Preface

Welcome, Hoş geldiniz, Willkommen, Bienvenue, Добро пожаловать, 歡迎光臨, Bienvenido, Қолғаңыз Орістан, Benvenuto, ようこそ, 환영합니다, مرحباً، Bienvenue, Καλώς Ορίσατε, Benvenuto, ようこそ, 환영합니다, مرحباً، Bienvenue, Καλώς Ορίσατε, Benvenuto, ようこそ, 환영합니다, مرحباً

to the Global Conference on Business and Economics (GLOBE) here at the University of South Florida Sarasota-Manatee (USFSM). The Association of North America Higher Education International (ANAHEI) is very honored and excited to host GLOBE 2018. This is the 13th conference that ANAHEI is organizing.

GLOBE received more than 160 abstracts/papers for the conference from 230+ authors. Among the 160 abstracts/papers, 81 of them are accepted to be presented at GLOBE 2018. GLOBE is a truly an interdisciplinary and global conference as we will host 150+ participants from 22 countries and from different fields of studies. We would like to thank each author for submitting their research papers to GLOBE 2018. We are concurrently hosting Global Conference on Hospitality, Tourism, Event and Leisure Management (HOTEL), Global Conference on Services Management (GLOSERV), and Graduate Student Research Conference in Business and Economics (GRADCONF). GLOSERV 2018 conference is co-produced with The Institute for Research on Innovation and Services for Development (IRISS), Italy. We thank IRISS for their great contribution to GLOSERV 2018.

As GLOBE 2018 was a peer-reviewed, double blind conference, we would like to thank each and every reviewer who ensured that the paper review process was a high quality and smooth. We also would like to thank the awards committee for their hard work in selecting the recipients of this year’s award winners.

We would like to thank University of South Florida Sarasota-Manatee for sponsoring and hosting GLOBE 2018. Without their support, this conference would have not been possible. In addition, we would like to thank Bradenton Area CVB for being the presenting sponsor. We would like to thank our sponsors for making this conference possible: MUMA College of Business, USF; M3 Center for Hospitality Technology and Innovation, USFSM; College of Business, USFSM; Holiday Inn Sarasota-Airport; Powel Crosley Estate; and Faculty of Tourism, King Abdul Aziz University.

We offer two pre-conference sessions and six keynote sessions with eleven distinguished speakers: Prof. Karen Holbrook, Dr. Karlene C. Cousins, Ms. Allison Imre, Dr. Mathilda Van Niekerk, Dr. Amanda J. Phalin, Mr. Arden Agopyan, Mr. Ali Beklen, Prof. Dimitrios Buhalis, Prof. Nahum Biger, Prof. Yi David Wang, and Mr. Keith Barron, Esq. We thank them very much for making GLOBE 2018 a high quality conference.

Moreover, we sincerely express our appreciation to all USFSM students for their hard work to organize this wonderful conference. Special thanks go to International Director of Conferences and Events: Muhittin Cavusoglu, Conference Assistant Managers: Claire Hecke, Luana Nanu, and Media Manager: Emre Corbaci.

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Accounting
Necessary and Sufficient Conditions for Liquidity Management

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Abstract

Traditionally, liquidity is measured by financial indicators, centered in the current ratio (CR) as an indicator of nominal payment capacity. However, this indicator generates a gap in the liquidity assessment because it does not measure financial efficiency nor liquidity sustainability. This research paper proposes an indicator that combines nominal capacity with effective payment capacity that indicates the liquidity sustainability and financial efficient status, addressing a gap in the literature concerning liquidity management. In order to test this proposition, this study used data from financial statements of 37 manufacturing firms from 2000 to 2015, via parametric and nonparametric methods. In the analysis showed here, financial efficiency ratio (FER) and the liquidity sustainability ratio (LSR) were used to assess financial efficiency and sustainable liquidity. Robust empirical evidences were found showing that the main status of the firms’ liquidity is weakly sustainable. The results suggest that the combination of financial efficiency and nominal liquidity is a robust technique to indicate the firm’s liquidity status.

Keywords: liquidity sustainability coefficient, necessary and sufficient conditions, financial efficiency ratio.
Asset Misappropriation in Hospitality Industry as a Result of Weak Internal Control: A Content Analysis of 53 Cases

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Abstract

Asset misappropriation, a type of fraud is a major problem for organizations throughout the world. According to the ACFE Report of 2018, a typical organization loses 5% of its annual revenue to fraud. If this 5% loss estimate were applied to the 2017 estimated Gross World Product of $79.6 trillion, it would result in a projected total global fraud loss of nearly $4 trillion. This is only an estimated and, given the limitations, it is unlikely we will ever be able to calculate the true cost of fraud on a global scale (AFCE Report 2018). Asset misappropriation is one of the largest portion of fraudulent cases in almost every industry. Firms loses their financial and non-financial resources as a result of fraudulent activities involved by their employees. Fraud schemes reduces a firm’s income and so that the company’s net income is reduced by the total fraud loss. When an organization encounters such a loss due to fraud, a much more additional income is needed to restore net income to what it would have been without fraud. As a result, to recover the cost of the fraud, the organization would have to generate additional revenues of approximately ten times the cost of the fraud to restore the effect that the fraud had on net income. Studies conducted in many industries state that the major cause of fraud is weak internal control. Firms with a weak internal control are more susceptible to fraudulent asset misappropriation schemes (KPMG, 2004). Internal control weaknesses include lock of segregation of duties, physical safeguard, independent checks, proper authorization, proper documents and records, overriding existing controls, and inadequate accounting system (Albrecht, 2008). Association of Certified Fraud Examiners (ACFE) conducts fraud research worldwide since 1996, and publishes the “Report to the Nation on Occupational Fraud and Abuse”. This report provides us many aspects of fraud in global bases, however industry based research in Hospitality area is somewhat limited. This paper put 53 hospitality industry fraud cases under the spotlight and analyze them in terms of the amount lost, characteristics of fraudster, and characteristics of the hospitality organizations faced with asset misappropriation.

Keywords: asset misappropriation, internal control, fraud, hospitality

References

Consumer Behavior
A Cross-Cultural Study on Tourism: Strategies and Implications of Findings

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Abstract

With the growth in new tourism destinations and dynamic nature of culture, the existing studies on culture and tourism are becoming less and less important in globalized world. This calls for a cross-cultural scholarly work which spans over many countries and employs a dynamic measure for growth in tourism industry. This paper aims to identify the favorable disposition of cultural factors towards tourism. The dimensions of culture are taken from Hofstede’s model on culture and its relationship with tourism is arrived by using Travel and Tourism Competitiveness. The paper establishes the relationship by analyzing data from 73 countries. Individualism and long-term orientation are found to be favorable dimensions for development of tourism. Power distance and indulgence are also found to have a negative and positive relationship with tourism competitiveness. The paper outlines the broader strategies for the different group of countries which are classified under different clusters. The paper also highlights the policy implications of the study as designing culturally congruent policies leads to improvement in the competitiveness of tourism.

Keywords: travel, tourism, culture, cross-cultural study, travel and tourism competitiveness
What Does the Customer of Café-Corner Expect From a Service Delivery?

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Abstract

"We are what we repeatedly do. Excellence therefore, is not an act but a habit"

Aristotle

As consumer desirables and expectations change, as well as the global hospitality industry changing, the question remains: what does the consumer of the service industry expect from the service delivery? As service delivery expectations increase, the hospitality industry is also experiencing many additional internal and external pressures to provide the right feeling in "creating moments" for their guests. This research aims to identify the needs of current and future customers' of this industry by discussing the dyadic relationship between service delivery and the change of customers' need from the industry. Previous to this, research has focused on the needs of current and future customers (Generation Y and Z) in two cities in Europe which they have more than one university.

Keywords: service delivery, current and future customers, customer's expectations, independent café, Sheffield, Sopot
Privacy Protection Proclivity and Trust: No Longer Concerns of Today’s International M-Commerce Users?

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Abstract

As the diffusion of m-commerce reaches the late majority, do the barriers of acceptance during m-commerce’s infancy still apply today? And do the same barriers exist across the global marketplace? Though phenomenal growth continues in the use of mobile devices, investigations of traditional barriers of use of m-commerce are limited. As corporations expand their m-commerce distribution and communication strategies both domestically and internationally, a deeper understanding of today’s consumer use and nonuse must be established. Corporations seem to be making m-commerce strategy decisions utilizing assumptions based upon outdated user research. An investigation of the possible reprioritization of barriers to use of m-commerce by US and Chinese consumers and the role culture plays in the use of m-commerce is proposed. Some of the barriers to use proposed are privacy protection and trust, and the proposed cultural populations of interest are the US and China.

Keywords: China, US, e-commerce, smartphones, cell phone
Consumer Evaluation of Celebrity Brand Extensions: An Affect Transference Perspective

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Abstract

This study employs Aaker and Keller’s (1990) brand extension model as a theoretical framework to examine consumer response to celebrity brand extensions. Celebrities are enhancing their brand value by leveraging the infamy of their names through brand extensions. Celebrity-brand extensions, conceptualized as products developed and marketed by celebrities; represent one of the most explosive branding trends in the marketplace. From 2005 to 2017, more than four thousand celebrity brand extensions, ranging from clothing to financial products were introduced into retailers such as Macy’s, H&M, Sears and JC Penney’s, and Kohl’s. Macy’s 2007 Star campaign featured over 25 celebrities and entertainers whose branded merchandise retailed at their stores nationwide. In 2015, over 15% of all Macy’s revenue was comprised of human-brand extensions (Annual Report 2009). Thus, the proliferation of celebrity brand extensions is expected to continue as consumers seek to connect with celebrities through their extensions.

Critical to the success of human-brand extensions is the degree to which meaning transference occurs from the celebrity to their extension. When a celebrity’s brand extension is consistent with their domain of expertise, meaning transference processes causes consumers to evaluate the extensions more favorably. This prediction is similar to findings by Park, Milberg and Lawson (1991) who found that consumers tend to evaluate brand extensions more favorably when the parent brand and the extension share the same category. Broniarczyk and Alba (1994) found that consumer perceptions of brand extensions were influenced by brand-specific associations, which dominated brand affect and category similarity, when consumer knowledge of the brand was considered high. Together, the findings by Park, Millberg, and Lawson (1991) and Broniarczyk and Alba (1994) suggests human brand extensions are evaluated to the degree to which the extension is similar to the celebrity’s domain of infamy and how relevant and desirable celebrity-specific associations are to the extension category. This argument frames the central premise of the research. Transference between consumer’s perceptions of the celebrity and their brand extensions has yet to be explored. Thus, the aim of this research is to model a response of consumer response to celebrity brand extensions. Study 1 is a qualitative study of consumers’ responses and Study 2 is an experimental study that examines positioning strategies of human brand extensions.

Celebrities can have a wide array of associations that can potentially be transferred to their extensions. Similar to traditional brands that have unique associations within their product class; celebrities have specific associations that differentiate them from other celebrities in their field. These associations are oftentimes derived from their domain of expertise. For example, Michael Jordan is known as the greatest basketball player of all time. Hank Aaron was known as the “Hammer” of baseball and Michael Jackson was known as the “King of Pop”. Such specific associations can prove valuable for celebrities who develop brand extensions. Chakravarti, MacInnis and Nakamoto (1990) defined brand-specific associations as an attribute or benefit that differentiates a brand from competing brands. Whereas Aaker (1991) suggested that brand image is equivalent to brand associations, those items in one’s memory linked to a brand. Keller (1993) conceptualized brand associations as having both function and psychological benefits. The various
conceptualizations of brand associations are well cited. However, because celebrities pride themselves on differentiation and image, the research employs components of both MacInnis and Nakamoto’s (1991) and Aaker’s (1991) definitions of brand associations. Therefore, a celebrity-specific association is defined as an association that differentiates one celebrity from another celebrity. Such associations collectively frame a celebrities’ brand image, which is consistent with Aaker’s (1993) image-based view of brand associations.

Study 1

Procedure. Two pretests were conducted to identify the celebrities and their brand extensions based on frequency of occurrence. Subjects were invited to identify celebrities that were relevant to their peer groups, along with appropriate extensions fitting for the celebrity. Fifty-four respondents participated across both pretests. Following this, study one involved 148 participants taking 30 seconds to write down the associations or thoughts that came to mind when they thought of the celebrity and their brand extensions. Next, the extensions were rated on three fit measures, along with other celebrity-based variables.

Findings. Celebrities were associated with attributes relevant to their domain of expertise, as their personal life and physical attributes. Contrary to traditional brands which may not readily be associated with their parent company; celebrity brands were most commonly associated with significant others (e.g. spouse). Brand extensions receiving high evaluations revealed that most participants agreed to the celebrity launching a brand extension based on their professional domain. Brand extensions receiving low evaluations were largely due to the brand extension being beyond the celebrity’s domain of expertise, as well as the unlikeable nature of the celebrity, a form of negative brand affect transference. Regression analysis revealed favorable attitude towards the celebrity is related to evaluations of the brand extensions when fit is established between the celebrity and their extension based on similarity. The standardized regression coefficients for SIMILARITY, COMPLEMENT, and SKILLSET were 0.22, 0.05, and 0.47, all significant at the p < .01 level. The results suggest that SIMILARITY and SKILLSET are the most important variables in consumer’s evaluation of human-brand extensions.

Study 2

Procedure. Extending the findings of study 1, study 2 examined consumer response to celebrity brand extensions by varying positioning strategies and introducing extension cues. Ninety-six respondents participated in this study. The design was a repeated measures, 2 x 2 factorial design with two between-subject factors, quality cues about the manufacturer (present or absent) and brand extension attribute elaboration (present or absent). The cues signified that the extension was developed and/or manufactured by a reputable company who is a lead provider in the extension’s product category. The attribute elaborations were brief descriptions of an attribute that subjects had repeatedly expressed concern for in study 1. The procedure was similar to that in study 1, with a few minor differences. Only, the low-rated brand extensions were used as stimuli, and two filler extensions were added.

Findings. The main effect for attribute elaboration was significant, \( F(1, 343) = 3.92, p < .049 \). Attitudes towards the brand extension were enhanced when the attribute was elaborated upon. Regression analyses showed the use of a cue appears to minimize the importance of the brand extension complementing the celebrity. That is, when the manufacturer’s cue is present, the belief of whether or not the extension complements the celebrity is minimized. The use of attribute
elaboration as a positioning strategy lessens the importance of a celebrity possessing the skills to develop the extension.

**Conclusion.** The research presented here provides evidence for the importance of celebrity-specific associations, which extends consumer response to celebrity brands beyond the attachment perspective (Thomson, 2007; Fournier 1998). Celebrity-specific associations were shown to influence consumer evaluations and associations of brand extension fit. Lack of perceived similarity with the celebrity’s area of expertise was a primary challenge for brand extensions rated poorly by participants. Celebrities looking to capitalize on their brand equity by should developing brand extensions that are similar to their domain of expertise. Thus, opportunities to capitalize on a celebrity’s brand image are limited to similar extension categories.

**Keywords:** brand-extensions, celebrities, affect

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The Comparison of Asian and Non-Asian Business Travelers' Hotel Service Preferences

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Abstract

Identifying the Asian business travelers’ specific expectations of hotel service, provides a clear picture of Asian travelers’ preferred service patterns. Understanding guests’ expected level of quality and the way they assess the received service will support the guest’s re-patronage intention (Yap & Kew, 2007). The assessments of importance for the following characteristics were higher for Asian business travelers: multi-lingual staff, availability of adequate transportation to the hotel, availability of gym/workout facilities, hotel is part of a reputable chain, presence of business-related meeting rooms, presence of a business center, in-room mini-bar, and food and beverage are a value for the money. Since the lodging market for Asian business travelers is growing fast, it is essential for hoteliers to recognize the unique characteristics of this large market segment. The outcomes of this study can benefit hoteliers in identifying and addressing Asian business travelers’ desired hotel service.

Keywords: hotel service, expectancy, Asian business traveler
The Types and Motivation of Social Network Users: A Qualitative Study of Young Adults

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Abstract

The objective of this research is to understand the motivation of social network users aged 18-24. Based on qualitative research and content analysis, this study proposes to understand their behavior and what motivates them to use social networks. Our main finding in this research is a motivation-based typology of social networks users and their psychological profile.

Keywords: users networks typologies, consumer behavior, qualitative research
New Digital Currency and Technological Transformation

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Abstract

In 2009 the cryptocurrency was born, a digital currency, re-launched in the world as "BitCoin" (although now there are about 30) which is the "mother", the original one. The problem that I want to highlight is the absence of some authorities able to control cryptocurrencies, so, for transactions and for the release of new coins because everything happens according to uncontrolled exchanges, moreover, the sale through the Internet 'anonymity not ad hoc protection on an online transaction. The alarm that wants to launch the cryptocurrency and therefore the BitCoin system. The purpose of this research started from the issue of the pages, in fact, since the creation of the digital currency has been used a completely new and, in some ways, unknown called "mining" (technically equal to the first non-trivial and not negligible ), a "brute force". To avert the probability that the CPU (a central processing system) of a computer is exposed, perhaps with the inclusion in some pages of dangerous scripts, I will give some advice on 'a code for the code for the title that is going on.

Keywords: digital currency, bitcoin, transactions, dangers, wallet.
Valuation of Public Goods in Agricultural Landscape: The Case of Slovakia

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Abstract

For decades economists have devoted attention to issues of valuing public goods. However, such studies do not exist in case of Slovak economy. The aim of this paper is to evaluate willingness to pay (WTP) for agricultural landscape in Slovakia by using the Contingent valuation method. The research objectives prioritize how the public values agricultural landscape held by small and large farms. Majority of Slovak farms are identified large in size compared to the EU28. As shown by the results the WTP for landscape offered by large farms is 23.88 Euros per individual per calendar year. These results provide important insights for decision makers, policy makers and social scientists.

Keywords: contingent valuation method, willingness to pay
Do Superfund Sites Cause Superwages?

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Abstract

Since the passing of the superfund legislation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), superfund waste sites have become an important topic for governments, environmentalists, local residents, and economists. The superfund program was created because the government thought that the benefits of cleaning up these sites would outweigh the costs. Some would argue that before the legislation was passed, companies could create these hazardous sites because of a market failure, namely non-perfect information. But now that we do have perfect, or better information how the harm caused by these sites, what is the best course of action? The costs associated with cleaning up these sites are huge, and the damage that they impose may already be captured in the local economy through housing prices and job wages.

This paper is going to focus on the interaction between superfund sites and their effect on local resident’s wages. Theory suggests that people residing close to dangerous or hazardous sites will need to be compensated in some form to live there, as opposed to a very similar location without these undesired sites. This theory relies on two assumptions. The first assumption is that workers are perfectly mobile, and in general workers do have the choice to move and switch jobs, even if they do not always have the means. The second assumption is that workers have perfect information about their job characteristics and the area that they live. This assumption is more of a stretch because of the asymmetry in information that exists between workers and their firms.

There are several intuitive explanations for how proximity to superfund sites may influence wages based on compensating wage differential theory. While many housing price hedonic models have been looked at using superfund data, no studies have looked at their influence on wages, or used a dataset of the magnitude of the American Community Survey (ACS). This key contribution of this paper is to look at the possibility of wages being affected by superfund sites, and to perform this analysis at a macro country wide (United States of America) scope. While looking at one city will give a more accurate analysis of how a superfund site affects wages, looking at the macro picture will give a more general idea, and takes advantage of the large data set provided by the ACS.

Many studies have been done looking at the costs and benefits of superfund sites existence as well as their possible clean up. Most studies have focused analyzing the benefits accrued from the cleanup of sites (mostly relating to health, and possibly housing values) and compares them to the costs of administering the clean ups (Hamilton & Viscusi, 1999). Other studies look at the effect that superfund sites have on housing prices through a hedonic house pricing model values (Gayer, Hamilton, & Viscusi, 2000; Greenstone & Gallagher, 2008; Noonan, Krupka, & Baden, 2007; Noonan, Turaga, & Baden, 2009; Walker, 1992; Zuindeau & Letombe, 2008). Some of these studies agree with the idea that location to the site matters while others do not. Most involve case studies for specific cities.
The study by Noonan et al. (2007) finds that the cleanup of a superfund site has no direct effect on the prices of housing in the general area. However, there are positive effects in indirect prices such as residential sorting and neighborhood investment. They also find that the results are sensitive to policy endogeneity and model specification. This is caused because governments are more likely to cleanup “richer” areas because of political pressure and these areas may already have high property values.

The paper by Greenstone and Gallagher (2008) find that the cleanup associated with superfund sites has no statistical significance in changing housing prices. They state this conclusion using a myriad of tests and model structures and find that the predicted price increase is substantially lower than the average cost of cleanup estimated at 42 million dollars. There result may be the case of only looking at sites that were cleanup up. A potential future paper could look at the housing price differences before the discovery or labeling of a superfund site and after.

Gayer et al. (2000) finds that residents are willing to pay a premium to live in areas that do not have superfund sites nearby. They use a Bayesian learning model merged into a hedonic framework to estimate the willingness to pay by residents to live in not affected areas. They also find that residents’ willingness to pay to avoid risks caused by living near these sites decreases after the release of information pertaining to risk values associated with the sites. This implies that perfect information about the risks associated with these sites was not present before the legislation was passed, and also points to the possibility that complete information is still not present.

There has been analysis on environmental amenities and their effect on wages and housing prices. The paper by Hand el al. (2008) shows that residents who reside close to forests receive a lower annual wage than those who live further away. They find that the combination of housing and wage differentials can be used to price the forests at about 30 dollars per square mile annually. Their approach is unique in that they estimate wage and housing hedonics separately and aggregate their values to estimate a value for the forest. There results show that environmental amenities or dis-amenities can change local residents’ wages.

This paper is novel because it is looking at the effect that superfund sites have on wages for people living near them. It will also encompass all large cities in the United States, and will have a substantially larger dataset than most other studies. The model will use data from the American Community Survey consisting of over 3,000,000 observations. Because of the geographical anonymity required for this type of survey, roughly 10 percent of these observations were in identifiable cities. This information of location can be tied to superfund site information, where the superfund sites are located within the recorded city.

While statistically significant, the economic significance of residing near Superfund sites is relatively low (about $250 per superfund site). The first possibility of why superfund sites do not significantly affect wages in their area is because the negative externality of the superfund site is already accounted for in housing prices. This line of thought would support the past research which has shown superfund sites do have an impact on local house values (Gayer et al., 2000; Greenstone & Gallagher, 2008; Noonan et al., 2007; Noonan et al., 2009; Walker, 1992; Zuindeau & Letombe, 2008). The second is the possibility that workers have little knowledge of how many superfund sites there are nearby—and how dangerous they may be.
Other variables in the analysis are consistent with theory and past results. We see that years of education and experience each have a positive return (at a diminishing rate). The household head variable is positive which supports past literature. The race variables follow past results for the LN(Wage) regression, but most change value and some change sign when wage is augmented by the cost of living index. Interestingly, all of the race variables change significance sign except for the American Indian designation. After controlling for cost of living, earnings for “black” Americans were not statistically different from earnings for “white” Americans. Also after this adjustment, “Asian” Americans earned a statistically significant amount less than “White” Americans, equal to almost ten years of education.

The next three variables of married, female and English each show the expected result. For example, those reporting to be married earned a statistically significant amount more than those who responded as single. This difference is roughly equivalent to three years of education. Females earned less than males, about equal to two years of education. For those who did not speak English fluently, their wage went down but by a much smaller amount than the previous two. However, when adjusting wage for cost of living the English variable grew tremendously. This might show that speaking English in low income areas is considered an advantage, probably where most of the non-English speakers reside.

