges of Turkey when it comes to accessible tourism from the supply side. This study will consider hotel managers only as they are one of the major stakeholders in the tourism supply side. This study will be looking from both the managerial and the employee side. This study will also provide secondary data from the appropriate government body about the number of disabled tourists visiting Antalya and compare it with previous years. This research is expected to provide the necessary steps that need to be taken to better accommodate accessible tourism as perceived by hotel managers in Antalya.

**Keywords:** hotel manager, disability, accessible, social tourism, internal and external barriers



## **Look before You Leap: The Case of the Missing Elevator Floor**

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### **Abstract**

Substantive Areas: Negligence, Worker's Compensation as exclusive remedy and exceptions, indemnification/hold harmless clauses, non-delegable duties, impleader (third-party actions). Does your business have liability exposure if your employee suffers a catastrophic injury while on the job? Does it matter if you lease your property versus outright ownership? If you do lease your property, what effect would an indemnification/hold harmless clause have if contained in the lease? What is a non-delegable duty and does it impact your liability? How can a third-party action be used and is it always to your benefit? These and many other questions will be addressed, discussed, and answered in this case study. Negligence represents one of the most common types of lawsuits a business may face. But many other issues may evolve from a seemingly straight forward negligence claim. For example, in most states, Worker's Compensation Insurance represents the exclusive remedy for the injured employee (other than a few exceptions to be discussed). This means the employee cannot sue the employer for negligence. However, if the employer is a tenant and the injured plaintiff (employee) has a smart attorney, certain clauses in the employer's lease may provide the plaintiff with otherwise unavailable means to sue the employer in negligence. It is not uncommon for hotels and other hospitality properties to hire third-party independent contractors to perform services and provide periodic maintenance to specific areas of the property. Occasionally, these contractors make mistakes --- their work is careless and sloppy -- well below expected and reasonable standards --- and sometimes, their carelessness causes terrible accidents with horrific injuries. Hotels and other hospitality businesses need to understand what this means in terms of their own liability and redress. This case study will focus on a workplace accident involving a back-of-the house hotel employee and a service elevator. The employee fell one story down an elevator shaft and suffered near fatal injuries. The specific facts of the case are very interesting and engaging and provide an excellent platform for a detailed analysis of the above referenced hospitality law substantive areas.

**Keywords:** negligence, worker's compensation, non-delegable duties, impleader



## The Market Share of Environmental Friendly Attribute on Cruise Customers' Decision

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### Abstract

The fast-paced growth of the cruise industry has brought a high number of options to cruise customers, and has greatly increased the competition between the cruise line companies (CLIA, 2015). However, the increased pace of the cruise industry has not solely been associated with positive outcomes, as lately the negative impacts on the environment, climate change and depletion of natural resources by the cruise industry have been more stringently evaluated (Caric, 2012; Klein, 2011; Wong, 2004). Therefore, environmental friendliness of a company now becomes a feature for competition in the market since cruise customers increasingly demand more pro-environmental practices (Klein, 2011). This paper examined the market share of the environmental friendly attribute on cruise customers' decision. This study designed the cruise offerings considering six cruise attributes, such as cruise vacation price (Ackerman, 2015; Adams, 2014; CLIA, 2016; De La Vina & Ford, 2001; Juan & Chen, 2012), cruise itineraries (Ackerman, 2015; Adams, 2014; CLIA, 2016b), duration of cruise vacation (Adams, 2014; De La Vina & Ford, 2001; Juan & Chen, 2012), distance from cruise port (Ackerman, 2015; CLIA, 2016a), cruise online reviews (Chipkin, 2011; Jobber, 2004) and environmental friendliness of cruise line (Ackerman, 2015; Adams, 2014). Market share simulation of environmental friendliness of the cruise line was estimated by using Choice-Based Conjoint (CBC) analysis on the QuestionPro platform. Study collected data from 450 respondents using Amazon Mechanical Turk platform. The results of the study showed that the lower the level of the environmental friendliness of the cruise line, the less market share the cruise companies are able to get. The findings of the study help cruise lines to have a better understanding of the market share changes based on the cruise environmental friendliness attribute.