**Keywords:** superfund sites, hedonic wage, differential-wage equation, non-market valuation

**References**


The Impact of Bankruptcy Law on Entrepreneurship (Self-Employment)

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Abstract

The scientific aim of the analysis is to fill the research gap concerning empirical studies on the impact of bankruptcy law on entrepreneurship (self-employment) through lowering entrance and exit barriers. By analyzing different economic and institutional factors influencing the level of entrepreneurship, our study helps to develop research methods allowing to demonstrate, that bankruptcy law has both statistical and economic effects on self-employment level. Research will fill the cognitive gap related to the impact of the bankruptcy system model on the development of entrepreneurship. Furthermore, the impact of “severity level” of bankruptcy proceedings on propensity to engage in business activities will be empirically tested – in order to verify the main thesis of the study, that a more liberal (less strict) bankruptcy law (debtor-friendliness of the bankruptcy law model) favors entrepreneurship and self-employment. A comprehensive regulatory framework governing the issues of insolvent entrepreneurs has a pivotal role in the functioning of bankruptcy institution. The quality of the law and its efficiency is crucial when it comes to adopting insolvency practices in the economy. Properly set targets in the insolvency procedure, responsive to the needs of the economy, can facilitate business activities, guaranteeing an immediate return of production means in case of underperformance on one hand, and favoring actions aimed at debt restructuring or corporate restructuring on the other. The effectiveness of law is a research area closely linked to American legal realism, whereas in many countries (e.g. Poland) the effectiveness of law is still not a subject of an in-depth reflection, detailed analysis or cross-disciplinary research. An efficient legal system must work under specific social and economic conditions. Law remains a dead letter if it is not properly applied. Thus, representatives of American legal realism draw a distinction between “law in books” and “law in action” (Dworkin, 1998). The lack of efficiency of legal institutions causes the legislation to lose importance. The need for cross-disciplinary research is mainly due to the need for entrepreneurship. Empirical studies on institutions in the economy blend with the institutional economics and are crucial when it comes to emphasize the importance of institutional and political factors for the economic growth (Coase 1937, Demsetz 1997, Godłów-Legiędź 2005, Hodgson 2004, North 1990, Ostrom 1990, Ratajczak 1994, Rudolf 2005, Stankiewicz 2012, Williamson 1998, Ząbkowicz 2003). In order to verify the impact of bankruptcy law characteristics on self-employment, we will employ quantitative and qualitative methods. During the first stage, a review of existing world literature shall be conducted, enabling us to specify economic and institutional factors having impact on boosting entrepreneurship. Moreover, a qualitative study on bankruptcy proceedings (based on Poland case) from 2004 to 2016 shall also be conducted, allowing us to analyze their characteristics and estimate the amount of small and microbusinesses making use of bankruptcy proceedings. In order to verify the research hypotheses, we will use quantitative methods: the cross-sectional ANOVA test and regression method. The following variables shall be standardized: ease of second chance, severity of bankruptcy procedures index and resolving insolvency index. In the next step, on the basis of their standardized values, factorization in pairs
(e.g. debtor-friendliness of bankruptcy law versus its efficiency) will be performed according to the mean. Finally, two studies will be conducted using the classic analysis of variance.

**Keywords:** bankruptcy law, entrepreneurship (self-employment)

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Education & Training
Developing Global Leaders: A Study of MBA Programs in the Caribbean and Central America

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Abstract

MBA programs are key to developing effective global leaders. After carefully examining and defining global leader and global leadership, this study explores the characteristics of MBA programs in the Caribbean and Central America. It focuses on assessing programs based on availability, program quality, program length, entry requirements, cost, target markets and courses in the curriculum. The aim is to determine how effective the MBA programs are at preparing participants for leading change and making a positive impact on international businesses. The methodology examines 34 MBA programs in the Caribbean and Central America. An analysis was conducted to determine the similarities and differences in characteristics of each program. The findings highlight that a Master of Business Administration (MBA) comes in many forms and fashions. The MBA degrees show specific teaching and learning in core areas like accounting and finance, marketing and market research, leadership and human resources management, and operation and logistics management; with specializations and concentrations designed to meet unique fields of study. The conclusion highlights similarities in entry requirements across the board, with some organizations providing full-time and/or part-time options of study. It was recognized that the courses offered in the respective 34 programs do not differ significantly in course loads and course descriptions. However, more needs to be done to ensure that leadership education is more prevalent in the MBA programs in the Caribbean and Central America. The authors proposed two approaches to integrating leadership into MBA programs; the Workshop Model and the Achieving Styles Inventory.

Keywords: education, Americas, leadership, integration, ranking, model
Hospitality Education Program Student Operated Restaurants: A Practical Education Component

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Abstract

Hospitality Education colleagues have observed over the years that hospitality students need to understand theory but that they must also understand how to apply that theory in situ. Dean Howard Meek of the Cornell University School of Hotel Administration observed many years ago that our students appear to do well when they first see an example or application of a principle, theory or model. After having been exposed to that example they then are ready to understand the theory and principles involved in the example. Lastly, having understood the theory, they are ready to reapply that theory or model in many other settings, applications and examples. Experiential learning may be key to the overall success of students in the workplace. In order for students to have a holistic experience, they should be exposed to hands-on learning. There are over 30 accredited colleges in the United States with strong hospitality programs. Many of these colleges offer a chance for students to work in student run restaurants (SRR). This allows the students to experience real hospitality management and be prepared for the industry upon graduation.

Purpose of Study

The purpose of this study is to ascertain the role and potential role of student run commercial food operation in hospitality education programs?

Research Questions

• What are the learning outcomes that students experience in the SRR?
• What do the directors of the hospitality programs view as crucial components of SRR’s to make them beneficial for experiential learning, as well as keeping the SRR’s cost effective?
• How do the restaurants fit in the curriculum?
• What is the extent of Student involvement in the SRR’s?
• What is the extent of faculty involvement in the SRR’s?

Methodology

An in-depth, semi structured interview questionnaire was created. The research conducted needed to answer the research questions as listed above and repeated here. The purpose of our current study was to ascertain the role and potential role of student run commercial food operations in hospitality education programs? In particular, the researchers wanted to have a fuller understanding of the impact a Student Run restaurant (SRR) can have on an individual who is about to enter the restaurant business. Does a SRR provide a setting where a student could get some experiential learning in a controlled environment? The seven participants in the study were all either teaching the Restaurant Operation course or were Directors of the respective hospitality programs in which the SRR was housed. The method of gathering data was through in-depth interviews, which were conducted on the telephone. These interviews were then summarized in a
transcription. by the principal researcher. Once the interviews were transcribed, they were
categorized in an Excel spread sheet. All the questions had a relative answer in the rows with
names of participants in the corresponding columns. Once all the questions and condensed
responses were entered into the table, a content analysis was carried out. The themes were
underlined and in the end a pattern was formed.

**Keywords:** experiential learning, student run restaurant, front of the house, back of the house

**References**

Keeping Hospitality, Travel, and Tourism Students on the Pathway: A Guided Learning Journey to Success With ePortfolio

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Abstract

This presentation shares progress of Travel, Tourism, and Hospitality faculty at an urban community college in their undertaking of curriculum review following a guided pathways approach. This two-year project is funded through the college’s Center for Teaching and Learning and focuses on several key objectives, such as making connections between the various courses throughout the curriculum; helping students make connections between their diverse experiences; and facilitating integrative learning and reflection activities for students. These connections are leveraged through the development of a core student ePortfolio.

This project is guided by four pedagogical practice areas from the American Association of Community Colleges (AACC). These main practice areas informed specific phases of this project and include:

- Mapping pathways to student end goals
- Helping students choose and enter a program pathway
- Keeping students on a path
- Ensuring that students are learning

Mapping Pathways to Student End Goals

The College has developed a framework for advanced student learning. The framework’s core competencies (Inquiry and Problem Solving, Global Learning, and Integrative Learning) and communication abilities (Oral, Written, and Digital) are designed to help ensure that all graduates develop their capacity to build and use knowledge with the higher order thinking processes essential to success in advanced education and career. The competencies and abilities articulate key benchmark goals for general education and programmatic learning, structure assessment in both areas, and reflect the College’s collective vision for student learning.

The initial phase of this project included faculty defined and led identification of essential curricular learning outcomes. The learning outcomes aligned with the overall college core competencies and abilities.

Helping Students Choose and Enter a Program Pathway

The second phase of this project focused on preparing students for the economy, for democracy and global community, and to pursue their own hopes for a better future. Helping students choose and enter a program pathway begins in a well-designed and intention First Year Seminar experience. In this course, students are introduced to many pathways to success, including classroom learning, advisement, co-curriculars, and internship opportunities. The First Year Seminar enables a constant focus on the most important purposes of college learning.
Keeping Students on a Path

The third phase of this project helps keep students on a path to graduation and success. Programs, courses, and assignments are well-designed and sequenced to foster deep learning. This is achieved through mapping essential learning outcomes across the entire program at progressively more challenging levels from initial courses to final studies. Deep learning is also achieved through connecting the curriculum visibly with the wider world and students’ own questions, while providing clarity, direction, and progress points or “markers” for students.

With equity a paramount value, programs meld high-touch and high tech to monitor and support student progress giving special attention to frequent or systemic barriers and challenges. Here, we build an intentional and welcoming community, so that every student feels known, respected, supported, and savvy about where to find help. The “High Touch” component includes mentoring and individualized degree plans to connect program pathways (and developmental education, if needed) with students’ own goals, lives, and emerging interests, while the “High Tech” component deploys data analytics to provide timely information about student progress and problems, and to address systemic disparities or barriers.

Ensuring That Students Are Learning

The final project phase has all students participating frequently in high impact practices, from first to final year. Here, the focus shifts the focus from passive listening to students’ own effortful engagement with questions, problems, and projects including community, or work-based projects. The guided pathways approach also ensures students’ continuing practices of essential learning outcomes such as inquiry, analysis, engagement with difference, collaborative problem-solving, ethical inquiry, quantitative and scientific reasoning, information literacy, and communication skills.

Every student completes an applied learning project which is connected to program and student goals. The goals include connecting college learning with unscripted questions important to the student; preparing and enabling students to become self-directed learners; and embracing AAC&U’s LEAP challenge. The LEAP challenge invites higher education instructors to make students’ “signature work” a catalyst for their integrative and applied learning.

Students’ own work, including their applied learning projects, provides the primary evidence of their progress toward degree level learning and educational achievement. Reducing the emphasis on assessment that are disconnected by design from the actual program of study; shifting our focus to students’ own “best work”.

References


Who Wants Business and Economics Diploma via Open Education: Example of Anadolu University, Turkey

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Abstract

Obtaining a university diploma is a very hard work. One should study hard, attend classes, strictly follow the deadlines for home works etc. What if you do not have time and money to attend to in-campus education for a university diploma. This is the case for many people, there are situations where an individual cannot attend to formal education for a university diploma whatever the reason. The simple solution to this problem is Open Education. Open Education has been used in Turkey since 1982 via Anadolu University. Anadolu University has provided students a chance to get a diploma and more than two million students have already graduated. When Anadolu University Open Education system was founded in 1982, the main learning material, the course book, was sent to the students by regular in surface post. Students were given exam dates, one midterm and one final exam. They were invited to the exam centres and multiple-choice exams were filled out. After completing successfully one term, students were allowed to continue with the remaining terms. Anyone who has somehow get in touch with a Business and Economics degree will easily see that there are some core courses that will make a headache, such as mathematics and statistics. To study these subjects at home by yourself is very difficult indeed. In order to solve this problem, Anadolu University created an educational TV group called ETV. They were responsible to create TV programs for students as if they were in a classroom and listening their courses from a lecturer. Turkish Radio and Television Corporation, later, dedicated an educational channel called TRT 4 so that these educational programs were aired and reached many students around Turkey. In 1982, there were not many universities for students to attend and also to enrolled in to one of the universities available was very tough. Therefore, again open education provided the opportunity of getting a university education for those in need. The open education system also allowed the have improvement on gender equality in higher education in Turkey. In a recent study by Aktaş and et al. specifically aimed at to assess how gender ratio has evolved over 32 years, whether spatial clustering exists within the gender data around the country, and to what extent women were represented in higher education programs. Turkey is not a small country, geographically speaking. To answer these queries, gender ratio datasets were examined using visual (mapping) and spatial cluster analyses. Findings support that, distant programs of the university have helped more women participate in higher education programs across the country over the years, leading to relatively more normalized distribution of gender in education across the geographical regions. It has already been said that in order for students to be successful support TV programs were created. In later years, Anadolu University started to make agreements with local universities for teaching of difficult subjects such as statistics and mathematics to open education students leaving in those cities. A lecturer from participating university started teaching the course with the material provided by Anadolu University, course book, in-class to those students who want to attend. The course time tables were scheduled either late at night such as between 19:00 and 22:00 hours or on the weekends using the facilities of these universities. This structure of teaching gave a new dimension to Open Education in Turkey. If you are comfortable with the course material given to you and were able to understand the subject and take the exam
you had no problem. But If you can not a difficult subject you were given a chance of listening the course from television or from a lecturer (for limited number of courses). In this study, the general structure of students attended the Business and Economics programs of Anadolu University are studied. A general picture of this student body is investigated. The main characteristics of the students are given by tables and maps (via spatial data analysis methods). The lessons learned from past and passed downed to the future are given.

**Keywords:** open education, business and economics education, learning

**References**


Innovation of Online Training Program With the Implementation of High-Impact Integrative Learning Structure for the Hospitality Faculty

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Abstract

The crux of this paper touches upon a main overarching theme that enhances undergraduate student learning outcomes by implementing high-impact integrative learning and teaching strategies. This paper specifically aims to create a course development training programs online with a focus on discipline-specific integrative learning strategies and experiences for hospitality courses. The integrative learning tactics and immerse learning strategies are defined as; (1) co-curricular, (2) curricular, and (3) career development. The proposed integrative learning initiatives are committed to build knowledge about the depth of student learning that results from participation in integrative opportunities. Therefore, based on those learning tactics and strategies, this paper will provide greater understanding of the broad usages of online courses designed with high-impact integrative learnings experiences and establish a concerted focus on student learning and growth in hospitality courses.

Keywords: online training program, online course development, high-impact learning structure, integrative learning
Finance & Banking
One-Sided Linking of Mortgage Loans to the Price of Foreign Currencies

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Abstract

Complex securities that are based on combinations of bonds and derivatives have become very common. The translation of such inventions to loans to private household borrowers changes the rules of the game of derivatives and this practice becomes potentially unfair. This paper demonstrates this contention by reference to one particular arrangement of home mortgage loans where the monthly payments are one-sided linked to a currency exchange rate. As real world example is described, and a pricing model is applied. The complexity of the valuation process is beyond comprehension even to intelligent rational borrowers. Hence, these types of loans are potentially unfair to naive borrowers.

Keywords: currency linked loans, one-sided linkage, put options, valuation model
Market Related and Market Independent Components of Company Stock Return in Bangladesh: Which is Stronger?

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Abstract

The paper aims to determine the strength of factors that contribute to the stock return of a firm operating in the capital market of Bangladesh. There are 302 companies trading their stocks in the Dhaka Stock Exchange (DSE). Of them, 233 DSE listed companies are chosen for the research owing to data availability for the almost 18-year period of January 2000 to November 2017. The select companies represent 17 industrial sectors. Market related and market independent components of return are selected as explanatory variables. Statistical tools as multivariate regression and descriptive statistics have been applied on the 233 company observations. It is seen that select variables can positively explain average return from equity investment in Bangladesh.

Keywords: company stock return, single index model, equity market, multi-variate regression, Dhaka stock exchange
To What Extent Does Franchise Decision Affects Restaurant Firm's Financial Performance?

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Abstract

Franchising is considered as significant sources of entrepreneurial activity both in the United States and abroad. Franchising, especially in the US, grew so fast since the 1950s that it is now convincing in the US economy. Many companies in various sectors have adopted franchising as a way of doing business. Franchising, now, prevails in certain sectors of the US economy. It is a fact that the change in lifestyles in the USA and Western Europe is two important environmental factors contributing to the development of franchising, with an increasing emphasis on service and convenience and higher travel intensity that increase the value of a brand. Not surprisingly, the franchise also catches a large part of the restaurant industry and plays an important role in its success. In a survey conducted by the International Franchise Association (IFA), franchising is reported to have expanded by about twice the rate of company-owned ventures (Bradach, 1998). Consumer mobility and time constraints have increased the popularity of the restaurant chain. In order to avoid losing time searching for a restaurant in unfamiliar locations, it is likely for consumers to choose restaurants having national brand name over local restaurants (Matheson and Winter, 1985; Sen, 1998). As a result, many restaurants have chosen franchising as the preferred growth method. Franchising has been seen as a major source of entrepreneurial activity around the world (Combs et al., 2004). As defined simply by Kostecka (1987): "A franchise is a way of doing business where a franchisee has the right to offer, sell or distribute goods or services under a marketing form designed by the franchisor. The franchisee allows the franchisor to use the franchisee's trademark, name and advertising. A franchise is a form of organization through which a firm (franchisor) permits a second (franchisee) to use its business practices and to market goods or services under the brand name of the franchisor. The franchise system can be operated in two formats. One of these is franchising of product or trade name distribution. This is a more limited business relationship between the supplier and the dealer; In this way, the franchisor gives the franchisee the right to use the trademark of the franchisee, but might not provide a system to help the franchisee manage the business. Automobile dealership and gasoline are samples of that. Second is the business format franchising. It consists of an ongoing commercial relationship between a firm with a proven business system (franchisor) and a third party (franchisee). Many franchise research focuses on business format franchises that sell the franchisor's trade name, operating systems, product specifications, and the full use of the business concept. Examples of business format franchises are fast service restaurants and accommodation chains. The rapid growth of franchising has caught the attention of researchers from various academic fields (Elango and Fried, 1997). Over the last 20 years, a significant amount of franchising research has been conducted in a variety of disciplines, including economics, law, marketing and management. Many franchising studies have focused on motivation for franchising (Anderson, 1984; Allon, 2001; Carney and Gedajlovic, 1991; Combs and Ketchen, 1999; Shane, 1998). However, few studies have elucidated the relationship between the franchising and the firm's financial performance (Shane, 1996; Michael, 2002; Combs et al., 2004; Srinivasan, 2006;
Hsu and Jang, 2008). The scarcity theory of resources and the agency theory are two dominant theories that explain the motivation of firms for franchising decisions (Aliouche and Sclentrih, 2005). The scarcity theory tends to see franchising as a means to gain access to scarce resources as a firm grows. It explains it in the following way: Franchising allows their franchisor companies to use franchisees’ capital and management expertise to accelerate growth to reach minimum efficient scale and public brand capital (Hunt, 1973; Norton, 1998). On the other hand, the agency theory focuses on the efficiency of the incentive features of the franchise relationship (Crney and Geadjlovic, 1991; Combs and Ketchen; 1999, Norton, 1988). According to the agency theory, the advantage of franchising is that it encourages franchises to maximize the profits of franchising, turning outlet managers into owners, and reducing the need for direct monitoring by the franchisor. The behaviour of the company's unit manager will require more monitoring than the behaviour of the franchised-owned outlet manager. Three important franchising research topics need to be studied in order to understand the franchise phenomenon: the franchise initiation, then the subsequent tendency to franchise and franchise performance (Combs et al., 2004). Comprehensive research has been conducted on whether franchising increases the access to scarce resources or reduces the costs of monitoring, and if this elucidates tendency to franchise (Alon, 2001; Brickley and Dark, 1987; Combs, Michael and Castrogiovanni, 2004; Sen, 1998). Less attention was given to why companies start franchising and how franchising affects financial performance. Combs et al. (2004) suggested changing the research emphasis on these two issues in order to guide the entrepreneur whether to franchise an existing business and to understand how the franchising affects the performance of a firm’s performance. In response to this need, this study applied agency theory and the scarcity theory and used both franchised and non-franchised companies’ data to investigate the factors that could affect the decision.

**Purpose of the Study**

Considering the success and popularity of franchising, it seems that franchising has helped companies to achieve superior financial performance compared to non-franchised businesses. The purpose of this study is to empirically investigate this suggestion. First, dominant theories (agency theory and scarcity theory) were applied to investigate firms’ franchise motivations and their impact on financial performance. The second goal was to fully understand the financial performance of the franchise using multiple performance measures.

**Methodology**

This study focuses on the US restaurant industry, an important component of the US economy. The reason for this study to select US restaurants as the field of study is the fact that US restaurants generated $1.3 trillion in revenues, operated 935,000 outlets, and employed 12.8 million people (National Restaurant Association, 2016). Moreover, Bradach (1998) noted that restaurant chains are an increasingly important force in the franchise industry. Franchising is the most common organizational form of the restaurant industry in terms of both dollar sales and sales points, with sufficient examples for empirical analysis (Kostecka, 1987). In addition, the restaurant industry is particularly useful for studying because it represents a relatively mature segment of the fast-growing business-format-chain industry (Bradach, 1998). For this study, 74 sample firms were chosen from among the publicly held restaurant firms operating in the New York Stock Exchange, American Stock Exchange and the National Association of Securities Dealers Automated Quotations systems. Secondary financial data regarding the sample is taken from a database provided by Standard & Poor's Compustat, a comprehensive database that is widely used by finance experts within the academia, government and business. From this database, all companies
in the restaurant industry based on the Ministry of Labour’s Standard Industrial Classification (SIC) codes, have been selected to be incorporated into the sample of the current study. With this classification, companies with Standard Industrial Code (SIC) 5810 and 5812 have been incorporated into the sample. The number of franchise units and total units, the number of states and foreign operations were collected from Bond's Franchise Directory and each company’s annual 10K filings in SEC’S Edgar database. The primary objective in this study is to define the factors that motivate firms to pursue franchise contracts. It is a fact that there are various measures to collect information on profitability. The most common measures correspond to return on assets (ROA Net Income / Average Total Asset) and return on equity (ROE Net Income / Average Stock Owners Self) (Dickerson et al., 1997). In this study, both ROA and ROE were used to explain the firm’s determinative financial performance. In addition, alternative performance measures have been used in this study because traditional financial performance metrics such as ROA and ROE do not have a formal connection with shareholder value. It is thought that the risks are not clearly taken into account and that they do not echo the opportunity cost of the capital used. Shareholder values depend on the amount of return, risk and capital invested. A significant problem with traditional financial performance measures such as ROE and ROA is the following: they may not be consistent with shareholder value maximization. On the other hand, EVA and MVA were found to be consistent with the value maximization of shareholders (Stewart, 1994; Grant, 1996; Uyemura, Kantor and Pettit, 1996; O’Byrne, 1996, 1997). Over the past decade, EVA (Economic Value Added) and MVA (Market Value Added) has become an important management tool for many corporations. For this reason, both traditional financial performance measures and alternative performance measures have been used to compare both outcomes.

Conclusions

The most prevalent theories explaining the franchise phenomenon suggest that the firm's preference for expanding through franchising might have significant advantages over firms that grow on their own. The franchises grow rapidly, reduce capital requirements, reduce monitoring costs and reduce risks by allowing franchisees to use managerial and financial resources of franchise owners (Allon, 2001; Srinivasan, 2006). Consequently, aforementioned advantages should provide franchising firms with superior financial performance. It is expected that the franchising enterprises outperform full ownership and create additional economic, market and shareholder value. Moreover, franchising can be thought to be useful in managing demand growth and uncertainty, and in providing the firm with more knowledge and intellectual assets which can eventually lead to increase in future cash flows while reducing risks (Srinivasan, 2006; Srivastava et al., 1998). For this reason, franchising should increase the financial performance and value of the company.

References


Factors Affecting Usage Intention of Mobile Banking: Empirical Evidence From Turkey

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Abstract

Mobile banking is defined as a mobile information processing application which gives customers opportunity to make banking transactions anywhere and at any time via smartphones. When the development of mobile banking technologies is examined, it is noteworthy to express that such technologies have been rapidly adopted all over the world. One of the best examples in terms of understanding this development is Turkey. Despite the fact that Turkey was relatively late to integrate mobile banking technology in comparison to similar countries, it showed a much more rapid progress in this regard. In this sense, it will be useful to examine Turkey in terms of explaining the mobile banking adoption factors. There are several recent studies focused on mobile banking in the literature. Shaikh and Karjaluoto (2015) conducted a literature research regarding the mobile banking use of individuals. The results of the study showed that the most important factor in the use of mobile banking services in both developed and developing countries is the perceived usefulness. Malaquias & Hwang (2016) examined the factors affecting trust in mobile banking from the viewpoint of developing countries. As a result of the study, they found that there is a negative relationship between trust and the use of mobile banking for the undergraduate individuals. Albashrawi & Motiwalla (2017) investigated the privacy and personalization in terms of continued usage of mobile banking. The results revealed that perceived usefulness and perceived ease of use have a significant impact on mobile banking usage. Siddhartha et al. (2011) investigated the factors affecting behavioral intentions toward mobile banking usage in India. As a result of the study, they found that factors like perceived image, perceived value, self-efficacy, perceived credibility and tradition affect behavioral intentions towards mobile banking usage.

Methodology

Population of the study consisted of individuals who benefit from the banking services in Turkey. In this context, bank customers living in different regions of Turkey constitute the sample of the study. As a sampling method, convenience sampling which is one of the improbable sampling methods has been used. The measurement development and hypotheses were based on the earlier literature on mobile banking. Banking customers need to trust in mobile banking. Problems like viruses or Trojan horses may increase users’ concern about payment security and can affect customers’ intention to use mobile banking (Zhou, 2012). A number of studies show a direct significant effect of trust on usage intention (Alalwan et al., 2017; Malaquias & Hwang, 2016). However, trust has an effect on perceived risk. This study aims to find the effect of trust on perceived risk before intention to use. In this regard, the following hypothesis is developed: H1: Trust is negatively associated with perceived risk. Quality reflects the quality of information such as information relevancy, accuracy and timeliness (Kim et al, 2009) and quality of services such as ease-of-use, visual appeal etc. (Zhou, 2011). If mobile banking systems do not give sufficient information about the transactions or have poor services, this will decrease customers’ perceived benefit of mobile banking usage. Therefore, the following hypothesis is developed: H2: Quality is positively associated with perceived benefit.
Perceived risk is defined in terms of the uncertainty and unfavorable consequences associated with consumers’ expectation (Bauer, 1960). Perceived risk plays an important role of catalyst in many online financial transactions and also in mobile banking transactions (Kesharwani et al., 2012). Perceived risk would lower consumers’ intention to use mobile banking because of uncertainty. However, consumers would be willing to transact if their risk perceptions were low. Thus, lower risk perception may increase the intention to use mobile banking. In this regard, it is hypothesized that: H3: Perceived risk is negatively associated with intention to use. In recent studies of mobile banking, it has been suggested that customers buy a product with cognitive and affective evaluation (Kim et al, 2007). For this reason, perceived benefit is found as an important factor in understanding mobile banking (Akturan & Tezcan, 2012). Intention to use mobile banking directly affects perceptions about mobile banking. If perceived benefit of mobile banking usage is positive, the intention to use mobile banking increases. Therefore, it is hypothesized that: H4: Perceived benefit is positively associated with intention to use.

Findings and Conclusion

After examining all questionnaires, the ones which have too many missing values have been removed. As a result, 224 valid responses have been obtained. Explanatory factor analysis was applied to all scale items used in the research and since the factor loads were below 0.50 values, some items were subtracted from the trust, quality, perceived risk and perceived benefit scales. Anderson and Gerbing (1988) approach was followed in the implementation of the structural equality model. Firstly, data were tested for validity and reliability by applying data confirmatory factor analysis. Validity includes both convergent validity and discriminant validity. All AVEs exceed 0.5 and all CRs exceed 0.7. Thus, the scale has a good convergent validity. Secondly, structural hypotheses were tested with structural equation modeling. The model fitness statistics are shown in Table 1 and the validity and reliability analysis results are given in Table 2.

**Table 1. Summary of Fitness Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Chi2/df</th>
<th>GFI</th>
<th>AGFI</th>
<th>IFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended value</td>
<td>≤ 3</td>
<td>≥ 0.90</td>
<td>≥ 0.80</td>
<td>≥ 0.90</td>
<td>≥ 0.90</td>
<td>≤ 0.06</td>
</tr>
<tr>
<td>Confirmatory factor analysis</td>
<td>1.66</td>
<td>0.90</td>
<td>0.87</td>
<td>0.96</td>
<td>0.96</td>
<td>0.05</td>
</tr>
<tr>
<td>Structural Model</td>
<td>1.59</td>
<td>0.90</td>
<td>0.87</td>
<td>0.96</td>
<td>0.96</td>
<td>0.05</td>
</tr>
</tbody>
</table>

*Chi2/df is the ratio between Chi-square and degrees of freedom, GFI is Goodness of Fit Index, AGFI is the Adjusted Goodness of Fit Index, IFI is the Comparative Fit Index, CFI is the Incremental Fit Index, RMSEA is Root Mean Square Error of Approximation

<table>
<thead>
<tr>
<th></th>
<th>CR</th>
<th>AVE</th>
<th>MSV</th>
<th>MaxR(H)</th>
<th>Perrisk</th>
<th>Trust</th>
<th>Quality</th>
<th>Intention</th>
<th>Perben</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perrisk</td>
<td>0.782</td>
<td>0.544</td>
<td>0.457</td>
<td>0.783</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.866</td>
<td>0.617</td>
<td>0.524</td>
<td>0.867</td>
<td>-0.676</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>0.874</td>
<td>0.537</td>
<td>0.524</td>
<td>0.878</td>
<td>-0.508</td>
<td>0.724</td>
<td>0.733</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention</td>
<td>0.885</td>
<td>0.721</td>
<td>0.511</td>
<td>0.894</td>
<td>-0.488</td>
<td>0.707</td>
<td>0.635</td>
<td>0.849</td>
<td></td>
</tr>
<tr>
<td>Perben</td>
<td>0.895</td>
<td>0.741</td>
<td>0.511</td>
<td>0.917</td>
<td>-0.348</td>
<td>0.459</td>
<td>0.504</td>
<td>0.715</td>
<td>0.861</td>
</tr>
</tbody>
</table>

*Composite reliability (CR) for all scales exceed 0.7 and Average variance extracted (AVE) exceed 0.5 which is a convergent validity criteria. The criteria for discriminant validity (MSV<AVE; ASV<AVE; the square root of the AVE must be higher than the correlations with another factor) are all provided (Table 2).
Table 3. Structural Equation Model Analysis Results

<table>
<thead>
<tr>
<th>Independent Var.</th>
<th>Dependent Var.</th>
<th>Estimate Value</th>
<th>Standard Error</th>
<th>Critical Ratio</th>
<th>Significance</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Perceived Risk</td>
<td>-0.835</td>
<td>0.100</td>
<td>-8.320</td>
<td>***</td>
<td>H1 Accepted</td>
</tr>
<tr>
<td>Quality</td>
<td>Perceived Benefit</td>
<td>0.456</td>
<td>0.066</td>
<td>6.895</td>
<td>***</td>
<td>H2 Accepted</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>Intention</td>
<td>-0.180</td>
<td>0.055</td>
<td>-3.287</td>
<td>0.001</td>
<td>H3 Accepted</td>
</tr>
<tr>
<td>Perceived Benefit</td>
<td>Intention</td>
<td>1.374</td>
<td>0.182</td>
<td>7.531</td>
<td>***</td>
<td>H4 Accepted</td>
</tr>
</tbody>
</table>

In this study, it is aimed to examine the effect of perceived risk and benefit on intention to use mobile banking. Results show that, while trust has a negative relationship with perceived risk, quality has a positive relationship with perceived benefit. Perceived risk has a negative effect on intention to use, perceived benefit has a positive effect on intention to use mobile banking. This study examines the factors influencing the mobile banking and constitutes a risk-benefit model of mobile banking usage intention.

Keywords: intention to use, mobile banking, Turkey

References


Trends and Performance of Travel and Leisure Indices

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Abstract

Travel and leisure has become among the most important economic activities around the world. It comprises numerous sub-sectors operate in a wide business segments including airlines, hotels, gambling, restaurant, bars, recreational services, travel, tourism and tour operating companies. According to the World Travel & Tourism Council (2017) report travel and tourism contributed $7.6 trillion USD (10% of global GDP) and 292 million jobs (equivalent to 1 in 10 jobs) to the global economy in 2016, and the leisure travel spending comprises of 76.8% of travel and tourism direct contribution to global GDP. This primarily reflects a significant role of this industry in the global economy. Travel and leisure industry has experienced continues expansion during the past periods and become virtually among the fastest economic sectors in the world. According to the World Tourism Organization (UNWTO, 2017), international tourist arrivals have surged 1.23 billion in 2016 from a mere 25 million in 1950. This sector recorded an average consecutive robust growth of 3.9% even during the post Global Financial Crisis. This makes Travel and Tourism industry growing as faster as other significant sector such as financial services, automotive and health care. Numerous studies investigate the relationship between economic growth and expansion of travel and leisure sector in the destination countries. Some studies argue the economic driven tourism growth, while others tourism lead economic growth. Balaguer and Cantavella–Jorda (2002) argue that tourists spending for both business and travel have a positive contribute to the foreign exchange earnings and balance of payment and consequently to the national economy. They discover a stable long-run association of economic growth with tourism expansion in Spain. Durbarry (2002) and Kim H. et al., (2006) mention other economic benefits such as employments, tax revenues and additional sources of income that derive from of tourism activates. Other researchers explore the inter-linkage between tourism expansion and economic development. Dritsakis (2004) reported the long-term impact of tourism in the economic growth of Greece. On the other hand, other studies such as Lanza et al. (2003) and Narayan (2004) report economic-driven tourism growth.

Several performance measures have been proposed by different studies. Stephens and Bartunek (1997) used economic value added as a performance measure by subtracting the cost capital involved from the profit generated. While others employ stock return performance to measure firm’s performance. For instance, the traditional capital asset pricing model (CAPM) which was proposed by Sharpe (1964), Lintner (1965) and Mossin (1966) helps to measure the average excess return for the assumed risk. Fama & French (1995) also employ the stock excess return measure using the CAPM to measure firm’s performance. Gu’s (1994) used two common performance measures in finance, the Sharp and Treynor ratios, to examine the portfolio performance of hotel, restaurant and casino sectors during 1983-1992. Kim et al. (2002) employ Jensen index performance measure to analysus the risk adjusted performance of hotel REIT. Mao and Gu (2007) study the risk adjusted performance of three hospitality sectors stocks, hotel/motel, casino/gaming and restaurant, using four performance measures Sharpe ratio, Treynor ratio, Jensen ratio, and Appraisal ratio between 2000-2003. They present evidence that casino/gaming sector stocks...
performed better in contrast to the underperformance documented in stock return of hotel/motel sector. An investment that yields higher return for a given risk level or have less risk for a given level of expected return considered as attractive investment. A risk-adjusted investment measures helps to fully understand the performance of a fund or certain industry under a certain risk level. These measures are applicable in varies firms and asset classes to gauge how well the funds are perform relative to other classes. Several studies assess the stock performance of different companies. For example, Ofek and Richardson (2003) found that the stock returns of information technology companies are more volatile that other sectors of economy. Corgel and de Roos (1997) examined the volatility of lodging companies during the year 1984-1993 and reported the existence of high volatility return compared with real-estate firms. Firstenberg, et al., (1988) discover that hotel firms have higher risk and returns compared with other property classes.

Even though, the relationship between travel and leisure expansion and economic growth has been explore by numerous studies, the broad risk-adjusted stock performance of this sector has paid little attention by previous researchers. Owing to the unique characteristics of this sector, this study attempts to explore whether this particular sector stock returns outperform the broad market during the study period. This study, therefore, complements the extant literature and provides important new evidence which helps stock investors or portfolio managers to better understand the feature and performance of travel and leisure sector to manage their portfolio and make more informed investment decisions. In order to understand how the theoretical framework is applied in this study, it is necessary to explain how the methods and theories that have been used in order to obtain the numerical results. According to classical finance theory, the outperformance of the any asset can only be explained by measuring how much risk is involved in producing a given returns. Many models are developed to measure the performance of financial assets. Some of these models are the classic models like the Sharpe Ratio, the Jensen measure and the Treynor ratio. As argued by Eling & Schuhmacher, (2007) the choice of measurement does not affect the outcome in such a way that would have been expected to be. Hence, we employ the classical risk-adjusted performance measures to answer the question whether travel and leisure sector outperforms the broad market.

In this paper we investigate the performance of travel and leisure indices relative to the benchmark global index. The data set includes daily returns of FTSE travel and leisure index of Turkey, U.K., France, U.S. and World travel and leisure index. We used FTSE world as a broad representation of travel and leisure sector, and S&P 500 as a proxy of the overall market. The sample period ranges from January 1994 to December 2017. Travel and leisure sector is one of the largest and diverse classifications of FTSE. Several performance measures have been proposed by different studies. For instance, using economic value added as a performance measure by subtracting the cost capital involved from the profit generated or by employing stock return performance to measure firm’s performance. In this study we use widely known and industry standard performance measures in finance, such as the Sharp and Treynor ratios, to examine the index performance. Sharpe ratio indicates the ratio of the excess return to standard deviation of any portfolio or asset. Sharpe Ratio measures return per unit of risk represented by variance. While, the Treynor ratio uses beta as the volatility measure, which divide the investment’s excess return over the beta. These measures calculate the risk-adjusted return and assess whether indices excess returns are as a result of much risk or due to smart investment decisions.

Moreover, we also compute cumulative returns of each indices by investing one dollar at the beginning of sample period. The world travel and leisure index is more strongly correlated with the U.S. index. A strong correlation also found between U.S. travel and leisure and the market
returns, conversely there is no significant correlation between U.S. or market returns and Turkey. The result shows that apart from Turkey the performance of other countries is relatively less than the market. The returns of U.S. travel and leisure index outperforms the world benchmark. The result shows that the returns of Turkey travel and leisure index outperforms other indices with the corresponding higher drawdown. However, the Sharpe and Treynor ratios of most travel and leisure indices are less than the market. The finding of this study may have important contribution in the academic literature, optimal portfolio decisions and for investors to make investment decisions.

**Keywords:** risk-adjusted performance, financial ratios, travel and leisure, stock indices

**References**


Revisiting the Spot-Future Relationships: Case of Emerging Stock Markets

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Abstract

Minimizing future risks and efficient risk management are the fundamental functions of futures markets. Price discovery in futures and spot markets involves exploring the close relationship of these two markets in order to detect which one initially processes the information. Efficient market hypothesis argues that the prices reflect the information in a similar way. However, in practice, markets are not efficient, and one market can trace another. Besides, volatility spillovers are important factors which generate interactions between spot and futures markets. Shocks in different markets tend to increase volatility in other markets due to globalization. Volatility of a financial variable may spread to another variable through linkages between financial variables after a shock, event or crisis. This is defined as volatility spillover and indicates a dynamic relationship between variables. Price changes in one market are linked to its own dynamics and also to price changes in other financial markets. This effect induces recent studies to examine the determinants of spot and futures markets volatility spillovers.

Investors may use spot and future indices as well as basic financial assets in order to diversify their portfolios efficiently. Besides, the absence of volatility spillover between the assets included in the portfolio enables investors to reduce their risks through portfolio diversification. However, global and regional shocks affect volatility spillovers between spot and futures markets of each country in a different way. Certain volatility spillovers between spot and futures indices are effective in all analysis periods, while others are valid only in short-term, mid-term and long-term periods and it decreases the benefits of portfolio diversification for investors. Hence, it is important to analyze the directions and frequencies of the volatility spillovers in short-term, mid-term and long-term periods so that investors are able to determine healthy portfolio management policies, risk management strategies and investment timing decisions.

Volatility spillovers can exist between futures markets as well as financial and macro-economic variables like bonds, currencies and interest rates. In other words, spillovers impact multiple different economic and financial variables. Thus, detecting volatility spillovers and their sources has great importance for policy makers as volatility spillovers affect the operation of financial institutions and markets.

The most wildly used method for analyzing volatility is variance causality tests. Variance causality tests are developed by Cheung and Ng (1996), Hong (2001) and Hafner and Herwartz (2006), and mainly used to determine the directions of volatility spillovers in literature. Alaganar and Bahr (2003), Neaime (2006), Yalama (2008) and Köseoğlu and Çevik (2013) employed variance causality tests in order to investigate volatility spillovers between different financial market. In the literature there are a limited number of studies that analyze volatility spillovers using Hafner-Herwartz variance causality test. For additional details refer Görmüş, 2012; Nazlıoğlu et. al., 2013.

Literature review demonstrates that there are many studies which investigate volatility spillovers between spot and future market using different data sets and econometric approaches. However, optimal risk and portfolio management can only be achieved by detailed analysis of volatility spillovers. Therefore, explanation of the directions and time aspects of volatility spillovers between spot and futures indices is highly important. Different aspects seem to be neglected in the worlds’ spot and future market volatility spillover studies. The main objective of this study is to determine direction and frequency aspects of volatility spillovers between spot and future stock indices of developing countries. The analysis is based on Hafner and Herwartz (2006) variance causality test and Breitung-Candelon (2006) frequency causality test that employ volatility series obtained by GARCH (1,1) model. This study may overcome an important caveat in the literature owing to the fact that it will examine different aspects of volatility spillovers between spot and futures markets of developing countries.

Main hypothesis of the study is shown below:

- **H0**: There are no volatility spillovers between developing countries’ spot and futures markets
- **H1**: There are volatility spillovers between developing countries’ spot and futures markets in short-term, mid-term and long-term periods

Although there are various previous studies on volatility spillover analysis with the purpose of determining relationships between different financial assets and markets, there is a limited number of studies which investigate world spot and future market volatility spillovers. This study may provide important contributions to the existing literature and may guide investors who require to benefit from international diversification by investing in spot and future markets in developing countries.

The study analyzes data in the period between September 15, 2008 and December 26, 2017. The data sets are future and spot indices of developing countries which are Brazil (Sao Paulo Commodity and Futures Exchange), China (CSI300 Index Future), Hong Kong (HSCEI Index Future), Hungary (Budapest Stock Exchange), India (CNX Index Future), Indonesia (LQ45 Index Future), Korea (KOSPI 200 Futures), Malaysia (FTSE Bursa KLCI Futures), Mexico (Mercado Mexicano de Derivados-Futures), Poland (WIG40 Index Future), Portugal (PSI20 Index Future), Singapore (FTSESIT Index Future), Taiwan (TWSE50 Index Future), Thailand (SET50 Index Futures). The data is obtained from Thomson & Reuters Datastream in a weekly frequency.

Hafner and Herwartz (2006) causality in variance test shows that in countries other than Hungary, Mexico, Malaysia, Singapore and Thailand, futures market volatility causes spot market volatility. However, this test shows only spillover direction. Information regarding time aspects are not provided. Therefore, Breitung-Candelon (2006) frequency causality test of volatility series...
obtained by GARCH (1,1) model is used and different frequency volatility spillovers from futures index to spot index are evidenced.

In this study, frequency causality test results show similar findings with Hafner and Herwartz (2006) causality in variance tests. No volatility spillovers are detected between Mexico future and spot index. China, India, Korea, Poland, Taiwan and Thailand future indices have volatility spillovers in all frequencies. Besides, the results demonstrate that Brasil, Hong Kong, Hungary, Indonesia, Malaysia, Portugal, Singapore and Turkey indices have volatility spillovers from future indices to spot indices in certain frequencies. In conclusion, futures markets of the developing countries generally impact their spot market volatilities in different frequencies.

**Keywords:** volatility spillover, causality in variance tests, spot and future markets, developing countries

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The Enforcement of the Rule of Law in the Financial Sector: The Strategic Synergies Among Judicial Authority and Financial Supervisory Authorities

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Abstract

A recent research work conducted in the Bank of Italy analyzed the relationship between the slowdown in economic activity in Italy in the years of the crisis - from 2008 to 2011 – and the intensification of criminal incidents. The results show that the economic crisis had an impact only on certain types of criminal activities, i.e., on property and financial offenses especially on those who do not require particular criminal abilities, such as theft. In line with the recent European directives, economic crimes must be combated by pursuing both the objective of law enforcement and that of economic development. A balanced strategy of prevention and suppression must be found upon rules that lay down clearly formulated obligations; that avoid intrusive instruments and rigid procedures; that do not overburden honest businesses; that institute mechanism of enforcement and sanctions that are swift, effective and proportionate to the seriousness of the infractions; that provide incentives for intermediaries to collaborate with the structures that fight money laundering; and, in conclusion, that strengthen domestic and International cooperation among authorities. The States that are most aware of the problem, perceiving that the criminal organizations are most vulnerable when they seek to pass the proceeds of the crime into legitimate channels, have long concentrated their efforts on the protection of the financial system. Different institutional players are called to collaborate to the enforcement of the rule of law in the financial sector, and to contribute to the achievement of the results set. A major role is played by the Judiciary, by the Supervisory Authorities, the Financial Intelligence Unit (UIF) established at the Bank of Italy, and by the Investigation Authorities. It’s easy to infer, therefore, that the intensity and quality of the institutional cooperation between the supervision and judicial authorities represent an essential and fundamental element to achieve an effective prevention of illegal activities, since the exchange of information on different skills. Collaboration with the judiciary helps each of the two sides to pursue in better their institutional objectives. It occurs in the awareness of the diversity of the roles performed and in full compliance with the guarantees and the rights of defense of the subjects concerned, in turn a cornerstone of the rule of law, an indispensable defense of legality. The necessary of dialogue between the Supervisory Authority and the Judicial Authority is definitely demonstrated as well as the great benefits provided at national level to the financial system. For this reasons it will must be a fundamental effort of the European Legislator to find the best way of cooperation between the European Central Bank and European Public Prosecutor Office.

Introduction

The essential components of a good institutional system are the protection of rights fundamental rights and property, fair regulation, good administration, efficient provision of essential public services. However, there is no good governance without legality: the ability to prevent, repress and punish illicit behavior is an integral part of a favorable institutional framework, as well as the civil growth, even in a development balanced economic. Although it is not easy to isolate the relevance of this last element compared to that of the rest of the institutional framework and other essential factors for growth (such as human capital and social), some estimates of the effects that it exert on economic development and social issues are starting to be available for our country as well. At the
macro-economic level, for example, a work carried out by the Bank of Italy proposes an overall estimate of the losses - in terms of gross domestic product - that can be directly associated with organized crime.

**Methodology**

Analysis of the data provided by the Bank of Italy, the Office of the Public Prosecutor's Office of Rome and Milan, the Financial Information Unit and the European Central Bank. The study is carried out at the level of local labor systems and the trend of the conjuncture at the local level comes represented on the basis of information from a database of company balance sheets (CERVED). The crime measures used are based on the news of crime received by the judicial authorities by the State Police.

**Sample**

It is focused attention on the two regions of southern Italy subject to more recent infiltration, Puglia and Basilicata, comparing its economic development in the decades before and after the spread of the contagion mafia, occurred in the late 70s, with that of a group of central North regions that had similar initial socio-economic conditions.

**Empirical Model**

The empirical results show that, concurrently with the infection, Puglia and Basilicata moved from a growth path that was superior to that of the group of regions initially similar, but not infected, to a lower one. The decrease in GDP per capita growth attributable to the onset of organized crime can be estimated at 20 percentage points in thirty years, and mainly reflects minor private investments.

**Findings**

Due to the excellent results obtained by the strong and continuous collaboration in Italy, the Bank of Italy (banking supervisory authority) and the magistrate, also other European countries and the European Union have now perceived the need for close collaboration between the supervisory bodies and control with the common aim of countering at best organized economic crimes. In this sense, the progress made by the European Commission, which is trying to shorten the time of European Public Prosecutor Office’s stabilization, is now very important, with a clear vision to strengthen the close contact between the banking supervisor (ECB) at European level. and the investigating authority (EPPO).

**Conclusions**

Legality and economic development are interdependent. An efficient rule of law, with balanced regulation and the effective capacity to enforce it, create a environment conducive to development, favors investment, attracts the best energies human. The widespread illegality alters the market mechanisms and upsets the incentives in favor of unproductive or harmful activities; slows growth by reducing collective well-being. Neither they achieve injustices and inefficiencies that go to the detriment of all, but especially the most honest and weaker. In the financial sector in particular, illicit and criminal interferences endanger the stability of the operators involved and the freedom and efficiency of the market. The prevention and the fight against financial crimes are therefore
an essential part of the activity entrepreneurial. Strict compliance with the law is the cornerstone of sound and prudent management, on the which the Bank of Italy supervises. Unfortunately, prolonged periods of recession offer one more opportunity to crime. Yes increases the impact of some crimes against property. Vulnerability may increase individuals and businesses to usury, thus allowing crime to extend its own control over the legal economy. The fall of confidence in the financial system and in the activities that it offers increased use of cash and the use of safe haven assets such as gold and other metals valuable, facilitating the use of less traceable means of payment. The Bank of Italy is strongly committed to fighting illegality in the field financial, according to the competences and with the tools that the law assigns them. Crimes like the false accounting, recycling, patrimonial unfaithfulness, endanger integrity banking activities, interfere with supervision, alter competitive mechanisms.

**Keywords**: financial supervisory authority, European central bank, European public prosecutor office

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Demystifying Gender Bias Intensity in Service Based Organizations

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Abstract

Gender inequality and the value of gender diversity are widely acknowledged in the literature. Women experience organizational barriers relative to their success; yet, there are clear links between increases in representation of women in leadership roles to increases in financial results. As service based industries seek for a competitive means in a highly saturated and differentiated market, organizations should not neglect moving women to the top of their strategy focus and activities. Accordingly, this research investigated the intensity of gender bias in service based industries by functional area and examined the linkages between gender, gender bias, leadership rank, and equal opportunity measures to support organizations in using gender as a competitive strategy. This research was conducted with 138 participants and revealed gender bias as a complicated manifestation explained through the lens of Pluralistic Ignorance. Findings of this study demonstrate more women than men experienced gender bias despite both genders reporting equality in the work place. This research contributes to understanding gender bias intensity factors, with the acknowledgement of Pluralistic Ignorance to explain contrary data, to promote organizational awareness and direct efforts.

Keywords: gender, gender bias, gender stereotype, gender stigma, pluralistic ignorance, work environment, women, diversity, human resources
Self-Efficacy and Job Outcomes Among Tour Guides

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Abstract

Self-efficacy refers to individuals’ levels of confidence in their ability to execute a course of action or achieve specific performance outcomes. Hence, it remains as an integral element in the relationship between ability and performance. This study therefore uses self-evaluation to achieve a better understanding of how self-efficacy relates to job outcomes (job performance, job satisfaction and well-being) among tour guides who significantly influence tourists’ impressions of a destination. The Structural Equation Modelling (SEM) is adopted to examine significant relationships between these factors. The results found that self-efficacy is positively associated with these job outcome variables and that job performance was positively related to job satisfaction and well-being. Further, this positive relationship was indicated between job satisfaction and well-being. These results have practical implications for the tour guide population, as they can provide a roadmap for developing self-efficacy interventions which can improve their job performance/satisfaction as well as psychological happiness and well-being.