**Keywords:** cruise, market share, environmental friendliness of cruise line, preference

## How do fun and pre-attitude influence attitude change and intention to visit in virtual reality tourism experiences?

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### Abstract

Virtual Reality (VR) becomes increasingly important as part of the tourism experience delivery. In particular, outdoor attractions such as National Parks are aiming to use VR to attract tourists and provide them with an enhanced experience. However, there is only limited research on the use of VR and especially the influence of fun and pre-attitude about the attraction on attitude change with regards to intentions to physically visit the destination. Therefore, this study aims to explore the aforementioned determinants and their impacts on attitude change and behavioral intention in the context of outdoor tourism in the UK. A VR application was developed by the Lake District National Park to attract potential visitors. Tourists were able to experience a virtual flight using Samsung Gear VR over the National Park through the VR application. Data were collected through a questionnaire. The model consisted of four constructs (Fun, Pre-Attitude, Attitude Change and Intention to Visit) which were measured by 3 to 5 measurement items using previous scales and rated on a 5-point Likert scale. Data were collected in July and August 2016 in the UK. Participants experienced the VR application prior to completing the questionnaire. A total of 741 usable data were collected and analyzed using structural equation modelling. Findings show that fun influences a change in attitude and consequently a desire to visit the Lake District National Park after experiencing the VR application. Furthermore, both fun and pre-attitudes formed on the attractions prior to experiencing the VR application influence the future intention to visit the outdoor attraction ( $\beta=.23$ ,  $p<0.01$  for fun and  $\beta=.38$ ,  $p<0.01$  for pre-attitude). This study shows that outdoor attractions need to design enjoyable VR applications in order to entice tourists to visit. Theoretically, this is one of the first studies that examined the influence of fun and pre-attitude aspects of VR on the change in attitude and intention to visit within the tourism context. Practically, it provides insights for destination marketing managers on how to design VR applications that can be used to promote the outdoor attraction to potential tourists.

**Keywords:** fun, pre-attitude, attitude change, intention to visit, VR tourism experience



## **Management of SMME Business Needs: Are institutions and government coming to the party?**

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### **Abstract**

The role and importance of small, medium and micro-enterprise (SMME) all over the world cannot be disputed. It is a known fact that SMME's are responsible for the creation of jobs in all economies, and that in Africa, specifically poverty alleviation, economic growth and job creation is in the hands of SMMEs. Many organisations- local and international- invest billions of dollars in the upliftment of SMMEs by means of various actions, interventions and activities. It is also a known fact that most of these initiatives result in a lot of wastage, or does not reach its potential due to a variety of reasons. Although many of the reasons for this can be laid at the door of the SMMEs themselves, much blame can be appropriated to the institutions themselves. Staff employed to implement these actions are either not committed, or not trained, or not qualified to assist these SMMEs. This has led to the study conducted amongst 946 SMMEs in South Africa, using non probability sampling regarding their experiences dealing with organisations providing assistance to SMMEs. The focus was on aspects such as how queries were handled by the various management levels of the institutions, types of queries submitted, type of assistance received and how problems were overcome by SMMEs. There was a clear indication that there is a lack of commitment from staff of these support organisations, their level of knowledge and their willingness to assist. A large majority of respondents indicated that small businesses were not seen as important enough to warrant sufficient and dedicated attention. The nett effect is that the assistance offered to SMMEs is ineffective or not sufficient to address the needs of SMMEs – resulting in a culture by organisations to “just tick the boxes”. Recommendations are made on how the needs of SMMEs can be better addressed by organisations that have as its aim to support and assist SMMEs.

**Keywords:** small-, medium and micro-enterprise (SMME) sector, SMME needs, support organisations, problems faced by SMMEs



## **Investigating the Applications of NoSQL Databases in Practice based on Their Cap- characteristics**

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### **Abstract**

NoSQL (Not Only Structured Query Language) databases were compared by Ludwig and Unhelkar (2016) for their characteristics in the context of the CAP theorem. The four different types of NoSQL databases (Key-Value, Document, Columnar, and Graphical) were compared using corresponding real-life implementations (Riak, MongoDB, Cassandra and Neo4j). In this paper we have extended that initial study to now include six different NoSQL databases that are shortlisted from the databases available on the official Apache site. We further conducted experiments with a selected subset of these databases in order to ascertain their behavior in the context of CAP theorem. These experiments are helping us further understand the nuances of these NoSQL databases and how they behave under differing parameters. Given that partition tolerance is a must, we have looked at varying degrees we need to give consistency and availability. Conversely, we have also looked at varying degrees of partition tolerance as well. In this paper we report further progress of our study based on experimentation.