Keywords: self-efficacy, tourism, tour guide, job outcome
Determination of the Contributions of Local Authorities to Develop Gastronomy Tourism: Adana Sample

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Abstract

The aim of the study is to study the contributions of local authorities to develop gastronomy tourism. Interview method being one of the qualitative research methods is preferred. 10 questions formed by taking interview form literature survey and the studies of Gürbüz, Serçek ve Toprak (2017) as an example, are prepared. The population of the research is formed by tourism sharer of Adana city, research sample is formed by Adana Provincial Directorate of Culture and Tourism and Cukurova Development Agency. Interviews were made on 09th of January 2018 with authorized people working in these institutions. As a result of the interviews, it has been seen that local authorities are aware of gastronomy tourism and they started studies to realize gastronomy tourism potential in Adana. It has been determined that they did plans in the furtherance of Adana gastronomy tourism, gave importance to advertising with activities such as Adana Gastronomy Fest, Gastronomy Market. It has been concluded that the local authorities are the most effective institutions on gastronomy tourism. It has been deduced that they are conscious about gastronomy tourism and they are involved in the activities to develop gastronomy tourism in Adana. The local authorities are suggested to increase studies made on this subject, to study in different populations and sample groups in academic studies and to introduce an integrated study.

Keywords: local authorities, gastronomy tourism, Adana
The Effects of Personality Traits of Employees on Their Socialization Levels: A Research in Hospitality Establishments

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Abstract

This study aims to determine the effect of personality traits which employees bear on the socialization levels they display. Data was collected from the population composed of employees working at boutique hotel establishments operating in the Province of Nevsehir with questionnaire technique and assessed in terms of statistics. As a consequence of the regression analysis used to test the hypotheses, it was revealed that their personality traits positively and significantly affected the organizational commitment, organizational acceptance, motivation and job satisfaction which are socialization levels. It is expected that the findings regarding the study will contribute to this field as a limited number of researches have been made particularly in terms of tourism literature.

Keywords: personality traits, socialization level, boutique hotel, Nevsehir
The Evaluation of Influence Tactics Perception of Hospitality Establishment Employees in Terms of Demographic Variables

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Abstract

This study aims to reveal whether the influence tactics usage of four and five –star hotel employees in Nevsehir differs according to their demographic traits. Influence Tactics Scale was used to collect data. The question papers formed as a data collection tool were left at four and five –star hotels which accepted the application of the questionnaire and collected after a while. The question forms were distributed to a total of 281 employees; however, 217 questionnaires were analyzed. It is investigated which tactics the managers of the employees working at four and five star hotels use and whether the situation of being affected by these tactics show any difference according to demographic variables. In consequence of the analyses performed, it was observed that the age of the employees and the length of working in the sector made a difference in their perception of influence tactics.

Keywords: tactics perception, influence tactics scale, four & five star hotel employees, Nevsehir
Analyzing Online Reviews on Hotels by Humans Versus Artificial Intelligence

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Abstract

An increasing dependence on the Internet as the source of information for decision-making regarding tourism products makes it important to analyze online reviews for hoteliers. Utilizing available online customer reviews can be used to better understand and analyze guests’ comments and improve the service delivery process in hotels. However, there is a vast volume of information that makes it difficult for hotel companies to review and evaluate all of it. Artificial intelligence (AI), manifested by machines that exhibit aspects of human intelligence, is increasingly utilized in services industries and today is a key source of innovation (Rust and Huang 2014). Hotel companies can greatly benefit from AI to analyze online customer reviews. The aim of this research is to assess how AI compares to humans when it comes to analyzing online reviews. We gathered open-ended online reviews for a group of Orlando-area resorts and ran three experiments. First, the data was analyzed by a graduate student who used completely manual data analysis, common tools and techniques to interpret the comments from the online reviews. Next, the data was analyzed by two researchers using Atlas.ti and SPSS Modeler. Finally, the data was analyzed by an AI engine called “Ana”. The first method conducted by a graduate student took about 50 hours to analyze the data manually whereas, it took researchers about 9 hours using statistical and qualitative research analysis tools. We call this method hybrid model as it utilizes complex text mining software and human power. On the other hand, our AI engine (Ana) took about 15 minutes to uncover the same insights. The research findings suggest that using AI can greatly assist hotel companies in analyzing guests’ online comments accurately and also give them more time to focus on implementation of solutions versus analyzing data.

Keywords: online reviews, AI, customer satisfaction, social media

References

How Much Does the Consumer-Based Brand Equity Affect the Financial Performance of the Company?

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Abstract

Brands are increasingly regarded as primary capital in many enterprises. Creating a strong brand with a large capital provides a number of possible benefits to a company like greater customer loyalty and competitive marketing actions or less vulnerability to marketing crises; larger margins; more positive customer response to price increases and decreases; more trade or intermediation cooperation and support; increased marketing communication effectiveness; licensing and brand expansion opportunities. In addition, customers develop emotions and associations with brands and remain faithful to them because of "added value" (Barwise, 1993). The cost of offering a new brand to market is $ 100 million and has 50 percent probability for failure (Oursoff, 1993; Crawford, 1993). With the contribution of this information, it is a fact that the development of existing brands and the establishment of brand management as an institutional component of the corporate strategy is an important concept for companies seeking growth opportunities. To exemplify, instead of developing a new luxury hotel brand, Marriott International Inc. decided to buy the Ritz-Carlton, a luxury hotel chain in 1995. In doing so, Marriot Corporation continued to differentiate; Lower operational risk, limits new product introduction costs and improves corporate performance (Muller, 1998). As time goes by, companies recognize the brand's power and use it as a competitive tool to provide a sustainable advantage called brand equity. Brand equity is defined as "the differential effect of brand knowledge on the consumer response to the marketing of the brand" (Keller, 1993: 8). There are three different perspectives to consider brand equity: customer-focused viewpoint, financial viewpoint and combined viewpoint. Brand power, one of the multi-dimensional concepts of customer-focused brand equity, is based on the perceptions and behaviours of its customers, which enable the brand to benefit from sustainable and different competitive advantages. Another dimension, brand value, is the financial outcome of management's ability to use its brand power to deliver superior current and future profits through strategic activities. From a consumer perspective, the brand will generate value for the firm only when the it provides the customer with value (Aaker, 1991; Keller, 1993). In addition, Consumer-based brand equity is divided into four dimensions: brand loyalty, brand awareness, perceived quality and brand image (Aaker, 1991, 1996). It has been widely accepted and used by many researchers (Keller, 1993, Motameni and Shahrokhi, 1998, Low and Lamb Jr., 2000, Prasad and Dev, 2000, Yoo and Donthu, 2001). The financial perspective is based on the increasing discounted future cash flows arising from the income of a branded product over the income of an unbranded product (Simon and Sullivan, 1993). The asset representing the brand is included in the assets of companies in the balance sheet. Finally, the combined viewpoint covers both the market power and the financial value of the brand (Motameni and Shahrokhi, 1998). The brand will be a quick way for the hotel and restaurant chains to identify and differentiate themselves in the minds of the customers. To avoid losing time to search for restaurants and hotels in unusual locations, consumers are likely to choose restaurants and hotels with well-known brands and leading brands over others. The concept and measurement of brand equity increased academics and practitioners more than ten years; basically, because of the importance of today's market, to protect brands and

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use them to gain a certain competitive advantage. It is also expected that hotels and restaurants having strong brand value will dominate higher occupancy rates and average room rates due to high customer satisfaction and a favourable price. It will result in higher operational performance, RevPar (Prasad and Dev, 2000). It also enables top executives of hospitality and restaurant businesses to compare the power of brands in a competitive set, to follow the equity of the hotel and restaurant over time, and to develop therapeutic marketing strategies (Prasad and Dev, 2000).

The main objective of this study is to examine the underlying dimensions of consumer-based brand equity and its relation to the financial performance of the hotel and restaurant industry, assuming that consumer-focused brand equity consists of brand awareness, brand loyalty, perceived quality and brand image. Empirical study was carried out and two separate survey studies were conducted to collect data for hotels. The data were collected by surveys conducted at Istanbul Atatürk Airport. The reason of selecting an airport for a survey place was that most branded hotels unwilling to do surveys for customers inside their hotels. So, travellers were interviewed immediately after entering the gate of departure lounge of the airport. For financial performance analysis, it was preferred to receive 8 branded hotels located in Istanbul were chosen for survey responses. Three performance dimensions are examined. Accounting statements are measured using the company's average asset return (ROA) and sales growth is measured as the average annual increase in sales. Market performance was evaluated by average market-to-book value of the companies. Regression analyses were employed in order to examine the relationship between brand equity and firm’s performance. Previous research shows that brand equity can be expressed numerically in terms of both financial and customer perceptions and attitudes. As a result, the end result of this study shows that strong brand equity can lead to a significant increase in profitability and lack of brand equity in hospitality firms can damage potential cash flow. This means if a marketer in hospitality firms does not strive to improve customer-based equity, the marketer should expect declining revenue over time.

**Keywords**: brand equity, financial performance, hotels

**References**


How Alcoholic Beverage Etiquette Can Increase Sales

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Abstract

This paper focuses on the transient properties associated with etiquette, building trust and loyalty with guests. Understanding proper etiquette provides context for alignment of service with the establishment whereby guests are more open to suggestive selling from the employee. Etiquette is intertwined with increasing sales and decreasing guest dissatisfaction.

Keywords: sales, etiquette, guest loyalty, dissatisfaction, alcoholic beverages
Corporate Environmental Policy Adoption and Environmental Disclosure: 
The Impact of Board Characteristics and Executive Compensation

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Abstract

This study examines how board characteristics (structure and diversity) and executive compensation related to ESG (Environmental – Social – Governance) affect corporate environmental policy adoption and environmental disclosure. Based on data for S&P 500 companies retrieved from Bloomberg, we use hierarchical regression to explore sequentially the effects of three sets of independent variables (firm characteristics, board characteristics, and executive compensation) on the extent to which firms adopt environmental policies and disclose information on environmental practices and performance.

The link between environmental management and corporate performance has been researched for decades. Porter and van der Linde (1995) argued that improving environmental performance reduces waste, increases productivity, and improves corporate performance; conversely, Walley and Whitehead (1994) argued that the costs associated with improved environmental performance are so high that firms rarely realize any financial benefits. The empirical evidence in support of the view that “it pays to be green” is mixed. In a meta-analytic review of the literature, Albertini (2013) provides some insight about the contradictory findings. She acknowledges that the environmental construct is measured by a number of variables that can be categorized into one of three types: (1) management, (2) performance, and (3) disclosure.

The impact of environmental disclosure has been addressed in the environmental accounting literature. Clarkson, et al. (2013) found a positive association between environmental performance and voluntary environmental disclosures consistent with economic drivers. Lyon and Shimshack (2015) established that media-generated sustainability rankings had a significant effect on shareholder value (i.e., highly rated firms experienced abnormal stock market returns after the disclosure of rankings). And Cormier and Magnan (2015) found that a firm’s legitimacy has a mediating effect on the relationship between environmental disclosure and financial markets (i.e., on the quality of financial analysts’ earnings forecasts).

Researchers have also explored how governance factors (i.e., board characteristics) affect voluntary environmental disclosures. Ben-Amar and McIlkenny (2014) found that the effectiveness of the board (as measured by an index that considers director independence, CEO/Chair split, etc.) is positively related to participation in the Carbon Disclosure Project (CDP). Liao, et al. (2015) concluded that board gender diversity (percentage females) is strongly correlated with both the propensity and level of disclosure on GHG (greenhouse gas) emissions (CDP report) and that board independence is positively related to the propensity of disclosure. Ben-Amar (2017) found that the likelihood of voluntary climate change disclosures increases as the percentage of women on the board increases. Our study follows along these lines of inquiry.

We use data for S&P 500 companies retrieved from Bloomberg via the Financial Analysis, Environmental, Social and Governance function. These data, collected in early 2016, are for FY 2015. Since companies are not required to disclose information on environmental policies,
practices or performance, Bloomberg compiles these data from publicly available sources. Given the varying degrees of transparency among firms voluntarily reporting this information, Bloomberg determines and provides an “E” disclosure score (using a proprietary method). The E Score (Environmental Disclosure) can range from 0 (no disclosure) to 100 (full disclosure). For S&P companies, the range is 1.55 to 82.17, with a mean of 27.23.

Bloomberg also provides dichotomous (Yes=1; No=0) data representing company adoption of nine different environmental policies (Energy Efficiency, Emissions Reduction, Water Use Reduction, Sustainable Packaging, Waste Reduction, Green Building, Climate Change, Biodiversity, New Product Impact on Climate Change). In order to represent the extent to which a firm adopts environmental policies, we create a new variable for each company (Environmental Policy Adoption) by summing across the policies, dividing by 9, and multiplying by 100.

We use hierarchical regression to explore sequentially the effects of three sets of independent variables (firm characteristics, board characteristics, and executive compensation) on each dependent variable (Environmental Policy Adoption and Environmental Disclosure). As done in previous research, we control for the firm characteristics of industry, size (number of employees), risk (debt/assets), and ROE (5 year average return on equity). The board characteristics included in the model relate to structure and diversity. We use the number of independent directors, CEO duality (CEO who is also Chairman), percentage of women on the board (gender diversity) and the board’s age range (age diversity). Bloomberg provides a variable on whether or not executive compensation is linked to ESG. We use this to represent executive financial incentive to be proactive on sustainability. Since it is reasonable to assume that any effects due to governance may be lagged, we use data from fiscal year 2013 for the variables related to board characteristics and executive compensation. We implement the hierarchical approach by fitting three regression models for each dependent variable. Changes in R-Squared are evaluated using an F-test as per Cohen and Cohen (1980).

With respect to Environmental Policy Adoption, the changes in R-Squared between the first and second estimated regression models (F=12.73) and the second and third estimated regression models (F=10.79) are statistically significant (at $\alpha = 0.01$). This indicates that the sequential addition of independent variables (board characteristics to firm characteristics and executive compensation linked to ESG to board and firm characteristics) adds significant explanatory power, with the final model explaining about 30% of the variability in the dependent variable. Controlling for significant effects due to industry and firm size, an increase in the number of independent directors and percentage of women on the board positively impacts the extent to which environmental policies are adopted; age range of the board has a negative impact. Moreover, providing a financial incentive to executives by linking compensation to ESG goals increases the extent of environmental policy adoption.

With respect to Environmental Disclosure, again the changes in R-Squared between the first and second and between the second and third estimated regression models are significant at $\alpha = 0.01$, with F=17.80 and F=15.13, respectively. The full model explains about 33% of the variability in Bloomberg E disclosure scores. In terms of significant predictors, the results are identical to what we find for the dependent variable Environmental Policy Adoption. That is, controlling for the significant effects due to industry and firm size, the number of independent directors, percentage of women on the board, and providing executive compensation linked to ESG all have a significant positive effect on voluntary environmental disclosure; age range of the board has a negative impact.
Our results are congruent with prior research on how governance factors affect voluntary environmental disclosures in that we too find empirical evidence for a positive impact due to board independence and gender diversity. It also extends prior research in several important ways. First, we consider how governance factors affect the extent to which firms adopt environmental policies. Our findings suggest that the same board characteristics that affect disclosure also impact environmental policy adoption, which we find to be highly correlated with disclosure ($r = 0.746$; $p$-value < 0.0001). Second, we use data for S&P 500 companies from a different source (Bloomberg) than other studies, which focus exclusively on the CDP. Third, no prior study has considered the effects of board characteristics and executive compensation linked to ESG goals on voluntary environmental disclosure (or environmental policy adoption). Our results suggest the importance of financially incentivizing the pursuit of goals linked to ESG.

**Keywords:** environmental disclosure, environmental policy, board structure, board diversity, executive compensation, S&P 500, ESG

**References**


Licensing for Cooks and Bakers in the State of Florida

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Abstract

This study is meant to bring about a thoughtful group discussion on the challenges to the food service industry as it relates to the handling and preparation of foods by cooks and bakers. The Center for Disease and Control (CDC) estimates that 1 in 6 Americans get sick from contaminated foods and beverages every year and that over three thousand will die (CDC, 2018). The American Culinary Federation is looking into the European Union, where they are taking the lead with licensing, which is becoming required more than ever (Santé, 2017). According to Chef Kinsella, CMC, CEC, AAC (2017). “I honestly believe that both the federal and state governments will require licensure in the near future. The rationale behind this is quite simple: The highest number of food poisoning incidents in the United States today is in foodservice establishments. The most effective way to curtail food contamination and ensure the preparation of healthy foods will be licensure.” The purpose of the study is to have an open discussion with hospitality professionals, culinary instructors, restaurant owners, dietary specialist, and hospitality students. Discuss the pros and cons of licensing for foodservice workers and what might be the impact on the foodservice industry in general.

Keywords: licensing, Florida, policy, cooks

References

How Do Millennials Select Restaurants?

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Abstract

The study investigates how Millennials’ select restaurants when they eat out. Based on an in-depth literature review, semi-structured interviews were developed and data was collected via face to face semi-structured interviews with 50 Millennials. Interviews took from 10-45 minutes, were tape recorded and transcribed. The findings suggest that millennials’ demographic characteristics such as gender and education influence their food choices. Millennials often prefer quick, convenient, and inexpensive food, close restaurants to their home or workplaces. Interestingly, they claimed to pay attention to healthy eating but their reported eating practices and restaurant selection options did not fully support their claims. The research findings offer interesting theoretical and practical implications.

Keywords: millennials, eating behavior, restaurant selection, qualitative research
Chinese Cruise Customers Loyalty: The Impact of Customer Participation and Service Personal Values

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Abstract

The cruise industry in China is undergoing rapidly development. Nevertheless, current researches are just in the initial stage. Therefore, it becomes critical and urgent to discuss in depth how to enhance the recognition and satisfaction and loyalty of Chinese tourists. Based on the perspective of service-dominant logic, the purpose of this study was to shed light on a better examining of the formation process of loyalty behavior of Chinese cruise tourists. The empirical results indicated that customer participation (CP) positively influenced service personal values (SPV), customer satisfaction (CS) and as well as customer loyalty (CL). SPV have significant and positive impact on CS as well. Moreover, the study also finds that collectivism has a strong positive effect on CP. Price sensitivity negatively moderates the relationship among CP, CPV, CS, and CL. Finally, practical contributions to the Chinese cruise industry and theoretical contributions to the literature were discussed. Overall, findings from this study offer constructive suggestions for cruise companies in China to upgrade their competitiveness.

Keywords: cruise tourists; customer participation; service personal values; customer loyalty; price sensitivity
'Fake News' in the Travel and Tourism Domain: An Investigation of the Phenomenon and Challenges for the Industry

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Abstract

The proposed conceptual paper considers the phenomenon of ‘fake news’ in the context of travel and tourism. ‘Fake news’ are described as fictitious information which is produced to appear as credible evidence, therefore designed with a deceiving purpose (Brennen, 2017). The term has gained momentum and greater attention in the recent years due to diffusion of Information and Communication Technologies, digital media and the popularity of numerous social platforms reaching out and connecting people across the globe. The power of ‘fake news’ has demonstrated to have a vast impact and implications on public matters. An example often cited is the latest U.S. political elections held in 2016, where the effects of fabricated stories played a primary role in the outcome of the elections, with false reports and information seriously challenging the more traditional and recognized media sources (Allcott & Gentzkow, 2017). The term ‘fake news’ has been associated to: news satire and parody, manipulation, fabrication, advertising, and propaganda (Tandoc, Lim, & Ling, 2018). As the term appears not to be universally accepted, Allcott and Gentzkow (2017) further include: intentional reporting mistakes; rumors that do not originate from a particular news article; conspiracy theories; satire that is unlikely to be misinterpreted as genuine; false statements by politicians; and reports that are biased or misleading although not absolutely false. This evidence clearly shows the discussion around the term and its use is unquestionably dynamic and represents a controversial topic. The tourism sector cannot be ignored amidst this social global phenomenon, being tourism a sector highly dependent on information and an incessant originator of new information, shared and consumed by millions of people worldwide (Werthner, Koo, Gretzel, & Lamsfus, 2015). In the wake of the latest facts from various contexts, ‘fake news’ has the potential, for instance, to impact opinions, expectations and behavior of tourism consumers; the manipulation of information could also be used -to different extents - to the benefit or detriment of tourism operators or destinations. The paper briefly reviews the literature on the topic of ‘fake news’. At the time of conducting the literature review, academic sources were available in the areas of politics, journalism, sociology and computer science. This supports the need for specific research applied to the tourism field, hence originated the scope of this study. The review of practical evidence also leads to identify and include examples of ‘fake news’ in the travel and tourism industry. The research undertaken finally leads to categorize four areas of importance: a) Ethical considerations; b) Marketing of tourism organisations; c) Impact on tourist’s perception and behavior and; d) Issues on security and regulation of ‘fake news’ in travel and tourism. The proposed paper represents the first piece of research attempting to better understand the phenomenon of ‘fake news’ in the travel and tourism context. Therefore its main aim is exploratory in nature and it attempts to raise consideration and encourage discussion about several conceivable implications related to users (visitors and tourists), tourism organisations and marketers, on both theoretical and practical aspects around the diffusion of the phenomenon at the center of this abstract. The paper gives academics and practitioners a foundation for envisioning the current and future state of ‘fake news’ and the challenges in the travel and tourism industry.

Keywords: ‘fake news’, tourism marketing, e-tourism ethics, on-line security and regulation
References


Cruise Ships’ Safety Measures and Their Influence on Passengers’ Sense of Security and Purchase Intention

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Abstract

The cruise industry is one of the smallest industries and one of the fastest growing sectors, achieving more than 7.2% growth per year since 1980 and more than 100% in 2011. Even though the industry has recorded significant growth, security and safety issues are a major threat to the industry’s future growth and profitability (Baker, 2013). According to Lipcon, Margulies, Alsina and Winkleman (2016), 448 major cruise ship accidents were reported from 2005-2016. Recent tragic accidents on cruise lines have raised public concern about cruise line safety measurements. The purpose of this study was to examine how cruise ships’ safety measures influence passengers’ sense of security and purchase decision. The three major safety risks in the Cruise Ship Industry are 1) The risk of an external/internal attack on passengers and crew, 2) The risk of on Water Technical Malfunctions, Accidents, and Fires, and 3) The risk of Having Medical/Health Issues among Passengers and Crew. The results indicated that: 1) cruise ships’ safety measures influenced passengers’ sense of security, 2) cruise ships’ safety measures will influence passengers’ purchase decision, and 3) passengers’ sense of security will influence passengers’ purchase decision.

Keywords: cruise, safety, passenger, security, purchase, decision

References

An Investigation of the Relationship Between Noise Level and Customer Satisfaction in the Restaurant Industry

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Abstract

Controlling noise level in restaurant settings becomes particularly important in today’s environment. Unpleasant sounds in restaurant settings erode customer satisfaction and the complaints about noise level in restaurants have been accelerating. According to Zagat’s 2010 America’s Top Restaurants Survey, noise level ranked number two in customer complaints. However, in 2014, the noise level complaints became the top complaint in Zagat’s 2014 America’s Top Restaurants Survey (Zagat, 2014). Thus, the purpose of this study was to investigate the relationship between soundscape noise level and customer satisfaction in a restaurant setting. Soundscape refers to background sounds, physical sounds, and situational sounds in a restaurant setting (Hodgson, Steininger, & Razavi, 2007). This study showed background and physical sounds do not influence customer satisfaction; however, situational sounds do influence customer satisfaction.

Keywords: soundscape, customer, satisfaction, restaurant, setting

References


Are Corruption and Insurgency Nemesis of Tourism Development? Evidence From Nigeria

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Abstract

The news media suddenly became awash with breaking news headline. Coincidentally on 22nd February 2018, another set of ‘unspecified’ numbers of young schoolgirls were reportedly kidnapped by unnamed insurgent group(s). Also, by the end of the day, the Transparent International (TI) released its report (Corruption Perception Index-CPI) with Nigeria lowly placed at 148th of the 180 countries examined. In view of this, we investigate the joint significant impact of three different corruption indices and insurgency on tourism in Nigeria. A monthly data spanning 2005M01 to 2016M12 is employed. Using an ARDL econometric approach and controlling for inflation, the model significantly adjusts with a speed of 1.28% to long-run equilibrium. Both the social protection and quality of public administration indices showed long-run positive significant evidence of tourism receipts while the reverse is the case for fiscal policy rating. Similarly, insurgency exhibits a long-run significantly negative impact on the tourist receipts which translates to the performance of the industry. These indicators aggregate the performance and sustainability of tourism destinations. As a policy implementation pathway, Nigeria government and security stakeholders should rejig their counter-insurgency efforts to attain the country’s goal of enhancing a buoyant and sustainable tourism industry.

Keywords: tourism performance; corruption; insurgency; sustainable tourism destination; Nigeria; ARDL model approach.

Reference

Hotel Comment Card Reviews: A Model Proposal for Predicting Aspect Rating

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Abstract

Today, with rapid developments in information and communication technologies, customer satisfaction and loyal customer concepts gain importance. The need for customer retention efforts with people increasingly demanding, more selective and more emotional satisfaction has led to the execution of customer-focused work by the accommodation enterprises. It is crucial for the hotel management to be in constant communication with customers to establish permanent relations with them and to personalize this communication for each customer, to be able to accurately determine the preferences of the customers, and to be able to provide value to the customer. The main point in the management of the customer relationship management is to analyze the information obtained as a result of mutual (individual) interaction with the customer; to develop appropriate product and marketing strategies in line with customer behaviors, habits, needs and preferences. To this end, enterprises are needed to better understand consumer expectations and how they have shifted from product-focused to consumer-focused in order to offer products/services that create added value. In order to be able to gain loyal customers by providing customer satisfaction, and keeping pace with rapidly increasing competition, tourism enterprises are looking for ways to successfully compete by using knowledge gathered from customers themselves. Collection of customer information provides opportunities for the organization to understand purchasing behaviors of customers and helps to provide the customer preferred products and services. In that context, customer comments that indicate their feelings and opinions about their experiences are still seen as important data for tourism operators.

Considering rapid development of social media and user generated comments on the Internet, enabling transmission of knowledge rapidly, is being utilized, and relative decrease in the traditional UGC applications in hospitality industry, it can be argued that the paper-based comment cards used in hotel operations can still be regarded as a valuable feedback source of big data that is useful for the hotel management. Comment cards are a common way of obtaining customer feedback. This relatively short pencil and paper-based questionnaires allow customers to complete and return them at their convenience. It is of great convenience and secure return options, for example, hotel guests can simply put it on the make-up desk after filling out or they may use drop box, placed in the hotel. This is also useful tool for hotel guests who do not want to provide feedback in person. Further, there is still questions with regard to whether they are real or fake. Hence, in this present study, the real comments that hotel management sure about they were being received by actual guests were used.

The paper-based comment card is widely utilized and considered to be an effective feedback tool used by hotel management to understand customer expectations. Tourism enterprises use customer comment cards developed in their own organization to access desired data, including the feelings and thoughts of the customers. Yet, to make customer feedback useful for hotels, comment cards must be properly designed, implemented, and analyzed. Customer comment cards used for
measuring the customer satisfaction may differ in the types of questions they contain. Even if hotels use different design of comment cards, a common feature of many comment cards include an overall rating section which allows customer to generally evaluate an organization by using a predefined aspect rating section. The overall rating, however, does not contain any information about the customer's view of a specific feature of a service or product, and also employs predefined aspect ratings that limit the customer to specific features. In many cases, rather than directly considering the rating of a review, the content of the review gets the foreground. In light of this weakness, this paper proposes a novel aspect rating prediction technique to assign ratings to each comment card review. Sentiment analysis methods can be applied for such a case.

Automatically identifying and analyzing subjective information from natural language texts is called sentiment analysis, or opinion mining. The goal of sentiment analysis is to detect opinion, identify the sentiments people express by classifying the contextual polarity of a given text. The polarity can be positive, negative or neutral. In general, sentiment analyses are examined at three levels: document, sentence and aspect. In document level classification, it is possible to reveal the positive or negative feeling that dominates the whole of the document; in sentence-level, analysis can show positive, negative and neutral feeling in each of the sentences. In aspect level, directly focusing on the opinion itself is possible. In this level of analysis, the goal is to discover the feelings and or properties of the entities. If in a text document which contains positive opinion about an entity, it can be argued that whole properties of this entity have positive sentiment. In this study, we considered aspect level because we need to find out all aspects of the entity and whether the perception of each aspect positive or negative.

The sentiment analysis techniques can be used to analyze the overall rating of a given review (Asghar, 2016; Gupta et al., 2010; Martin, 2017), however, supervised learning was used in all these techniques. Supervised learning in sentiment analysis for rating prediction uses a training set, composed of previously defined rating and text pairs. The system is designed by the training set and the accuracy of the system is tested with this training set. However, some customer comment cards, because of the poor question designs, only allow for writing reviews and do not have rating fields to fill. In such case supervised learning-based sentiment analysis techniques are not useful for generating rating from the review. In the present study the authors propose a method for generating ratings for a given review by using the popular classifier Naïve Bayes. There have been many text classification techniques, proposed for supervised learning such as Support Vector Machines (SVM), K-Nearest Neighbor (KNN), Naïve Bayes and many others. In text categorization, Naïve Bayes classifier, which is a probabilistic classifier based on the Bayes theorem, is commonly-used. Despite its simplicity and strong assumptions, the Naïve Bayes classifier has been proven to work satisfactorily in many domains. In Naïve Bayes, the basic idea is to find the probabilities of categories given a text document by using the joint probabilities of words and categories. We, thus, decided to use a classification strategy Naïve Bayes (NB) because an advantage of Naïve Bayes is that it only requires a small amount of training data to estimate the parameters necessary for classification (Webb et al., 2005; Cheng et al., 2002). In current study, two different Naïve Bayes classifiers are used for implementing the predictions of both polarity and aspect of a given comment. The metrics recall and precision are measured to evaluate the accuracy of our classifiers. We also used k - fold cross validation technique while evaluating these two metrics. The proposed approach generates a rating using the polarity of comment and probabilities of aspects in a given text. According to the probabilities of aspects, comments aspect rating values are attempted to determine and these aspect rating values are showed as star ratings.
Our proposed model consists of three modules, namely ‘Prediction of Sentiment Polarity’, ‘Prediction of Aspect’ and ‘Aspect Rating Value Determination’. Generally, with our proposed system, when new hotel comment card review is given as input to the system, firstly pre-processing (removing numbers, punctuations, stop words etc.) period is performed. The comment which is preprocessed is given to the Naïve Bayes classifier which is trained with positive and negative labelling dataset for predicting sentiment polarity. If the comments’ sentiment polarity is positive, the comment is given to the Naïve Bayes classifier which is trained with manual labelling fifteen different positive aspects, for predicting aspect. If the sentiment of the comment polarity is negative, the comment is given to the Naïve Bayes classifier which is trained with manual labelling fort-two different positive aspects, for predicting aspect. Most of the comments we used in this study have only one positive or negative aspect. Comment probability is calculated based upon all aspects. Highest aspect probability value is determined as comment aspect. Comments’ sentiment polarity and aspect probability which is determined by Naïve Bayes classifier is used for aspect rating value determination. First, according to the sentiment polarity of the comment whether the rating is negative or positive is uncovered. Next, the aspect polarity of the comment probability is used for predicting the rating value. As the comments having aspect probability value between 0-100%, we proposed a scale for determine comments star rating. We made a pilot test to make sure the extent to which the system works or not by gathering raw data - about 2,000 paper-based reviews - from a large-scale hotel - located in Kuşadası, Turkey. XYZ hotel was selected because their response quality toward receiving comments was mentioned by hotel management as poor. We then obtained permission from the same hotel management in which we carried out pilot test, to analyze more paper-based written comments or complaints. We used three thousand and one hundred sixty-six comment cards for the analysis, collected by the hotel staff, in the period of June-September, 2016.

The contribution of this study is as follows; (1) be faster on customer feedback by making it possible to automatically summarize existing or new arrived customer comments for hotel management, (2) propose a new rating assignment mechanism for comments that have no ratings. The present study is of important insights since it combines traditional text approach and aspect rating prediction. Findings of the study can contribute to the hospitality literature, focusing on speed and accurate service recovery efforts. Moreover, although the use of comment cards in resort hotels has become limited, this study contributes to the emerging research field of traditional paper-based comment cards analysis. An important implication of our findings for hospitality industry is that hotel managements can improve service failures through quick and accurate feedback analysis. Hoteliers might use these analyses to reveal their errors in a short period based on the analysis of their guests’ feedback. Thus, given the practical implications, hotel management might find this study useful in their management of guest feedback. As such, resort hoteliers can adopt our proposed model into their service processes. To do so, it is possible to integrate the proposed model into online customer review area on the web site of the hotel so that the web site can automatically response to the customers as if feedback is given from the hotel customer service (real hotel staff). In this respect, it is assumed that the proposed model is likely to fill this gap in the resort hotel industry.

There are several limitations associated with this study. First one is with regard to number of comment cards used for analysis. Hence, it will be more reliable for testing more reviews. Second, this study focused on one resort hotel, located in Kuşadası, Turkey. Thus, future research can use guest comments from various hotels, for example business hotels, or holiday villages. Third, data analysis was based on the reviews received within a timeframe of three months. So, it would be
beneficial to get feedback dating back longer time periods. Fourth, the classification of customer comments according to the dominant aspect in customer reviews. In the future, this study can be extend based upon multi aspect comments.

**Keywords:** paper based comment card, Naïve Bayes, sentiment analysis, rating prediction

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Why Do German Tourists Still Come Despite Security Problems? A Case Study in Kusadasi, Turkey

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Abstract

There have been several researches on the impact of terrorism on tourism decision-making process, crisis management in terrorism-related destinations; however, there is no emphasis on motivations of tourists who insistently visit destinations currently being affected by serious terrorist attacks. Although Turkey has been suffering from terrorist attacks for the last decades, especially in 2016, the country was still visited by many foreign tourists this year. More importantly, there were serious attacks on tourist groups by terrorists in Turkey in 2016. This research aims to find out (1) the underlying motivations related to German tourists to choose Turkey (2) the factors that encourage them in their vacation decision-making process, and thus it will be beneficial to tourism literature by providing empirical evidence to the conceptual decision-making process and practically help industry professionals.

The study focuses on German tourists visiting Turkey in 2016 since Germany is the top country sending tourists to Turkey this year. Although previous studies suggest that risky destinations are usually substituted by relatively safer ones (Sönmez & Graefe, 1998; Baker, 2014), there were about 26 million international tourists visiting Turkey. In the same period, 3,716,584 German tourists visited Turkey, which means Germany is the top country sending tourists to Turkey in 2016. Here, the unfortunate suicide bomb attack that directly aimed at German tourists in İstanbul, Turkey on 12 January 2016 must be especially emphasized because this sad event killed eleven tourists, and ten of those were German.

When all these come together, in the light of the related literature, Turkey should not have had tourists in 2016 since it might not be attributed as a safe country because of heavy and frequent terrorist attacks, so it was a risky tourism destination. There was another point that could discourage tourists to visit there: Turkey had frequent and random terrorist attacks, and according to Pizam and Fleischcer (2002), frequency of terrorist acts has a larger impact on tourism demand compared to severity. Turkey has been suffering from terrorism for many years and 2016 was a bloody year for the country. However, there is a reality shown by statistics which indicates Turkey had 3,716,584 German tourists and at total 24,050,056 tourists in 2016 despite everything. Overall, it is important for a country whose economy heavily depends on tourism industry to find out the factors that encourage tourists to choose the destination although it seems risky and discovering the motivations and reasons of German tourists is the main aim of this study.

The sampling frame consisted of individuals who were German and who had either visited Turkey before or for the first time in 2016 since Germany was the top country sending tourists to Turkey that year. It was important to sample both tourists who either visited Turkey before or not because it was thought that there might be a difference in their risky decision according to destination knowledge beforehand.

A-multiple-step study method including in-depth interviews was used. In literature, it is possible to find out many studies focusing on the effects of terrorism or political turmoil to tourism demand
(Henderson 2003; Pizam 1999; Sönmez 1998). However, a study that shed light on why some
tourists still visit countries that have security problems inside could not be found. As a result, it
was necessary to launch an in-depth interview to get the points to focus on deeply for an
exploratory research (Johnson, 2002).

Since that was an exploratory research, there were not any available sample researches to guide
the researchers, so it was necessary to create research questions by taking the related literature into
consideration for the current study. To launch in-depth interviews, eight questions, mainly about
price, travel experience, information search and source, and motivations of decision-makers, were
prepared by the researchers and those questions were sent to three different domain experts in
faculties to be able to increase the validity. After the feedback, the necessary modifications were
made to the questions, and it was highly important to find the suitable time to start the field study,
and 8 of March 2017 was decided as the start point since there was International Tourism Bourse-
ITB- top tourism fair in the world, in Berlin, Germany. One of the authors went to Berlin to be
able to initiate the field studies.

On the first day of Berlin visit, there was the opportunity to start an in-depth interview with a
Turkish citizen who has lived in Germany for almost thirty years and has been working as a travel
agent organizing cultural tours to Turkey. He was in his fifties and he was a true field expert to
lead us during this exploratory process thanks to his great experiences in the mid of German and
Turkish tourism industry. Another reason for him to be a perfect guide is the friendship between
the author and the participant. Thus, the interview was held during a sincere dinner and it took
about three hours. All the eight questions were asked, and the answers were both satisfying and
supporting, which was important to increase the validity of the research questions. On 8 of March
2017, the second in-depth interview was held in Berlin with a German citizen who had been to
Turkey eight times before. The participant was an engineer and he was 52 years old, and the
interview took about an hour. He was eager to talk about his travel experience and decisions
because he was a true Turkey-lover, as he uttered many times during the interview.

Since 8 of March 2017 was the beginning of ITB International Tourism Bourse, it was not difficult
to find people suitable for the target group in the fair. During ITB Berlin- 08-12 March 2017- the
fair was visited, and some small conversations were held to catch a glimpse from the people
around, but, of course, these small conversations could not last long since people were not eager
to attend a research while they were there to wander around for their dream holiday. Since that
was not the first visit of the author to ITB, it was easy to observe that there were not as many people
as the previous years to visit Turkish tourism hall. Another important point during the fair was to
witness a propaganda which aimed to give people the message not to visit Turkey. After this
incident, it was more important to talk to people who were still visiting the hall of Turkey.

After these two in-depth interviews and small conversations in Berlin, the researcher returned to
Turkey, and the second step of the study started. At first, an in-depth interview with an English
couple living in Kuşadası for many years was set. The aim was to make sure about the validity of
the research questions and to see if there was something missing by comparing the answers of that
family for two reasons (1) they were from a different nation and (2) they were permanent residents
in Turkey. That interview took about an hour and the answers were really like the ones obtained
until that time, which meant the study was going in the right direction. It was now time to start a
series of in-depth interviews.
A five-star hotel in Kuşadası which was an important location for German tourists was chosen to reach and set new interviews with target groups while they were on holiday in Turkey. This hotel was important for the study because they have a great number of German tourists - both repeaters and new comer guests- every year. Another important point was that the Guest Relations Manager of this hotel was volunteer to participate actively in the study because she had been working in the same hotel for almost 15 years, so she knew every guest very well, she could set timing between the researchers and target groups, and since she was born in Germany she spoke German as fluently as her native language. All these reasons made the Guest Relations Manager of the hotel – an industry professional, as well - a great moderator for the interviews to be held. Participants were selected by the manager according to the conditions of becoming eager.

Between 5 of June 2017 and 16 of August 2017, seven in-depth interviews with 32 tourists, twenty repeat guests and twelve new comers were achieved. The medium of instruction was German with the help of the bilingual moderator since it is believed that people can explain their ideas best in their native language. These interviews were held separately, and they were in the hotel to make the participants feel relaxed. The first interview in the hotel was held with a group of five repeat German tourists and after this interview, the necessity to modify the research questions for repeaters emerged. In the rest six interviews, the research questions were directed to the groups separately and differently by considering whether they were repeaters or new comers. Each interview took about 45-55 minutes. Apart from the last interview, all interviews were organized with German guests. The last interview was held with four tourists- two of them were Dutch and the other two were Belgian- since it was aimed to create a control group and see if the factors of this research could stand still. After all, the control interview did not release any surprising results. Since all the answers were more and more similar day by day, it was thought that the field study could come to the end.

After each in depth interview, the moderator and author took notes to summarize the key points in interviews since none of the participants let voice recording for safety reasons, which was another important signal showing their negative perception of Turkey in terms of safety. ‘I do not want to be recorded because I do not think that Turkey has intellectual freedom, I might be jailed for what I say so If you insist on recording, I will have to cease the meeting and leave here…’, said a participant in group in-depth interviews. All the summaries and key points were collected to create content analysis of the study. Key words for the study were created in the light of the data obtained in the field by the authors and the related literature.

After analyzing the first two in-depth interviews held in Berlin and one interview with a couple in Kuşadası, eight main content-driven codes were created by different coders. In doing so, after the series of group in-depth interviews, a group of seven researchers in college was created and they worked on code development process together in the office, but each created code separately. This process took about two hours and surprisingly not much happened to the number of codes only two main new codes were added and agreed on.

At total, nine codes were created in two stages. In the first stage, coders defined the codes broadly whereas in the second stage codes were defined more specifically. Codes created were as risk perception, family, price, social media, cost-value, unique values of destination, intercultural communication, hedonism and religion. However; the development of categories and themes in the light of created codes is still continuing. According to the preliminary results, it was necessary to classify the guests according to their visiting experience, which means whether it was their first visit to the destination or not. It is also thought that codes can be subdivided into two subcategories.
as economic and non-economic. It seems logical to incorporate economic reasons into a single category. Under this category; price, cost-value and all-inclusive seem to be appropriate. It is also possible to collect non-economic reasons in three categories: decision-making process (risk perception and family), information source (social media and intercultural communication), and experience (hedonism, religion and uniqueness of destination).

**Keywords:** crisis, security, turmoil, tourism

**References**


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We would like to express our sincere gratitude to Mr. Ali Özkan, a tourism professional who runs his own travel agency in Germany for contributing that much to our research with his knowledge and experience in the field.
Photographs in the Field of Sustainability: Some Preliminary Findings

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Abstract

Sustainability Reporting is, according to the literature, the practice of measuring, disclosing, and being accountable to internal and external stakeholders for the company’s ability to achieve sustainable development goals and manage impacts on society. Along this line, sustainability reporting includes environmental aspects (such as raw materials, energy, water, biodiversity, air, suppliers, products and services, and transportation) as well as social aspects (such as labor practices, human rights, customer health and safety, respect for privacy, bribery and corruption, public policy competition, pricing, and corporate citizenship). In this sense, one of the main important areas of research is constituted by the agriculture and food industry: agricultural sustainability is a growing concern for the general public, taking into account agriculture’s considerable use of land, water, and other natural resources. According to Topp-Becker et al (2017), in effect, “in response to this concern, companies have started to publish sustainability reports to highlight sustainable practice”; however, the results of their survey in 2017 show that “sustainability reporting is limited among companies involved in the agri-food supply chain”. At the same time, literature on Sustainability Reporting generally relies on narrative and quantitative analysis whilst it could be fruitful to adopt also methodologies which encompass and encapsulate visual mechanisms (see Jane Davison work, from 2007 on). Bringing together these two issues of research, the paper develops an analysis of the visual content of a leading producer of palm oil in Malaysia; the findings are important because they shed light on a under-developed industry (the agriculture) using an innovative mechanism (visual images).

Keywords: Barthes, sustainability accounting, visual mechanisms

References

Peace Agreement Affecting Risk Perception and Travel Intention

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Abstract

Tourism Industry is one of the world’s important economic activities due to its fastest growing elements in the global trade (Kim, Chen and Jan, 2006; Balaguer and Cantavella, 2002; Parrilla, Font and Nadal, 2007; Ishikawa and Fukushige, 2007). For some countries and destinations, tourism is an economic sector where growth and survival are dependent on (Brida, Monterubbianesi, and Zapata-Aguirre, 2011; Cole & Morgan, 2010). The internal situation, political instability and war that Colombia faced with guerrilla for more than 50 years, had a negative impact on the image of the country. Colombia was recognized as an unsafe destination and international travelers avoid it (Gómez, 2002; Ortiz, 2002). Which had have a big impact on the economy for many years, tourism industry just contributed around 2.75% of the country’s GDP. The government signed the peace agreement with Fuerzas Armadas de Colombia, FARC, on November 2016 to improve the internal situation and the growth of the economy. It is expected that the signature of the peace agreement will have a positive impact on the tourism industry. Colombia has great opportunities to expand its tourism offerings, the country has many attractive sceneries and landscapes, diverse flora and fauna, weather diversity, wide outdoor activities, ecotourism. Researchers aim to understand the influence of peace agreement on the intention to visit Colombia, analyzing the impact of tourism information and destination image on intention to visit. It is expected that peace agreement will improve the selection of Colombia as a tourist destination for international travelers.

Keywords: peace agreement, risk perception, travel intention, Colombia

References

Human Resource Management
Demystifying the Antecedents of Presenteeism in Hospitality Industry

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Abstract

This conceptual study develops a model through which hospitality stakeholders especially business owners can minimize the deleterious impact of presenteeism in their organizations. Specifically, our extensive review of literature suggest that knowledge management systems, human capital, organizational climate and talent management are key predictors of presenteeism however, hospitality literature has paid next to no attention to this issue. Our study thereby provides the initial bridge for this identified gap in literature and call for empirical studies to validate the importance of the resulting model based on social cognitive and social learning theories.

Keywords: presenteeism, KMS, human capital, talent management, organizational climate
Assessing the Barriers to Effective Hospitality Internship in China

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Abstract

China – as the fastest expanding hotel market in the world – is currently experiencing a serious labor shortage. Talent management and innovative human resource management to enhance retention are the urgent needs in the China market. Exploring collaboration barriers may allow both universities and hotels to develop sustainable internship programs. The purpose of this study was to identify the barriers which impede hospitality internship programs. A qualitative research design with projective technique was conducted to elicit the underlying three themes of barriers perceived by industry practitioners from China’s Tier One cities. Three barriers impact on quality internship in China are environment, industry partnership, and coordination challenges. Practical and theoretical implications were addressed.

Keywords: hospitality internship; talent management; barriers management; human resources management; hospitality education
The Measure of Emotional Intelligence in Leaders

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Abstract

The ability to be an effective leader consists of a set of traits and skills that have long been sought after as the key to success. Capability, knowledge, skills, and intelligence are common qualities in a leader, and while these are necessary, they may not be foundational. Much research has been done to gain a glimpse into what exactly makes a leader great, and over the years, many things have stood out as important factors such as confidence, inspiration, integrity, open-mindedness and many more like traits. However, even when a leader possesses these traits, there still seems to be an aspect that is missing from the mix; an intangible trait that Peter Salovey and John D. Mayer first referred to as Emotional Intelligence in 1990. They considered emotional intelligence to be "a form of social intelligence that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use this information to guide one’s thinking and action." (Mayer & Salovey, 1990)

Emotional intelligence has become a key factor in the success and effectiveness of corporate leaders over the past few decades. Once it was seen that an increase in the qualities of emotional intelligence in a leader resulted in a direct increase in the team cooperation, team building, positivity in the corporate atmosphere, and overall success in leading others toward a compelling vision over a substantial period of time, the importance of emotional intelligence became clear. Great leaders are not simply one dimensional in quality and skill but also possess the added dimension of relational and emotional intelligence to their abilities, character and intelligence that puts them at the top of their field.

Daniel Goleman, the psychologist and Harvard graduate, to whom the majority of recent research on emotional intelligence is contributed, put it this way:

“The most effective leaders are all alike in one crucial way: they all have a high degree of what has come to be known as emotional intelligence. It's not that IQ and technical skills are irrelevant. They do matter, but...they are the entry-level requirements for executive positions. My research, along with other recent studies, clearly shows that emotional intelligence is the sine qua non of leadership. Without it, a person can have the best training in the world, an incisive, analytical mind, and an endless supply of smart ideas, but he still won’t make a great leader” (Goleman, 1998).

After understanding the importance of emotional intelligence, the natural response would be to look for leaders that possess the traits and competencies that make up high emotional intelligence. However, in order to know these things, there has to be a standard, and a tool against which to measure and categorize the traits and competencies in an individual. There are two ways that emotional intelligence can be measured. The first trait-based tool we used to measure the innate traits that one possesses is the Schutte’s Self-Report Emotional Intelligence Test (SSEIT) that was developed by the contribution and research of Dr. Nicola Schutte of New England University, and this measures the aspects of emotional intelligence that are a result of nature and are traits that a leader is born with. The second tool we used, the Leading Dimensions Profile (LDP) which was developed by Douglas Waldo and associates at Leading Dimensions Consulting, LLC, looks into
the competency-based model which explores the ways that traits can be built upon and improved through training and practice. Competencies can be learned, while traits are preexisting and inborn.

It is valuable to know if emotional intelligence can be further developed and cultivated in an individual, or if it is merely a result of nature and thus developmentally limited, or if it is a fluid combination of the two. If the first is true, and if emotional intelligence can be learned and refined, a huge window of opportunity presents itself regarding self-development and awareness in leadership effectiveness. Anyone can become a great leader if we can develop a process through which to learn the traits and then a means of measuring the resulting increase.