**Keywords:** big data, NoSQL, CAP theorem, key-value, document, columnar, graphic



## Optimizing Resource Allocation in Crime Management Using Big Data Analytics: A BDFAB Perspective

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### Abstract

The technical and analytical advances in Big Data provide significant opportunities to spot trends and patterns that would otherwise remain hidden. Big Data technologies also enable drilling down of analytics in a highly time sensitive and context-based manner. Use of a strategic, holistic approach to identify these patterns and utilize the insights generated from them has many practical applications – such as in hospitals, smart cities and policing. In this paper we demonstrate the application of such a strategic approach to Big Data that can provide decision-making insights in the policing domain. We apply a strategic framework for Big Data (BDFAB) to a suite of data representing police-citizen encounter in order to produce actionable insights. These insights are based on micro-level data obtained from a mid-size law enforcement agency and comprises structured data format. We further underscore the need and importance of the Cloud to facilitate collaboration in the Big Data space especially by enabling sourcing of wide and varied data from multiple types of sources (e.g. administrative, proprietary, owned, third-party, government and crowd-provided). Finally, we also demonstrate the possibility of usage of Analytics-as-a-Service by utilizing the Cloud.

**Keywords:** big data analytics, BDFAB, crime management, resource optimization



## **Development and Validation of BDFAB (Big Data Framework for Agile Business) Using Interdisciplinary Research & Application**

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### **Abstract**

The Big Data Framework for Agile Business (BDFAB) is the result of exploration of the value of Big data technologies and analytics to business. BDFAB is based on literature review, modeling, experimentation and practical application. BDFAB incorporates multiple disciplines of Information Technology, Business Innovation, Sociology and Psychology (people and behavior, Social-Mobile media), Finance (ROI), Processes (Agile), User Experience, Analytics (descriptive, predictive, prescriptive) and Staff Up-skilling (HR). This paper presents the key elements of the framework comprising agile values, roles, building blocks, artifacts, conditions, agile practices and a compendium (repository). The building blocks themselves are made up of five modules: business decisions, Data - technology and analytics, user experience-operational excellence, quality dimensions and people – capabilities. As such, BDFAB exhibits a interdisciplinary approach to Big Data adoption in practice.

**Keywords:** big data, strategies, BDFAB, agile business, interdisciplinary

## Cost-benefit Analysis (CBA) of Accounting Software Programs and the Preferences of Certified Public Accountants (CPA's) in Turkey

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### Abstract

The Certified Public Accountants (CPAs) operating in Turkey have many options when selecting generic accounting software programs. Although similar, each software has its own advantages and disadvantages. Naturally, the CPA's prefer to buy programs that the advantages of the program outweigh its disadvantages. Accordingly, they invest in compatible programs that enable them to save time and money. In this buying process, many CPA's employ Cost-benefit analysis (CBA). The CBA is a financial decision tool that help CPAs for assessing the value of money when investing in such programs. The CBA takes into consideration the expected cost and benefit of a particular investment, or project and can be used in any investment decision. There are several factors affecting the decisions of CPAs when making preferences on accounting programs. Beside the price, these factors include the ability of the program that could be compatible with International Financial Reporting Standards (IFRS), Accounting and Auditing Standards, Internet connectivity, ecommerce, mobilization, cloud systems, multi-currency, multi-locations, and consolidated reports. A major issue in the program selection process is to know the features, pros and cons of each system, understand current needs and predict if these programs met the needs that could arouse in the future. There is no any research conducted in Turkey yet, but according to a research study conducted in USA, accounting programs will frequently stay in place for 10-11 years. This article focuses on what factors influences the behavior of CPAs when selecting a software program and how do they utilize CBA in this process.