A data group of 60 individuals were chosen to explore the possible correlations between trait based and competency based emotional intelligence factors in order to determine how the development of emotionally intelligent characteristics can occur in aspiring and existing leaders to further the effectiveness and success of the individual and their work environment. The data pool was required to complete two surveys: the SSEIT which measured competency-based emotional intelligence, and the LDP which measured trait-based factors and the degree to which each trait existed in each individual.

This paper explores the relationship between emotional intelligence and the traits that are naturally present and those that are a result of learning, development and environmental factors. We are seeking to address the objective of improving leadership abilities and to explore the needed tools to develop rising leaders. The correlations that we are exploring between these two sets of data points could help further inform of the possibilities of self-improvement in the workplace. The more emotional intelligence is understood, the more opportunity will be had for leaders to be better equipped to face the issues that are present in the teams that make up the corporate atmospheres in which they lead.

**Keywords:** emotional intelligence, trait, competency, leadership, SSEIT, LDP, self-development

**References**


Workplace Violence: Awareness and Prevention

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Abstract

Acts of violence continue to increase in all areas of our lives. There are many forms of violence that employees, customers, and others who come into contact with an organization at a work site and even outside a workplace may be exposed to. Today, more than ever, the population has become even more aware of and oftentimes victims of behavior and actions that cause them harm, both physical and mental. Of course, workplaces come in all sizes and industries and may be profit or not-for-profit. Post offices and other governmental agencies, organizations in industries such as manufacturing, construction, mining, transportation, education, entertainment, food, and sports have all experienced violent workplace behavior—no occupation or industry is automatically exempt.

In various studies, diverse occupations have been reported as being dangerous. For example, in a 2016 article published in the New England Journal of Medicine, it was reported that the most dangerous profession to work in is healthcare where it’s been reported that nearly 75% of workplace assaults occurred in a healthcare environment (Lebron, 2017). The National Institute for Occupational Safety and Health (NIOSH) in 2016 agreed that the greatest risk for nonfatal violence is among healthcare and social assistance workers, but NIOSH also reported that the risk for fatal violence is higher for workers in sales, protective services and transportation (NIOSH, 2017).

Not all incidents involve shootings but serious violent incidents have steadily been in the news. In an FBI report reviewing active shooter incidents between 2000 and 2013, the FBI data indicated that the largest number of active shooting incidents were in workplaces and other commercial buildings (43%), followed by educational facilities (22), open spaces (13), government buildings (11%), residences (5%), health care facilities (3%) and houses of worship (4%) (Reynolds, 2018). Every organization is someone’s workplace, and it is obvious that any workplace and any type of worker may be potentially involved in a violent incident.

According to the U.S. Bureau of Labor Statistics, approximately two million American workers have reported they are victims of workplace violence each year (Lebron, 2017; National Safety Council, 2018). Unfortunately, this number has increased by a million in approximately the last two decades compared to a report in 1997 on the number of non-fatal workplace assaults annually (NIOSH, 1997). This number is also likely much higher today given that non-fatal injuries and illnesses have been found to be underreported (Lebron, 2017). Workers may not report an assault out of fear or for a number of other reasons, and in some cases employers may discourage the reporting of incidents because of the resulting publicity. According to NIOSH, there are four categories of workplace violence: criminal intent, customer/client, worker-on-worker and personal relationship, which overwhelmingly targets women (National Safety Council, 2018).

Workplace violence is any situation that may increase in intensity and threaten the safety of any employee, have an impact on any employee’s physical and/or psychological well-being, or cause damage to company property (Minor, 1995; NIOSH, 1997). According to OSHA, this includes
any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior at a work site and can range from threats and verbal abuse to physical assaults and homicides (Lebron, 2017).

Much attention has been given to severe physical violence at work and several analyses have been conducted surrounding such well-known incidents as the U.S. Postal Service shooting in 1986, violence at Columbine High School in Colorado in 1999, the Virginia Tech shootings in 2007, the Fort Hood massacre in 2009, the assassination attempt on Congresswoman Gabrielle Giffords and the shooting of 18 others during that incident in 2011, and the Sandy Hook Elementary shooting in Newtown, CT in 2012. Many of the more recent violent incidents will no doubt also be similarly examined: The San Bernadino mass shooting in 2015, the San Francisco UPS Warehouse killings in 2017 along with the mass shootings in Las Vegas, NV and Orlando, FL and the First Baptist Church in Sutherland Springs, TX all in 2017, and more recently the mass shootings at Marjory Stoneman Douglas High School in Parkland, FL in 2018. These violent behaviors can create health and safety concerns and result in safety legislation violations and criminal charges. It has been reported that the rate of mass shootings in the U.S. has tripled since 2011, according to a study by researchers at the Harvard School of Public health and Northeastern University (Reynolds, 2018). However, it is not just mass shootings and death in the workplace that are concerns. Other forms of violence, assaults, and threats have also made going to work difficult. In addition to physical injuries, psychological violence is a major form of trauma and includes many long-term harmful behaviors and verbal abuse that have become commonplace in our lives, both within and outside the workplace. Psychological violence can also result in a high degree of emotional damage as victims are subjected to verbal abuse, various forms of bullying, intimidation, coercive and other rude behaviors.

As previously noted, every organization is a workplace for someone and every organization needs to address workplace violence; the costs are high. Companies and employees suffer many losses due to workplace violence, such as low productivity, sick days, impaired judgment, low morale, etc. Of course, there are also legal reasons beyond the costs involved that organizations need to address violence. The Occupational Safety and Health Act (OSHA) has a General Duty clause that requires employers to provide a safe and healthy workplace for all workers who are covered by the Occupational Safety and Health Act. Reasonable actions must be taken to diminish or prevent violence and other hazards in the workplace. As reported by Stone and Hayes (1995), a workplace violence policy defines an organization’s position and practices as they relate to any behavior manifested at work by one or more individuals against others that threatens, or attempts or actually inflicts physical harm. A company should conduct a self-assessment to determine what type of policy is necessary. This may include conducting climate surveys concerning employees’ opinions regarding issues relating to workplace violence. An effective policy should clearly define acceptable and unacceptable behaviors and should (1) set standards of expected behavior; (2) develop a mechanism for employees to report any problem situation; and (3) include procedures that supervisors and others should follow to prevent and respond to problem situations (Stone & Hayes, 1995). Creating emergency action plans, conducting training exercises with local law enforcement, adopting a zero-tolerance workplace violence policy, and training employees on not just the above but also on understanding warning signs are all examples of actions that need to be developed and implemented (National Safety Council, 2018). Effective programs should evolve from the organization’s basic policy regarding violence, intimidation, bullying, harassment and other unacceptable behaviors at work.
This paper will discuss the current state of workplace violence in its diverse forms along with steps employers can take to reduce their chances of experiencing workplace violence. Organizational cultures can become toxic and strategies are needed to modify and manage abusive behaviors. Policies and strategies will be discussed in this paper along with training and support programs necessary to reduce the effects of violent incidents.

**Keywords:** workplace, violence, management

**References**


The Relationship Between Perceived Organizational Support, Organizational Commitment, and Job Satisfaction

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Abstract

This study examined the relationships between perceived organizational support, organizational commitment, and job satisfaction. Previous research findings substantiated a strong positive relationship between perceived organizational support and organizational commitment, as well as perceived organizational support and job satisfaction (i.e., Ahmed, Nawaz, Ali, & Islam, 2015; Bogler & Nir, 2012; Byung & Maqbul, 2003; Rhoades & Eisenberger, 2002; Wnuk, 2017). However, studies in these areas are often limited by samples that target specific sectors and industries. This study sought to expand the research through the utilization of a more generalized sample of the population to determine if employees in the United States exhibited similar relationships between perceived organizational support, organizational commitment, and job satisfaction.

When employees perceived that their organization supported them, it provided an important advantage for the business (Riggle, Edmondson, & Hasen, 2009). This support was crucial when considering the dynamics of the company’s relationship to their workers, who are viewed as a vital resource needed for success (Riggle et al., 2009). Perceived organizational support has been viewed as an exchanged relationship, which has applied the rule of reciprocity that obligated the person to a reciprocity norm. This norm returned the favorable treatment of support and care by the other party, thus leading to potential beneficial outcomes for both parties (Gouldner, 1960; Rhoades & Eisenberger, 2002). Congruent with organizational support theory, other social exchange theories, such as the goal-setting theory and the expectancy theory, have been shown to produce mutually beneficial outcomes for the organization and the employee (Campbell, Perry, Maertz, Allen, & Griffeth, 2013; Maertz, Griffeth, Campbell, & Allen, 2007; Rhoades, Eisenberger, & Armeli, 2001; Shore & Wayne, 1993; Wayne, Shore, & Liden, 1997).

Organizational commitment is the relative strength that an individual identifies within an organization. Organizational commitment is developed through a perceived responsibility to help the organization achieve its objective and is influenced by positive norms of reciprocity (Blau, 1964; Cropanzano & Mitchell, 2005; Gouldner, 1960). Organizational commitment that has been manifested in enhanced service delivery has also been shown to have a direct relationship to achieving perceived organizational support (Vijay & Michael, 2007). Motivational and attitudinal constructs of organizational commitment have revealed correlations between an employee’s commitment to the organization and the employee’s behavioral acts within the organization (Byung & Maqbul, 2003).

According to Robbins & Judge (2009, p. 65) job satisfaction, was defined as “a positive feeling about one’s job resulting from an evaluation of its characteristics.” Job satisfaction, as it relates to perceived organizational support, resulted in the feelings that occur when an employee evaluated the characteristics of his or her job (Newman, Nielson, Smyth, Hooke, 2015). Studies suggested...
that increased job satisfaction led to higher organizational commitment and, therefore, improved organizational success (Oshagbemi, 1997). Bogler and Nir (2012) examined the importance of perceived organizational support to job satisfaction among teachers and found that perceived organizational support had a significant influence on both intrinsic and extrinsic elements of job satisfaction (Bogler & Nir, 2012). Similar studies have indicated that emotional, behavioral, and cognitive components of job satisfaction had a significant relationship with perceived organizational support (Wrunk, 2017; Newman et al., 2015). The current study contained data that utilized the online survey program SurveyMonkey.com, which obtained the sample panel of participants and administered the survey. The criteria to participate in the study included 1) subjects who were required to be older than 18 years of age, and 2) subjects who were required to be familiar with the use of internet technology. Of the 581 surveys collected, 577 were determined to be unusable after data cleaning removed cases with missing demographic data (age and gender). Most subjects were male (67.8 percent), with a mean age of 43 years old. The majority of the subjects tended to have some form of college education (56.8%), worked an average of 39.5 hours per week, and had been employed by their organization for an average of ten years.

A simple regression analysis was conducted in SPSS and affirmed perceived organizational support was a significant positive predictor of both organizational commitment and job satisfaction when utilizing a broad sample base. These findings suggested that as the levels of perceived organizational support increased, the levels that an employee was satisfied with their job and their commitment to the organization also increased. The findings implied an organization’s favorable treatment of employees resulted in beneficial outcomes for the organization that may have included an employee’s obligation to assist the organization in achieving its objectives, increased concern for the organization’s welfare, retention of employees, and increased productivity (Rhoades & Eisenberger, 2002; Wnuk, 2017). These results strengthened previous research on the positive relationship between perceived organizational support, organizational commitment, and job satisfaction (e.g., Ahmed et al., 2015; Wnuk, 2017).

This study was limited by problems that are inherent of survey data, including response biases and social desirability biases (Klazema, 2014). Since the survey data capture a single point in time, it may not hold true for a long period, resulting in the limited generality of findings (Leedy & Ormrod, 2016). The single question item used to measure job satisfaction may have limited the study findings by not providing a ‘balanced scorecard’ measure of several dimensions of a construct (Dugdale & Jones, 1997). Future research may want to consider different job facets, such as those described in the Job Descriptive Index (Smith Kendall, & Hulin, 1969).

Subjects were required to use SurveyMonkey.com, thus limiting the population of interest to those who are familiar with internet technology and the survey website. It may be informative for future research to examine the relationships between perceived organizational support, organizational commitment, and job satisfaction across a variety of communication technologies. Areas for future research may also include areas that reach beyond social exchange theories to cross-cultural differences. This area of research could be beneficial in understanding the relationships between perceived organizational support, organizational commitment, and job satisfaction. Differences in power distance, as well as a short-term and long-term orientation at the organizational level, may also shed light on variables that influence perceived organizational support, organizational commitment, and job satisfaction.

**Keywords:** expectancy, exchange; reciprocity
References


Innovation & Entrepreneurship
Strategic Flexibility as a Key to Innovativeness: Theoretical Framework

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Abstract

The article reveals the main strategic changes of the competitive environment, the necessity of flexibility in the new competitive conditions are determined. Flexibility in its various forms has long played an important role in the organizational change and strategy literature. The theoretical approaches to the definition of the concept of "flexibility", "strategy", "strategic flexibility" are revealed. Various kinds of flexibility of the company and levels of strategic flexibility are reviewed. With the changed dynamics in the new competitive landscape, firms face multiple discontinuities that often occur simultaneously and are not easily predicted. The article substantiates that managers and government policy makers are encountering major strategic discontinuities that are changing the nature of competition. Firms must be flexible to manage discontinuities and unpredictable change in their environments. Flexibility has been a characteristic of an organization that makes companies less vulnerable to unforeseen external changes or puts it in a better position to respond successfully to change. Strategic flexibility may increase innovation performance of a firm.

Keywords: globalization, strategy, flexibility, strategic flexibility
Using the 2030 Goals to Create Global Perspective When Teaching in Business and Innovation

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Abstract

In February 2018, one of the authors attended the Congresso in Havana, La Universidad y La Agenda 2030 para el Desarrollo Sostenible where the UNESCO goals of 2030 were central to the conference. Presenter after presenter explained what their university or their country was doing to make headway on these goals. It was clear from the poster sessions, papers, panels, and in the Rectors’ forums that the community of nations represented in the program were committed to learning and teaching about these goals in the classroom. This was a largely Hispanic and Portuguese conference with a few English speakers. The delegations were from all over the world, but largely, the Southern.

Social Product Innovation

It was very motivating to the authors to find this support as it is used by the authors, co-professors in Design Thinking for Social Product Innovation (DTSPI) classes. In DTSPI, students are exposed to the 2030 objectives early on. The seventeen goals are referred to as buckets. The idea of the bucket is important as a bucket can contain lots of things. One of the most important parts of innovation is looking at a large problem and making it smaller and smaller until you finally get down to a single focus, or, a single person. You must make it small and actionable.

The students in DTSPI are first asked to explore a bucket. This is easily started as each bucket has background information within the UN website as well as basic information available for students online to begin the research process. Students often use this background information to investigate and then to help decide what bucket or goal they wish to pursue. If a student starts to investigate bucket number 6, clean water and sanitation, and chooses to focus on water, for example, they will quickly learn there are issues of quality and quantity to be considered.

Issues of quantity could be addressed by drilling wells if there is a strong subterranean aquifer of clean water running beneath or near the community. Another method is the collection and maintenance of water for places that have sufficient annual rainfall but must endure a long dry season like much of Central America. There are sails and other devices to collect water out of humid air when it cools as in when the air is going up a mountain or when it is cooled mechanically. Desalinization is another area of exploration to add more quantity. The point is to explore all areas and then narrow down over the duration of the course. It is discussed in more detail below.

To continue to explore one goal, to get an idea of the depth these buckets/goals have, students could look at the cleaning of water which could include cleaning water from a river or a drying lake bottom. Or, they could explore cleaning water of simple debris from a borehole in East Africa. Another option could be filtering the biological contaminants from a well near a farm in South America or using a bio sand filter. Similarly, cleaning water of biological contamination using clay-fired filters made with rice or coffee hulls could be explored. Use of individual filters such as
life straw, or some of the osmosis or pressure-based filters is another possible solution. The idea is to explore a variety of options.

The list could go on for pages dealing with arsenic, heavy metals, minute parts of plastic, drugs and other chemicals that may be present. The students quickly learn there is not one answer for everyone and that for each person or community the change may need to be incremental. The students soon begin to question their own actions in pouring things down the sink or contaminating so much water each time they flush a toilet, or with long showers and a great deal of soap. If the goal is to open minds to empower them to think in new ways, the UNESCO 2030 goals are a powerful tool.

The 2030 goals offer a unique way to explore the globe and various locations that are very different from your own. Students are asked to select a country from the base of the economic pyramid and to focus on the bucket or goal they have chosen in that country. They are then asked to do a video introduction of that goal in the country of choice using video footage or pictures they can find online to create a powerful short video of their own to look at the size of the gap.

After the video, they are asked to develop a panel that is familiar with the country and hopefully the goal or bucket that has been identified. The panel could include, but is not limited to, the following:

1. Residents of the country experiencing the problem.
2. Residents that have not experienced the problem.
3. Ex pats living in the country.
4. Residents of the country living in the United States.
5. International students from that country.
6. Experts in the problem area wherever they are located.
7. People located though dedicated social media groups for the country or for the identified goal.
8. People who have worked in the subject country as volunteers, business or government.

The goal in 2018 was to develop a panel of 25 of these people who would keep in touch through email, What’s App, Skype, Facebook, LinkedIn, Group Chats, etc. While not all achieved this goal, many learned a lot about their country in reaching out to others to be on their panel. In some cases, they found that nationals did not think about the problem in the same way. In many cases, they found that working on this problem was not a major priority. In trying to communicate with potential panel members, most students were led to a deeper understanding of the country they were studying.
Conclusion

The 2030 goals are serious business on a worldwide basis. They are also very stimulating to helping students think in new ways and from new perspectives. You can use them to broaden your students’ experience of the globe, and certainly of markets and business opportunities. It has been an education learning from others. The Conference in 2018 in Havana was an eye opener. Hopefully these cases of how used in classes will help the reader think of ways to use the 2030 goals to enrich their students’ experiences.

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Implementing Project Management Methodologies in Social Entrepreneurship Initiatives in Developing Nations: Methodology for Training SE Project Managers and Two Case Studies

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Abstract

Social Entrepreneurship (SE) initiatives are the primary method of entry for community development projects in small towns and villages in developing nations. Several organizations and corporations in the United States of America have embraced Social Entrepreneurship in their Corporate Social Responsibility (CSR) plans. This study conducts a comprehensive review of best practices of SE incorporating Project Management techniques in order to develop a new SE methodology and instructional program. In addition to developing a SE Project Management Model (SEPMM) and SE Project Management Instructional Plan (SEPMIP), this study presents two cases from real applications of Social Entrepreneurship abroad. The cases were carefully selected to reflect the natural challenges and significant impact of projects designed to solve an urgent need and, at the same time, empower the local community and a local entrepreneur--or leader--to develop and implement them in the future. The size and level of investment were not of consideration but the relevancy of such initiatives in the lives of a small community and how the project manager, from the sponsoring organization, can benefit from current Project Management knowledge and techniques to improve the effectiveness of the project and avoid scope creep or other common pitfalls of projects with limited resources.

The first case is World Hope, a relief and development organization with outreach to 15 of the poorest countries in the world. The projects of community development include the following areas (World Hope International, 2018):

1. Clean water for those who thirst
2. Opportunity for entrepreneurs
3. Education to those without
4. Freedom to survivors of slavery
5. Food security for the hungry
6. Emergency aid to those in need
7. Health support for the sick and vulnerable

The second case is PacMoore, a food manufacturing company with a particularly unique mission of helping small communities abroad with projects of social impact (PacMoore, 2018). The second case differs from the first one in terms of organizational structure; however, it serves as a significant example of how Social Entrepreneurship (SE) is applied to smaller, although vital, projects abroad managed by the local population, and they become a priority to the entire firm.

Miller, Grimes, McMullen and Vogus (2012) define Social Entrepreneurship as “the process of employing market-based methods to solve social problems” (p.460). Furthermore, Santos (2012) sees SE as “the pursuit of sustainable solutions to neglected problems with positive externalities” (p. 335). Dacin, Dacin & Matear (2010) even present 37 different definitions of Social Entrepreneurship from the existing literature in the academic world. It is clear that SE can have
different interpretations, orientations, and applications in a variety of projects and initiatives. There are, however, methodologies that are more effective than others. Another unique aspect of a SE initiative is its purpose that can be translated as a particular type of Scope and Project Charter. Smith and Woodworth (2012) and Yiu, et al (2014) point out the altruistic nature of Social Entrepreneurship and their impact in communities around the world. With that particular orientation in mind, adjustments were made to traditional Project Management techniques and processes designed for social impact in small communities in developing nations.

Important contributions to the field of SE and Project Management are one of the main objectives of developing the SE Project Management Model (SEPMM) and SE Project Management Instructional Plan (SEPMIP) by adapting and incorporating the main Project Management Process Groups (PMI, 2017) such as: Initiating, Planning and Scheduling, Implementing, Controlling, and Closing.

Careful consideration was made to the curriculum design of the SE Project Management Instructional Plan (SEPMIP) based on best-practices in SE initiatives, Project Management methodologies, and the Author’s experience managing and designing similar programs in a variety of instructional settings and universities in the USA and abroad. It incorporates the Author’s experience living and managing projects in developing nations and studies that evaluate Project Management Training programs beyond instructional design, including its congruency and commitment towards the field of Project Management (Rooji, 2011). The program also shows how Project Management is traditionally taught as part of the larger field of Operations Management in most colleges and universities in the USA. This element is essential for the validation of the content of an intensive training program of this nature. Ravinder and Kolliikkathara (2017), in a recent comprehensive study of the area of Project Management in colleges, found that its coverage under Operations Management is limited and outdated.

The SE Project Management Instructional Plan (SEPMIP) incorporates optimal course designs and platforms for virtual courses and interactions from and to the sponsoring agencies and the field project manager. It discusses current best-practices in creating projects of virtual courses including Marciniak’s (2017) phases for the design of online courses and how to create a project for this type of instructional development. Instructional ideas are gathered from different cultures and countries in order to optimize the content, delivery, and overall design of the training program that will be offered to the field manager, the local entrepreneur, and how all the main stakeholders of the project will interact during the different stages. Stages follow the traditional Projec Life Cycle from conceptualization to execution.

The Project Management Body of Knowledge (PMI, 2017) makes a clear distinction between a traditional manager or administrator and a Project Manager (PM) in these terms:

Typically, the functional manager focuses on providing management oversight for a functional or business unit. Operations managers are responsible for ensuring that business operations are efficient. The project manager is the person assigned by the performing organization to lead the team that is responsible for achieving the project objectives (p. 52).

The focus of the SEPMIP is to enhance the capabilities of the field Project Manager and assist the final owner, or local entrepreneur, to lead and improve the SE initiative in order to be self-sustainable and successful. The SE Project Management Model (SEPMM), on the other hand, covers the structural aspects of the project itself and presents specific recommendations on how to assess the success and Project Value of the SE initiatives. Also, it lists methods to monitor the
project and create simple forms of reporting to the sponsoring agencies or firms for further assistance in the future, debriefing, and Project Learning. Furthermore, the SEPM and the SEPMIP will serve as valuable tools for teaching Project Management in Operations Management courses and other business training in the USA and abroad. There is a clear need to bring innovative teaching techniques in a virtual course design for the dissemination and understanding of essential Social Entrepreneurship structures and Project Management techniques. The field of Social Entrepreneurship will benefit from the interaction with other disciplines closely related to Project Management such as: Risk Management and Assessment, Quality Assurance, Engineering Economics, and Change Management.

Keywords: project management, social entrepreneurship, community development, project management education, project management skills, corporate social responsibility.

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International Trade & Management
Firm’s Competitiveness in Global Economy and Cost (Structure) Management

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Abstract

The notion of competitiveness is to present a state of being in an economy in the sense that an environment exists that can promote the activities of economic entities to achieve the potential to create value. Competitiveness can suggest the notion that there are winners and losers. Competitive forces drive firms to seek new areas of growth, with either portfolio expansion or penetration and expansion in new markets. Although the forces that weigh heavily on a firm are recognized, their influence in determining a firm’s action in choosing a particular strategy is not well understood (Gehlhar et al., 2006). On the other hand firms either in local or international markets need to understand the product costs as well as other costs associated with marketing, transportation and other costs. To do so, the strategic cost management (SCM) is the tool that firms can utilize to stay competitive in the market. The cost management refers to a simultaneous focus on reducing cost and strengthening an organization’s strategic position (Eldenburg & Wolcott, 2005, p. 9). Firms competing in international markets need to find a sustainable, long-term strategy, that is, a set of policies, procedures, and approaches to business to produce success. Finding a strategy begins with determining the purpose and long-term direction, and therefore the mission of the company.

Keywords: competitiveness, strategic cost management, cost analysis, value chain.
Business Relations in the Global Economy “What is Good Corporate Citizenship?”

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Abstract

The purpose of this research is to examine business relations in the global economy with the objective to understand better what constitutes good corporate citizenship. The evolution of corporate social responsibility has changed how businesses manage corporate governance. Factors that define and measure whether businesses are operating successfully in the global economy as good corporate citizens are unclear. Each year, dozens of articles are published and numerous prizes are awarded for corporate social responsibility, however, there exist no agreed upon definition of good corporate citizenship (Locke, 2003). This research focuses on organizational design elements that constitute corporate social responsibility for businesses operating in the global economy. A review of the literature on corporate social responsibility identified four models for designing a corporate governance structure that constitutes elements of good corporate citizenship. This paper outlines evidence-based research for businesses operating in the global economy as good corporate citizens. Results aim to advance research on business relations in the global economy by understanding better business’s participation in the global economy. Implicit in the four models of corporate social responsibility is performance beyond corporate performance (Locke, 2003). In conclusion, good corporate citizenship includes adding value to society beyond corporate performance.

Keywords: corporate citizenship, corporate social responsibility, business relations, corporate governance

Reference

Lessons From the Project Management Field: The Search for Most Effective Methods for Successful Turn-Key Project Execution

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Abstract

Project management plays a crucial role in the success of any business enterprise (Gale, 2009). The successful execution of a project depends on the competency of the project manager, the proper application of management tools and techniques, and the organizational support systems in place, among others (Gale, 2009). Industrial case studies on project management provide excellent inputs in terms of best practices to adopt that helps manage projects better and at the same time provide valuable lessons learned in terms of pitfalls to avoid that would prove detrimental to ensure project success. This case study examines the effectiveness of different project management tools and processes utilized during a complex multi-million dollar installation which includes a bottling line running at 400 bottles per minute, by a packaging machinery manufacturer.

In this specific case of a turn-key project, the manufacturer in context was responsible for engineering, manufacturing several pieces of equipment, procuring third party equipment, logistics, installation, integration, testing and project turn-over to the client. In order to ensure successful execution, the main challenges in managing a project of this scale are dealing with and reacting to unforeseen problems, reliance on different departments, vendors, contractors, customer demand and scope change on the one hand; while simultaneously trying to stay on schedule and within budget without sacrificing quality on the other. The fact that we are a global company and some of the equipment was built in different facilities in different countries only magnified the complexity of this project.

Research analysis was performed first looking at the project initiation and planning stages and a list of all applicable techniques were generated. The generated project plan was then compared to the actual execution of the project to identify all the occurrences where the schedule and plan deviated from the original. Next, all the triggers for the divergences were listed along with the decision making process or tools and the type of decisions that were made. Subsequently, the time and cost impact of each decision were identified. During the actual execution and control phases, some decisions needed quick responses and had to be made on the spot with no time to do any assessment of their impact. Such decisions are categorized as: i) decisions that needed quick reaction time mostly within hours, and ii) decisions that allowed more time to process and analyze usually at least 24 hours or more. Analysis of the data during the execution phase indicated that about 80% of decisions fell into the first category (decisions had to be made very quickly) with the remaining 20% of the decisions falling into the second category (where we had more time to make the decisions). Further analysis of the decisions in the second category led to the identification of tools utilized, and most of them were related to cost and time tradeoff analyses and particularly crashing where we looked at the lowest-cost approach to reduce or make up time. These techniques were then applied on the first category of decisions to validate whether the decisions based on the data analysis would match up with the actual ones made on the spot. Surprisingly (and thankfully) most decisions we came to using the cost and time tradeoff analysis matched up with the actual decisions made. Finally in the control phase, every incident that caused changes in lead time and cost were carefully examined and compared to the actual data. It turned
out that 95% of the incidences were captured during the project and dealt with within couple days. If the incident was caused by outside factors, for example vendor delays, we were able to recoup associated costs if the issue was raised and captured right away. Obviously for some of the delays happened with our organization being responsible leading to reduction in our margins.

The results of the analyses clearly showed that the initiation and planning phases are the most critical from the project success standpoint. The Quoting Department carefully defines the scope of the project which becomes a legal contract. We found that while generating a promised completion duration timeline, the process was not consistent in how the lead times were determined. In this case, the Quoting Department did not use the critical path method to give a realistic time frame for project completion. Additionally, we have to provide a lead time without knowing the exact start date of the project. When we quote a large project, we do not know when the contract will be awarded to us. Even if we receive an estimated start date from the customer, by the time the contract is drafted, revised and signed by both the parties, our available resources can change because of other commitments. However, due to the highly competitive bidding process we cannot change the lead time, scope or sales price. Due to these variables, another important useful tool would have been the Program Evaluation and Review Technique (PERT) where the uncertainties are captured and integrated into the analysis to give management a better understanding for the chances of completing the project on time and under budget. (Boyer & Verma, 2009).

During the execution and control phase, the cost and time tradeoff analysis tool is very important (Boyer & Verma, 2009). If there is no time to utilize it before the decision, it has to be applied after the fact. This tool allows the project manager to capture the cost and time impact, and to monitor the progress of the project. If there are major impacts the project manager needs to raise the flag and advise the client and management so they can plan for contingencies. Documenting every scope change, extra cost, extra time and the reasons behind them is important as well. This document will help the project manager to justify time and budget increases to management and the client, and also in recouping costs from suppliers and contractors should they be responsible for the delays and changes.

In conclusion, the results of this study prompted management to implement the Program Evaluation and Review Technique (PERT). This tool is the most effective to anticipate uncertainties in project duration and develop contingency plans, and will be utilized in managing projects in future.

Keywords: packaging, bottling, installation

References

Design for Participation: Modular Service Approach

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Abstract

One of the most remarkable aspect about service businesses is value co-creation. The service product/process is co-created by the customer and the service provider together. Customers provide their time, effort, information & knowledge, and resources besides active engagement in the design and delivery of the service that they are actually paying for (Dong et al., 2015). Accordingly, customers in service settings are not merely consumers but also partners that take a variety of roles during the service creation. Thus, from the service provider’s perspective, it is critical to effectively and efficiently manage the participation of customers in service design and delivery. Extant research has considered various management philosophies, perspectives (the marketing, human resource management, and operations management) and practices to manage the behavior and interactions with the customer (Mustak et al., 2016). However, none of the studies have used the service design level structural choices such that by design the service processes are participatory and thus during the delivery, the participation is managed precisely and effectively. Thus, the question remains unanswered how can service firms design their processes that lead to effective customer participation in the value co-creation? The purpose of this article is to develop and empirically test a design-based framework for managing customer participation efficiently and effectively in co-creating the overall value in the service organization. Using the structure-conduct-performance paradigm and role theory, we employ the concept of service modularization (structural design choice) (Pekkarinen & Ulkuniemi, 2008; Voss & Hsuan (2009) and customer training and education (infrastructural design choice) (Damali et al., 2016) as a potential way to analyze and manage the participation of customers (conduct) (Sampson and Spring, 2012) in the service value creation (performance). Based on the contingency theory, we also study the potential role of service modularization as the moderator in the relationship between customer training & education and effective customer participation. In order to test the proposed relationships, empirical quantitative technique will be used. A questionnaire survey would be employed to collect the data. Our target sample would be the firms from multiple service industries with Pakistan. All the standard practices of survey research including pretesting, multiple key respondents, follow-ups, etc will be undertaken as suggested by Dillman et al. (2009). Moreover, the measures for service modularity, effective customer participation, customer training & education and operational performance are adopted from existing research (Cheng & Shiu, 2016; Damali et al., 2016; Sampson & Spring, 2012; Vickery et al., 2016).

Keywords: service modularity, service design, customer participation, customer training and education, empirical

References


Cobanoglu and Corbaci: Proceedings of the Global Conference on Business and Economics: Volume 1

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Marketing
The Impacts of Merchant Photos on Consumers’ Purchase Probability on P2P Short-Term Rental Platform: Based on the Mediated Effect of Initial Trust

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Abstract

Aimed to serve the Peer-2-Peer market, the shared rental housing platform (hereinafter referred to as the “Short-term rental platform for tourism”) has been flourishing in recent years, and attracted extensive attention from the business community and academia. However, the research mainstream mostly focused on the business models, the issues in the development process, and consumer motivation, etc., but ignored the impact of personal information of merchants (such as merchant photos) on consumers’ purchase behavior. Furthermore, very limited study has investigated their relationship by the empirical methods.

In view of the existing research deficiencies, this article takes use of the Face Process Theory and the Cue Utilization Theory. From the perspective of corporate practice, this study selects the merchant photos and the merchant reputation which occupy important position in the short-term rental website interface, initial trust, and consumers’ purchase probability as variables. It addresses the impact of social impression perception which based on merchant photos and merchant reputation on consumers’ purchase probability, the mediated role that initial trust played in the relationship between social impression perception, merchant reputation and consumers’ purchase probability.

After collecting 302 valid scenario-based questionnaires from online and offline, we firstly used SPSS 20.0 for modeling test. Results shows that the key four constructs ,i.e., social impression perception, merchant reputation, initial trust and consumers’ purchase probability have good discriminant validity. Secondly, the average variance extracted (AVE) values of each variable, the factor loading of all items, and the Cronbach’s alpha for all measures predicting convergent validity and good reliability. Thirdly, we reported the respondents’ demographics. Lastly, we conducted hierarchical regression to evaluate the hypothesized relationships among the constructs in our proposed model.

![Proposed model](image)

**Figure 1.** Proposed model
The results of data analysis suggest that: (1) both photo-based social impression perception and merchant reputation have positive impact on consumers’ purchase probability, while social impression perception is a more significant and stronger predictor; (2) initial trust partially mediates the relationships between social impression perception and consumers’ purchase probability, and between merchant reputation and consumers’ purchase probability; specially, both social impression perception and reputation positively influence initial trust, and initial trust has positive impact on consumers’ purchase probability; (3) there is interaction effect of photo and reputation on initial trust.

The findings provided several theoretical and managerial implications. On the one hand, from the perspective of the Face Process Theory, the relationship among photos, initial trust and purchase probability were interpreted, thus this study extends the application scope of the theory. On the other hand, this paper firstly explores the role of initial trust in Peer-2-peer short-term rental platform, and examines the combination of photos and reputation, which also confirms the interaction effect between independent variables, accordingly enriches existing research in a sense. Merchants and marketing practitioners should endeavour to manage photos and improve reputation scores, thus enhancing consumers’ initial trust and promoting their purchase probability.

**Keywords:** P2P short-term rental platform, merchant photos, perceived social impression, reputation, initial trust
The Effect on Consumer Attitude of SMS Advertising

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Abstract

Nowadays, with the advance in mobile communication devices, people are able to get in touch with each other more than ever. Since the mobile communication allows businesses to get in touch with their clients almost instantly, every company wants to take this as their advantage. Especially instant messaging becomes an internal part of the communication with customers, instant messages allows customers to read the information whenever they want. SMS is almost the cheapest option to give information to the customers, therefore it is preferred by many companies. SMS is becoming an advertisement tool especially in developing countries, which is the situation in Turkey also. The Mobile phone customers may allow businesses to sent information and advertisement messages. Under the knowledge and personal rights law of Turkey, a mobile customer may also block these SMS to be sent from different companies. Most of the companies use SMS messages as an advertisement tool in Turkey, and this makes a good opportunity for the marketing research scientist to study the subject in terms of both parties, customer and company. Marketing departments of many companies constantly try to understand how effectively an SMS be used without annoying the customer. How much information can be passed through SMS is limited so a company should give all the necessary information as clearly as possible to customer. In this study, the effect of SMS advertisements on the consumer attitudes are investigated. A survey is applied to university students in Anadolu University, Turkey. There are several research hypothesis in this study among which a hypothesis testing of the relationship between demographic characteristics of the students and SMS advertisement opinions. Additionally, in this study, some of the results obtained via factor analysis and cluster analysis are shown in detail.

Keywords: mobile marketing, mobile advertisement SMS, attitude

References

Reviewing CSR Promotional Communication Strategy in Hospitality Industry: Analyzing A Case Study

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Abstract

This paper aims to explore the CSR Promotional Communication Strategy implemented by a number of prominent hospitality companies such as Hilton Worldwide, Wyndham Worldwide, Marriott International and Loews Corporation by elucidating the CSR initiatives participated which comprise the overall CSR strategy and how it is conveyed via various communication channels to their stakeholders in the form of CSR promotional communication strategy.

Introduction

Today, the role of business is no longer business alone in the sense of sales, profits, market share etc. so companies need to consider their role in the wider society in which they operate and the impact that this role has to the community at large. Companies should take their wider role seriously given issues such as pluralism, reputation, likelihood of government intervention, public opinion demands, and sustaining an unwritten ‘license to operate’. To be able to fulfill such a wider role, companies need to balance a number of interests, and align social responsibility programs with corporate objectives. (Kitchen: 1997, p: 130) European Commission defines CSR as “the responsibility of enterprises for their impact on society. CSR should be company led. Public authorities can play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation” (ec.europa.eu/growth/industry/corporate-social-responsibility_en). CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources (Kotler & Lee: 2005, p:3). Drawing on such perspectives, CSR is now widely accepted as a multi-dimensional concept with commonly identified key dimensions such as the community, employees, the natural environment and customers, comprising altogether the stakeholder theory framework, which was initially put forward by Abrams, when he utterly said “Business firms are man-made instruments of society. They can be made to achieve their greatest social usefulness and thus their future can be best assured when management succeeds in finding a harmonious balance among the claims of the various interested groups: the stockholders, employees, customers, and the public at large” (Abrams, Ibid. 29-30).

Past few decades have seen the evolution and conceptualization of the CSR and the way it is communicated. The concept of communication is at the core of the CSR process and once a CSR initiative is created it has to be communicated to both internal stakeholders “employees” and external stakeholders of the organization which includes all those affected by the CSR initiative decision and any stakeholders who have a general interest in the corporation’s CSR activities such as local communities, NGOs, traditional and online media, suppliers, customers, investors and retailers (Coombs & Holladay: 2012, p. 110). Especially after the turn of the new millennium, amongst tourism and hospitality scholars, a growing interest in the concept of CSR has been observed which led to a comprehensive body of research with a focus on benefits of CSR activities in hospitality organizations. The underlying reason for this interest is due to the intrinsic link between different communities comprising the society and the hospitality industry in terms of various social, economic, environmental and cultural concerns for which the industry itself can
create benefits through its support of job creation, improvements to infrastructures and cultural understanding (Bohdanowicz & Zientara, 2009). For hospitality companies, communicating their CSR strategy is crucial in the way that it lessens the skepticism and potentially increases the stakeholder engagement. Since the year 1992, the CSR trend in hospitality and tourism industry has shifted from a focus on environmental concerns, use of technology, and efficient use of energy to an international scale through the implementation of agenda 21; international guidelines relative to sustainable tourism introduced by World Travel and Tourism Council (WTTC) and the World Tourism Organization (WTO) (Holcomb et al., 2007).

**Methodology**

An exploratory study was conducted in order to reach a thorough understanding of the CSR Promotional Communication Strategy implemented by a number of prominent hospitality companies such as Hilton Worldwide, Wyndham Worldwide, Marriott International and Loews Corporation which were chosen from the CSR Hub Ranking out of a group of hospitality companies with significant levels of CSR rating compared to all companies. The basic objectives of the study regarding the investigated companies are as follows:

- Determining the top management’s perspective regarding CSR strategy.
- Elucidating the CSR initiatives participated which comprise the overall CSR strategy
- Defining the existing and potential stakeholders as the beneficiaries of the CSR Strategy
- Describing the CSR promotional communication strategy and Public Relations (PR) efforts
- Disseminating best practice of CSR promotional communication strategy as exemplified by the hospitality companies investigated

Primary data has been systematically gained through semi-structured interviews with executive staff and administrators responsible for the CSR to reach a more in-depth understanding of CSR and overall CSR promotional communication strategy of the above mentioned hospitality companies. To identify how CSR information is being communicated to the stakeholders, various conventional forms of marketing communication and PR tools such as annual reports, CSR reports and/or sustainability reports, marketing brochures, newsletters, press releases alongside with online communication channels such as corporate websites, social media platforms, blogs for employees/partners/customers were examined as sources of secondary information to complement the primary data obtained from the in-depth interviews.

**Conclusion**

In a high touch industry like the hospitality industry where communicating with and more importantly promoting the organization/establishment to its various stakeholders vis-à-vis the CSR credentials accrued by the CSR communication strategy is a challenging task. This paper is based upon a preliminary case study regarding how the investigated hospitality companies manage their overall CSR promotional communication strategy or in a more specific sense, how various marketing communication tools and PR efforts employed by these hotel companies contribute to the process of highlighting, publicizing and promoting the organizational CSR policies implemented. This paper’s contribution primarily lies in reducing the particular literature gap by bringing insights into CSR promotional communication practices based on an exploratory research conducted with a selected sample of hospitality companies especially in a marketing communication environment with a predominance of online communication channels.
Keywords: corporate social responsibility, public relations, corporate communication, CSR communication, marketing communication, hotels, hospitality.

References

Strategy & Global Trends
Organizational Complexity and Uncertainty: A Conceptual Evaluation of Proactive Environmental Strategy on Organizational Competitiveness

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Abstract

This study develops a conceptual model that try to provide maximum organizational competitiveness in hotel sector of hospitality industry. Building on social systems theory and uncertainty reduction theory, the current study proposes that uncertainty and complexity are directly antecedents of organizational complexity and the relationship can be mediated by proactive environmental strategies and moderated by hotel affiliations. Considering the increasing competition in the industry, organizations are constantly seeking to maintain their competitive edge over their competition and the findings of this study offers a bright spot for building competitiveness through organizational readiness for uncertainties and complexities.

Keywords: organizational competitiveness, proactive environmental strategies, uncertainty, complexity, hotel industry
Effects of Perceived Authenticity on Festival Attendees’ Loyalty: The Moderating Role of Motivation

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Abstract

Authenticity represents an individual’s perception of the genuineness of products and experiences (Brida, Disegna, & Osti, 2013; Brown & Patterson, 2000; Leigh, Peters, & Shelton, 2006). Because cultural tourists tend to weigh their personal beliefs or perspectives when they evaluate the value of originality toward the toured object, the perception of authenticity has become an important indicator to predict the cultural tourists’ attitudes and future behaviors (Reisinger & Steiner, 2006; Zhou, Zhang, & Edelheim, 2013). With the proliferation of festivals providing a unique experience to attendees, perceived authenticity has been emphasized for understanding attendees’ experience because they seek novelty and an escape from their daily life (Formica & Uysal, 1995; Lee, Lee, & Wicks, 2004; Xie, Wu, & Hsieh, 2012). Given the monetary and non-monetary benefits to the destinations of festivals, it is critical for festival organizers to keep the flow of attendees (Lee, 2016). Thus, identifying factors that drive festival attendees’ loyalty has caught attention. As an effective predictor of loyalty, prior research has suggested positive emotion (Organ, Koenig-Lewis, Palmer, & Probert, 2015), festival value (Lee, Lee, & Yoon, 2009; Yoon, Lee, & Lee, 2010), and festival satisfaction (Jung, Ineson, Kim, & Yap, 2015; Kim, Suh, & Eves, 2010). Further, a handful of literature has recently posited that perceived authenticity leads to festival attendees’ loyalty (Akhoondnejad, 2016; Robinson & Clifford, 2012). However, some empirical studies about the effect of perceived authenticity on loyalty showed inconsistent findings. Therefore, this calls for examining the boundary condition of the effect of perceived authenticity on loyalty. To address the issue unsolved, the purpose of this study is to examine the moderating effects of festival attendees’ motivation on the relationship between perceived authenticity and loyalty. Because studies have suggested that motivation is a significant factor to function the development of perceived authenticity and loyalty (Bryce, Curran, O’Gorman, & Taheri, 2015; Kolar & Zabkar, 2010; Zhou et al., 2013), the effectiveness of perceived authenticity may rely on an attendee’s motivation to visit the festival. The study sample will be Renaissance Festival attendees who have visited at least once within the past 12 months. This study will use an online survey company (i.e., Qualtrics) to recruit potential participants. The survey will be distributed to the consumer panel of the company. Measurement items will be developed based on the pertinent studies. Collected data will be analyzed using SPSS v.17.0 and AMOS v.18.0. A confirmatory factor analysis and a structural equation modeling will be employed. Once the model is validated, both cluster analysis and discriminant analysis will be conducted to identify groups of festival attendees in terms of differences in their motivation. The multiple group analysis will be used to test the moderating effect of motivation. The findings of this study will offer several contributions. First, this study will expand on existing literature by providing an advanced understanding of the effectiveness of perceived authenticity as a predictor of festival attendees’ loyalty. Second, we examine the boundary conditions of the effect of perceived authenticity on loyalty and provide a possible explanation for the mixed empirical findings in the literature. Practically, festival organizers might learn under what conditions perceived authenticity works for encouraging festival attendees’ loyalty.

Keywords: authenticity, loyalty, motivation, festival
References


International Collaboration Management

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Abstract

Business is a global endeavor which advances when knowledge is both generated and shared. Increasingly, academics are working both within and outside of national boundaries on local and global business issues and disciplines. Challenges necessitating innovation and international scientific collaboration are abundant throughout business disciplines. Universities with varying levels of research, teaching, and service may have different goals and expectations for international scientific engagement, but there are minimum expectations. AACSB, AMBA, EQUIS and other top accrediting agencies continue to emphasize and increase faculty publishing requirements. As globalization continues to increase, the number of researchers with international collaboration research endeavors grows. Most top-tier research universities have witnessed significant growth in their international exchange of ideas, expertise, and faculty activities. Many new research ventures unite researchers from different countries and promote synergistic, collaborative efforts with the creation/exchange of ideas. The authors of this symposium are no different. The focus of this proposal is how a department head manages faculty who develop in areas outside of the university’s traditional parameters. Many teaching-institutions inadvertently handcuff department heads and deans regarding developing and funding research collaborations. Other than possible sister campuses in other countries, teaching institutions have limited options and tend to have myopic vision concerning such collaborations. However, when dedicated research faculty and department heads think outside the box to construct opportunities, research support can be found. In this example, a researcher at a North American, AACSB, teaching-focused university had difficulty obtaining funding and support for international research. The difficulties for administration to accept and promote such international collaborative research endeavors are significant. Teamwork between the research faculty and the department head is crucial. Sabbaticals involving the extension of a current stream of research are the very traditional, myopic ideas teaching institutions should avoid. We aim to suggest techniques which in the early stages of aid faculty access to the significant pools of talent existing globally in different countries, universities, and disciplines. This collaboration brought together members from a variety of ranks (Professor, Associate Professor, PhD student), countries (U.S., Australia, China) and disciplines (Decision-Making, Organizational Behavior, Emotions) for new research streams. Word of this new branch of research spread internationally and several more similar strains of research developed as a result.

Keywords: international, collaboration, research
Can New Strategies Keep Universities from Going Bust?

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Abstract

Universities need to revisit and renew their strategies. This means reviewing its portfolio of program offerings and market opportunities, revisiting its capital investments, disposing of underutilized and unused assets, even merging with other institutions to explore new areas of research, teaching, and service opportunities. The Gen Z’ s and the millennial generation view the world differently especially from social and technological viewpoints. Their needs for work/life balance and social good have to be focal points for future growth. With the right strategies and execution universities can bounce back to good health but there must be no sacred cows. This paper will examine how leading universities are reinventing themselves without sacrificing quality in their primary missions of research, teaching, and service.

Keywords: strategies, market opportunities, millennials, social good
Factors Influencing Outbound Medical Travel From the USA

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Abstract

The phrase “medical tourism” and “health tourism” have been used interchangeably recently in the related fields since it is multidisciplinary, and includes the management of healthcare, trade in healthcare services, health economics, tourism economies, marketing and promotion, and legal, ethical, social, and regulatory issues (Jones & Keith, 2006; Connell, 2006; Bookman & Bookman, 2007; Turner, 2010 & 2013; Smith, Chanda & Tangcharoensathien, 2009; Whittaker, 2010; Gan & Frederick, 2011; Crozier & Martin, 2012; Noree, Hanefeld & Smith, 2014).

Therefore, it has been defined from those perspectives emphasizing different focal points. Health tourism, according to Carrera and Bridges (2006), is seen “as the organised travel outside one’s local environment for the maintenance, enhancement or restoration of the individual’s wellbeing in mind and body” (p. 449)…Whereas, medical tourism is a subset of health tourism, invasive in nature, using state-of-the-art technology and “organised travel outside one’s natural healthcare jurisdiction for the enhancement or restoration of the individual’s health through medical intervention (p. 449). According to Bies and Zacharia (2007), medical tourism is “simply the outsourcing of medical services, primarily expensive surgeries, to low cost countries such as India and Thailand” (p. 1144).