**Keywords:** CPA, cost-benefit analysis, accounting software programs, software preferences



## **Free-ridership on Subsidizing the Energy-efficient Home Appliances: An Evaluation of Government Funded Program in Taiwan**

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### **Abstract**

Incentive programs have been widely used to promote the investment on the energy-efficient home appliances. One of the instruments, subsidizing purchases of efficient appliances, has received much attentions in countries like Mexico, China, India, and Taiwan. The tool has played multiple roles not only to increase the market penetration of energy-efficient products but also to counter the economic recessions. We evaluate the subsidy policy by conducting a survey for those households who have joined the subsidy program to purchase the energy-efficient appliances in 2016 in Taiwan. Our survey results show that there is a free-rider effect underlying the subsidizing program. About 65% of the program beneficiaries enjoy the effect. The Probit model indicates that household with higher income benefits the free-rider effect. There is no correlation between education and the effect. Furthermore, based on the computation analysis from the input-output table, we found that the program would increase the national income by 18.4 billion NT dollars, or 0.02% GDP growth rate without considering the substitution effects. However, with considering the free-rider effects, the program increases the national income by 6.4 billion NT dollars, or only 0.009% GDP growth rate. Overall, the subsidy program has little effects to increase the penetration rate of energy-efficient equipment and to boost the economy as well.

**Keywords:** free-rider, energy-efficient appliances, subsidy policy



## **Education for Big Data Professionals: A Study of Current Courses and Training Programs**

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### **Abstract**

The industry demand for big data-related skills has been increasing in recent years. To meet this demand, many colleges have started offering new programs in big data related fields such as data science, big data management and analytics, MongoDB, Cassandra, Hadoop, NoSQL, “R,” business analytics, and so on. Most of these programs are graduate level programs offered by universities and commercial training institutes. There are many new majors at the undergraduate level as well nowadays. This paper looks at and compares the curricula of the programs in various universities; we will also discuss how to build new programs and enhance existing programs to meet workforce demands in the big data industry.

**Keywords:** big data, curriculum development, academics, universities, business analytics, pedagogy, skills, career



## Assessment of the Innovative Employee Wellness Programs on Employee Engagement Metrics: A Pilot Study

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### Abstract

Employee wellness programs (EWP) are not mandatory by laws. However, visionary organizations understand the resulting high return on investment to well planned programs. Moreover, studies showed running successful wellness programs lead to lower health care costs, greater productivity and higher morale (Berry, Mirabito, and Baun, 2010). This study aimed at assess the role of employee wellness programs in employee engagement metrics. More specifically, this study conducted multiple phases of research to assess the relationships of EWP on employee engagement, commitment, and trust. In addition, two mediators to the relationships were examined. The study was conducted in a leading tourism destination in United States. Employees working in hospitality and tourism organizations participated to the project by answering anonymous surveys. A total of 220 useable data were included to this pilot study. The results indicated that (1) EWP has positive impact on employee engagement; (2) EWP has a positive impact on CSR; (3) CSR positively influences job satisfaction; and (4) Job satisfaction positively influence commitment, trust, and employee engagement. Findings of this study provide evidence for enterprises to invest in establishing effective EWP programs available for employees. The EWP can be viewed valuable to employees thus engender fulfillment, improve employees' quality of life. Furthermore, providing well designed EWP directly lead to increase productivity. The theoretical and practical implications were presented.

**Keywords:** commitment, corporate social responsibility (CSR), employee engagement, employee wellness, job satisfaction, trust



## The Trade Flows between South Korea and Japan According to the Commodity Groups

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### Abstract

In this study, we investigate the trade flows between Korea and Japan and the effects of the changes in the Korean real exchange rate against Japanese Yen on their bilateral trade balance. Japan is one of the largest trading partners for Korea, accounting for approximately 5% of Korea's export volume and 10% of Korean's import volume in 2015. Besides, the trade between two countries has been characterized by an intra-industry trade, especially after the technology intensive industries developed in Korea in the second half the 1980s according to Heavy and Chemical Industries Plan. In order to examine how the changes in the value of Korean Won against Japanese Yen affect the bilateral trade balance, we use disaggregated trade data at industry level over the period of 1995M9-2017M1. We apply the nonlinear Autoregressive Distributed Lag (NARDL) cointegration approach, which enables us to examine the separate effects of appreciations and depreciations of the Korean Won against Japanese Yen on the countries' trade balance. The results of the NARDL tests suggest that in the long run the changes in the real exchange rate affect the trade balances in case of two industries classified as SITC with digits 2 and 5, which are crude material and chemicals. However, the effects of depreciation and appreciation of Korean Won against Japanese Yen on the countries' bilateral trade balances are not statistically different in magnitude from each other for those industries.

**Keywords:** trade, Korea, Japan, nonlinear ARDL.