Traditionally, wealthy people were travelling from developing countries to Europe, UK, and the U.S. for medical surgeries. However, in the 21st century, many developing countries like Thailand, India, Malaysia, Poland, Turkey, Mexico, Brazil, and Venezuela have emerged as popular medical tourism destinations, offering the affordable quality of Joint Commission International (JCI) accredited surgeries at an attractive destination with pre- and post-surgery nursing care (MacReady, 2007; Turner, 2007). Globalisation, privatisation of healthcare and the internet revolution has led to the growth of this industry. Medical tourism is driven by market forces of demand and supply, where choice of country and medical facility is based on economic, political, and regulatory conditions, the healthcare facility itself, costs, accreditation, physicians’ level of training, and quality of care (Bookman & Bookman, 2007; Smith & Forgione, 2008; Heung, Kucukusta & Song, 2011; Medhekar, Wong & Hall, 2014a; Connell, 2015; Woodman, 2015).

There are various factors influencing outbound medical travel such as a country’s environment, the destination, the cost of the desired healthcare, and the quality of the medical tourism facility and its services.

Medical tourists and medical tourism facilitators make their choices based on the accreditation of hospitals by professional bodies such as JCI, which is dedicated to improving the quality in

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healthcare delivery all over the world. Furthermore, the International Society must accredit all accrediting bodies for Quality Assurance (ISQUA) in healthcare to ensure that other accrediting bodies are doing their job properly. A study by Guiry, Scott and Vequist (2013) surveyed potential and experienced U.S. medical tourists expressing an interest in travelling abroad for surgery. A physician’s expertise and judgement in providing medical care to patients with positive healthcare outcomes predicts the quality of healthcare (Mehrotra et al., 2006). Similarly, Manaf et al. (2015) empirically tested perceived value as a driver in the case of Malaysia and they identified quality in context of medical staff, supporting services, and administrative services. In their findings, quality of medical staff was considered very important for patient satisfaction. Perfetto and Dholakia (2010) drew conclusions after reviewing freely available medical tourism US patients’ internet discussions about medical tourism, who were looking for First World quality healthcare at Third World costs of healthcare. They observed that “little cultural and economic capital in society…and perceive themselves feel as abandoned as well, by the American healthcare system and by society” (p. 399), further influencing the global healthcare and medical system to be like the U.S. in the context of quality, accreditation, and the regulation of First World healthcare systems. While these studies shed light on various issues related to the medical tourism industry, most of them are conceptual papers without much empirical evidence related to why American medical tourists are travelling abroad for surgery.

The aim of this quantitative study is to explore how Americans choose a destination and medical facility to travel abroad for medical treatment based on tourist destination attributes, the country itself, medical and travel costs, and the quality of medical facilities and services.

The study employed self-administered questionnaires to explore how Americans choose a destination and medical facility to travel abroad for medical treatment based on tourist destination attributes. A survey was conducted with the U.S. residents who travelled to another country for a medical treatment within the last 12 months. A total of 1246 respondents were collected from U.S. residents with the help of the Amazon Mechanical Turk website. The questionnaire started with one screening question that checked whether or not respondents had been to a country for medical reasons. If the respondent never travelled to another country for medical reasons, the survey ended. If they had travelled to another country for medical reasons, the questionnaire continued with questions about the country selected for medical treatment, the selection process, and the importance of selection criteria. The questions about the selection criteria were grouped under: country environment, tourism destinations, medical tourism costs, facilities, and services. There were 59 items in this survey, 25 of which were new items, and 34 of which were adopted from Fetscherin and Stephano (2015). Respondents who did not travel to another country for medical reasons were eliminated. 541 responses were used for further analysis. 105 responses were eliminated because of not passing a validity check.

From the descriptive statistics, it can be concluded that nearly 60% of respondents were males who travelled abroad for medical treatment and 24% were females. With 48% of the respondents in the age group 25-34 as well as 35% of the respondents having income levels below U.S. $40,000, in the case of this particular sample of data, respondents funded their own treatment abroad because they were young and uninsured/underinsured. As per the survey responses, a large percentage has travelled to India (40.1%) followed by China (15.1%), Thailand (13.1%), Mexico (4.4%), and Turkey (3.75). From the descriptive statistics, it can be concluded that medical tourism in case of this sample is diasporic, short distance, and cross-border (Connell, 2013; Horton & Cole, 2011; Bergmark, Barr & Garcia, 2008). In other category, few of the actual medical tourists had chosen other destinations in South America, Asia, and Eastern Europe. Moreover, all the five countries
previously mentioned are also attractive tourism destinations, providing an affordable quality of allopathy and alternative medicine (Kanittinsuttitong, 2015; Nutworadee, 2015; Heung & Kucukusta, 2013; Crooks et al., 2011; Runnels & Turner, 2011; Karuppan & Karuppan, 2011; Brotman, 2010).

The findings from this study will first inform potential U.S. medical tourists from the demand-side what to look for when choosing a destination and hospital for medical treatment. This research will assist health policy makers from the supply-side, such as governments, destination managers, and hospitals, to improve the quality of tourism facilities and destination attractions as well as medical treatment and facilities, in order to be competitive in the global trade of healthcare services. With the rejection of the Obama-care bill in 2017, there will be an increase in out-bound medical travel from the U.S. Middle-class U.S. citizens who are uninsured or underinsured and the diasporic U.S. population will travel cross-border to Latin American countries like Mexico or to other countries for medical treatment/surgery.

In the future, this study can be replicated for medical tourists from Canada, UK, and other developed countries to popular medical tourism destinations in developing countries, along with identifying the types of medical treatment (e.g. cosmetic, dental, hip/knee replacement, reproductive, or cardiac) and reasons for travel for these treatments based on push factors (domestic health policy) and pull factors. Similarly, one can also explore why people prefer a particular country (for example, India) than the other countries. Overall, this research has empirically contributed to the literature on medical tourism, in particular for host countries to maintain high ethical and regulatory standard of medical tourism healthcare quality and tourism facilities for patients as medical tourists.

**Keywords:** medical-tourism, outbound, USA, cost, healthcare-quality, destination

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Technology, E-Business & Social Media
Customer Engagement With Social Commerce: A Motivation Analysis

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Abstract

The current study adopted motivation analysis approach to investigate the factors that drive customers to engage with social commerce. Guided by motivation theory, intrinsic and extrinsic motivation factors were identified and examined through a self-administered online survey. Results indicated that three types of intrinsic motivation including knowledge, accomplishment, and stimulation as well as two types of extrinsic motivation such as external regulation and introjected regulation had positive effects on customer engagement with social commerce. However, one type of extrinsic motivation, identified regulation was found no statistically significantly related with customer engagement behavior with social commerce. The increasing trend of social media provides an opportunity for businesses to expand their activities and enjoy the presence of thousands of potential customers in one place. By focusing on the new understudied phenomenon of social commerce, this study makes great contribution to the body of knowledge and provides valuable implications to both practitioners and policy makers.

Keywords: social commerce, customer engagement, intrinsic motivation, extrinsic motivation, motivation analysis
Investigating the Impact Factors to Influence Online Room Rebooking Intentions in Taiwan

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Abstract

Amongst various online information sources, third party booking websites are becoming increasingly important. Third party booking websites are applications of technology for customers in booking restaurants, accommodation and flights online. Examples of third party booking websites are Hotwire.com, Expedia.com, Orbitz.com and Hotels.com. These reservation intermediaries enable hoteliers to sell products directly to customers and reach a wide range of consumers in a fast and inexpensive manner (Morosan & Jeong, 2008). They use innovative technology to narrow down information sources according to customers’ search preferences and make the planning and booking processes more effectively and efficiently. Furthermore, a range of IT-enabled institutional mechanisms (e.g., feedback mechanisms, third-party escrow services, and credit card guarantees) are used to increase buyers’ trust (Hong & Cho, 2011) and help consumers to make appropriate purchase decisions (Ye, Law, Gu, & Chen, 2011). As a result, advertising on the third party hotel room reservation websites may be a wise choice for hoteliers (Morosan & Jeong, 2008). Therefore, there is an urgent need for academicians and practitioners to understand important factors influencing customers’ rebooking intentions via third party websites. Customers use to gather lodging information and make room reservation from multi-channels (online and offline) today because of the rise of the internet-based hotel room booking technology. Hence, having a better understanding of customers’ accommodation online and offline booking channels and factors affecting their booking intentions is essential for hoteliers. This paper aims to understand the impact factors which can influence the online customers’ rebooking intentions in Taiwan via third party booking websites when conducting multi-channel transactions. Three dimensions were derived by factor analysis, namely: website trust, online brand image and offline brand image. In order to reach online customers, Internet survey and snow-ball sampling at Facebook were conducted to this research. The results indicate that all the three constructs have positive impacts on customers’ online booking intentions and website trust is more important factor than others. In addition, customers with higher education level and middle monthly income have significant different higher online room booking intentions. Results of this study will help hoteliers distribute hotel products more effectively.

Keywords: multi-channel, online booking intention, online brand image, offline brand image, third party booking website, website trust

References


The 5th Science & Technology Foresight in South Korea: Discovering Future Technologies to Solve Major Issues of Future Society

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Abstract

Introduction

It is becoming more and more important to establish and implement science and technology-related policies to predict the future uncertainties that will arise from globalization and informatization. The need for strategic science and technology planning to achieve the development of science and technology with limited resources is increasing. To accomplish this, major countries around the world have been carrying out national science and technology forecasting activities in order to analyze the demand for future change, establish strategic technology planning, and set the direction for research and development activities.

Since 1994, Korea has been engaged in its Science and Technology Foresight project on a 5-year basis, and has been announcing its findings as part of its efforts to anticipate future changes in response to specific circumstances in the country. In 2012, the results of the 4th Science and Technology Foresight were reported and used in establishing the 3rd Master Plan for Science and Technology and other policies. The Science and Technology Foresight is meaningful in that it analyzes the recent changes in the environment, and derives the prospect and demand for future change of our society from a mid-term and long-term viewpoint. It is also leading the field of science and technology prediction in Korea by introducing a new forecasting methodology.

Figure 1. Progress of science and technology foresight

Currently, the Science and Technology Foresight is being carried out at the same interval as the Master Plan for Science and Technology based on Article 13 of the Framework Act on Science and Technology and Article 22 of the Enforcement Decree of the same Act.

Objectives
The purpose of the 5th Science and Technology Foresight can be summarized by three broad objectives. The first is to predict the future society considering the internal and external environmental changes, and to predict and analyze the future technologies expected to appear throughout general fields of science and technology. In this research, we have derived future technologies that will emerge until 2040 based on the change of future social demand and the development of science and technology. The second is to contribute to the establishment of science and technology planning and policy that will strengthen the future responsiveness by reflecting the socio-economic demands of future society and the prospects for the development of science and technology. The result of the survey will provide basic data on policy establishment, such as timing of technology realization, importance, and way to realize the future technologies, and will be used to present the future technology information needed to establish the 4th Master Plan for Science and Technology (2018-2022). The third is to predict the tipping point of technology in terms of social spread, focusing on major innovative technologies related to the real lives of the people. We predicted the expected aspects of the rapid spread of a certain technology in the society and its expected timing, and together with this we have presented objectives for the realization of technology diffusion for future preparation.

The 5th Foresight has identified purpose-oriented future technologies to effectively cope with the major issues of the future society in order to improve the utility of the predicted result. The issues to be coped with were selected and analyzed with a particular focus on Korean society. In order to expand the application range of the results of the Foresight, we have diversified the composition of future technologies, improved the presentation method for the name of the future technology, and tried to secure the reliability and objectivity of the predicted survey results by introducing the scientific methodology. To this end, we expanded the Tech-Push future technologies derived through knowledge map analysis, increased the discovery of future technologies to be realized in the distant future by classifying the stage of analysis and prediction, and standardized the names of the future technologies in order to improve understanding and utilization of the derived technology.

Prediction of the Future Society

Predictions of the future society have been made through a series of processes including analysis of future social trends and mega trends, the generation of trend-related issues, issue assessment and analysis and following deduction of major issues, as well as a process of deriving the needs from each major issue.

To analyze future social trends and mega trends, we first analyzed the trends of future social change throughout the world (spatial axis) that our society should pay attention to in the mid-to-long term perspective, until 2040 (time axis). Then, mega trends were derived by analyzing the connections between the trends. We analyzed future outlook reports from domestic and international sources, trend analysis, and websites published since the 4th Foresight (2011), and utilized STEEP (Social, Technological, Environmental, Economic and Political) analysis, through
which we performed environmental scanning on each category and derived a clustering pattern among the trends. Finally, a total of 5 mega trends and 40 trends were derived.

Based on the results of the trend analysis, we have identified issues that are expected to have a significant impact on Korean society. Each issue was classified based on the expected timing of its impact, and as a result, we derived a total of 100 issues, 65 of which were expected to have a short-term impact (within 10 years) and 35 of which a long-term impact (within 11 to 25 years.) Among the issues raised, the ones that are to be particularly emphasized in Korean society were evaluated and selected as major issues, and finally 40 major issues (18 short-term issues, 14 short-to-mid term issues and 8 long-term issues) were derived.

Below is the graphical representation on the evaluation of Human Empowerment megatrend related issues. The horizontal axis represents the likelihood of the issue to occur in Korean society, the vertical axis represents the influence of the issue in Korean society, and the size of the circle represents the scientific and technological responsiveness.

Then, we grouped issues based on their correlation according to Big-Data based network analysis (data mining based on natural language analysis). Through this analysis, we derived six major issue groups including social infrastructure issues, ecosystem and environment friendliness issues, transportation and robotics issues, medical and life issues, manufacturing and convergence issues and information and communication issues.

![Figure 3. Deriving key connections in the issue network (2012-2015)](image)

Needs specific to major issues were derived with the aim of setting up scientific and technological means to cope with the major issues. Based on an in-depth analysis of each major issue, we have presented the detailed socioeconomic demands of the future society in terms of scientific and technological responses.

Finally, in order to analyze the trends in science and technology development, we performed a time-series analysis on each research field to derive completely new technology and research fields or emerging research fields. The analysis also helped us to visualize the relationship and development flow between research fields. The Science Map was charted to be utilized for
identifying Tech-Push type future technology candidates. The resulting knowledge map was used to derive future technology candidates through an interpretation and analysis process applied by the experts in the related technology field.

*Identification of Future Technologies*

For this Foresight, we have defined future technologies as concrete technologies (products, services, systems, etc.) that will be technically realized by 2040 and are likely to have a significant impact on science, technology, society and economy in the Republic of Korea. In the 5th Foresight, we have standardized the presented name and description of the technologies to improve the understanding and utilization of the results, whereas in the 4th Foresight each technology was given a unique name. The names of future technologies have been simplified, with an emphasis placed on core keywords in order to make it easier to understand, while future technology descriptions have been written in more detail. In addition, as the level of future technology has been upgraded, the number of future technologies to be finally derived also has been adjusted to about 50% that of the list in the 4th Foresight. The Future Technology List (draft) was determined through a process of deriving future technology candidates and revising and adjusting them. The candidates for the list were selected by reviewing the results of analysis and interpretation of a needs and knowledge map based on the six future issue groups identified through the analysis of the major issue network.

Verification on the similarities and duplications, review on appropriateness as future technologies, adjustment of the level of technology, supplementation on the name and the description of the technology have been implemented on derived candidate technologies, and through this process we have arranged, amended and adjusted list of future technology candidates, and the executive committee reviewed this list in order to confirm the future technology list. Through this process, a total of 267 future technologies expected to emerge by 2040 were derived based on future social needs, to solve major issues and development needs in science and technology.

In this presentation, we will introduce background, purpose and progress of S&T Foresight performed by our institute, KISTEP. Each process of 5th S&T Foresight and what has been improved compared to prior foresight results will be presented. In addition we will also introduce following process to realize the 267 future technologies which were done on 2017.

**Keywords:** technology foresight, future technologies, future society prediction

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Collective Intelligence and Decision Making: Method and Its Application in Preliminary Feasibility Analysis of Public R&D Program in Korea

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Abstract

As the size of investment in R & D investment has increased, the awareness of the efficiency of limited government fiscal enforcement has also increased, and a preliminary feasibility study has been conducted as a system to verify the feasibility of projects from the planning stage before large-scale financial investment. The preliminary feasibility study system examines technically, politically and economically feasibility of the R & D project that is planning large-scale government expenditure in three dimensions and derives comprehensive judgment by using the analytical hierarchical process (AHP). Depending on the aggregate score of the AHP analysis, a single conclusion is presented to the fiscal authority or stakeholder in the form of binary decision making for the implementation or non-execution of the project. Therefore, not only the objectivity and fairness of the survey process and analysis method, but also the reliability of the survey results are the most important foundation and target for the operation of the system. AHP does not involve statistical or probabilistic concepts of aggregate ratings analyzed because it derives alternative conclusions on project implementation alternatives and non-project alternatives based on an aggregate rating of 0.5, meaning theoretically neutral. However, even if a plurality of experts participates in the AHP, the question of whether the opinion can be viewed as reflecting opinions of experts in the relevant field requires a statistical approach. In particular, when there is a conflict between the evaluators, it is necessary to consider aspects that are difficult to make an informed decision. In this paper, we discuss a method for verifying the reliability of the AHP comprehensive rating when choosing a single alternative, and a method for reducing judgment errors from a statistical point of view.

Introduction

The preliminary feasibility analysis refers to the preliminary validation and evaluation conducted by the Minister of Strategy and Finance in order to establish a budgeting and fund management plan for large-scale new projects pursuant to Article 38 of the National Finance Act and Article 13 of the Enforcement Decree of the same Act in Republic of Korea. The preliminary feasibility analysis is aimed at preventing the waste of budget and contributing to the efficiency of financial management by making transparent and fair decision based on priority of new investment of financial business through objective and neutral investigation of the feasibility of large-scale financial programs (or projects). In other words, the preliminary feasibility analysis is a process of reviewing the financial business in advance for efficient allocation of resources under the constraints of finite government budgets. Through this, it is possible to provide objective and neutral information related to the project promotion, such as feasibility of the project and review of alternatives, in advance for the business plan established by each department.
The preliminary feasibility analysis covers new construction projects, information projects, and national research and development projects with a total project cost of over about 500 million dollars and government’s financial support of more than about 300 million dollars. The purpose of the preliminary feasibility study for national R & D projects is to comprehensively assess the feasibility of project implementation. To do this, we conduct a multi-dimensional analysis (the analysis of science and technology feasibility, policy feasibility and economic feasibility) and provide a qualitative conclusion. To quantify it, we use eventually the multi-criteria decision methodology called AHP. In the preliminary feasibility analysis in Korea, the analytical hierarchical process (AHP) is used for decision making. This technique is recognized as useful in that it decomposes and structures the problem in a way similar to human thinking, and it derives the results in a quantitative form by measuring the relative importance of the evaluation factors and the preferences of the alternatives on a scale of ratios. Despite the simple application procedure, various techniques used in selecting scales, calculating weights, and sensitivity analysis are evaluated theoretically in terms of utilizing the methods adopted through empirical analysis and rigorous mathematical verification.

Figure 4. Legal basis and guidelines of preliminary feasibility analysis in Republic of Korea

Figure 5. Main features and application of AHP in preliminary feasibility analysis in R&D sector
Objectives

The result of the AHP analysis is designed between 0 and 1. 0.5 that is center point is the basis of decision. If it is 0.5 or more, the program plan is judged to be valid (feasible to execute). If it is 0.5 or less, the program plan is judged that it is not valid (not feasible to execute). Therefore, the AHP conclusion in the preliminary feasibility analysis is characterized by binary decision making. Such a binary decision-making approach is aimed at deciding whether or not the final outcome of the preliminary feasibility study will allocate the budget for the project. That is, there is no statistical or probabilistic concept. However, even if several experts participate in the AHP, a statistical approach is needed to determine whether the opinion can be viewed as reflecting opinions of experts in the various kinds of a field. Particularly, there may be controversy about the decision-making (project execution or non-execution) if the opinions are divided and the final result is close to neutral. Therefore, in the case of special situations such as the following, a careful approach is needed to secure confidence in decision making and to reduce judgment errors. First, there is no agreement between referees (evaluators). Referees’ opinions would be divided into various ratios, and even if the overall AHP score is located in over or under of 0.5, it is sometimes difficult to decide whether or not to implement the project in a situation where there is no consensus among evaluators. Second, If the score is not 0.5, but very close, there may be a chance of a stochastic error. In these cases, it is difficult to make a decision, and it is necessary to examine the possibility of a stochastic error.

Figure 6. Binary decision making

A common question when deciding whether to implement a project based on the AHP overall score is that "the difference between the AHP overall score of 0.51 and 0.49 is significant enough to make an alternative judgment. Despite the fact that it is not possible to confidently answer this question, we are forced to make binary decisions (feasible or nor feasible). For this reason, we eventually define the gray zone as an interval that requires careful decision making. In the case of the AHP score located in gray zone, careful judgement is needed in final decision making.

Problem Definition and Introduction of Gray Zone

If the opinions of AHP referees agree perfectly, that is, if all of them choose the same alternative, the reliability of the AHP comprehensive rating is not required to be statistically examined. However, if the referees' opinions are divided, it is necessary to make efforts to form consensus through mutual discussions, or to examine whether the overall AHP scores have statistically significant differences. Although explanations and discussions on the basis of their evaluation can
be effective in narrowing the gap in opinion, it is possible that there may be cases in which it is difficult to obtain complete consensus. Even if each referee’s AHP score is divided into ‘feasible (0.5 or more)’ and ‘non feasible (0.5 or less), it is difficult to make a firm decision in the situation where there is no consensus among the evaluators. In addition, if an referee has a strong negative opinion when the others mark positive, the overall AHP score might be located between 0 and 0.5. In these special and sensitive circumstances, AHP referees have difficulty in making decisions. Based on these reasons, the guidelines for preliminary feasibility studies require a more conservative approach to defining alternative grades as a gray zone where a certain level of overall AHP score is required for careful decision making.

In this paper, we analyze the reliability of AHP’s overall rating, which quantifies whether it is feasible before the implementation of a new project, and the factors that cause it to fail. AHP The purpose of this study is to examine the risk factors at the practical level for recognizing changes in the institutional environment where the number of AHP evaluators is increasing and for raising the reliability of the preliminary questionnaire survey for the purpose of alternative decision making, respectively. The increase in the number of evaluators has the advantage of collecting collective intelligence, but it can also result in the possibility of conflict of opinion in various interests. It is also necessary to recognize that the preliminary feasibility study, in which the form of the survey results should be selected as one of the alternatives for enforcement and non-enforcement, increases the ambiguity of conclusions. However, it is expected that reliable decision making will be helpful if we take into account the statistical significance intervals according to the number of opinion conflict cases and the significance level that minimizes the possibility of error occurrence.

Figure 7. Schematic explanation of GRAY ZONE for careful decision-making

Figure 8. Decision-Making Chart with respect to opinion Splitting & AHP overall score
Concluding Remarks

In this paper, The reliability of the AHP score and the causes of error were analyzed. In order to increase the reliability of the decision making based on AHP, the risk factors at the practical level were reviewed and measures were suggested to avoid them. The increase in the number of referees has the advantage of applying collective intelligence, but it can also result in the possibility of conflict of opinion in various interests. It is also necessary to recognize that the preliminary feasibility analysis, in which the form of the final result should be selected into just single result such as ‘feasible to execute’ or ‘not feasible’. It is expected that reliable statistical significance intervals according to the number of conflicts of opinions and the significance level that minimizes the possibility of error occurrence will help to make highly reliable decisions.

Keywords: preliminary feasibility analysis, government funded program, AHP, analytical hierarchical process, significance test, type I/II error, gray zone

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The Power of Engagement: Uncovering Social Media’s Return on Investment

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Abstract

Over the past decade, social media marketing has increasingly grown as one of the most influential digital marketing techniques (Quach, 2017) for all types of companies selling various products and services (Chan & Guillet, 2011). The easy access and simple use of social media platforms provide an innovative yet relatively inexpensive way to connect and engage with targeted customers, which has inspired more companies to develop comprehensive social media strategies (Fischer & Reuber, 2011; Mangold & Faulds, 2009).

However, while most sales and marketing teams agree that there is a correlation to improved sales and profit margin figures when products are launched through social media channels (Kim & Ko, 2012), it can be difficult to quantify and measure the exact impact (McCann & Barlow, 2015). In fact, while the level of sophistication of social media marketing techniques has continued to improve, identifying and measuring the ROI of social media ranks is the priority challenge for social media marketers, with 61.1% citing this as their top one challenge (“The state of social marketing 2017 annual report”, 2017). Thus, quantifying the return on investment of using social media channels to promote products and services presents a timely research problem for the hospitality and related retail industry.

Therefore, the purpose of this study is to uncover the power of social media on firm performance. Specifically, two research questions are under investigation: (1) how much sales increase is generated by the social media engagement? (2) what are the critical formula for a highly engaging social media post? To answer the research questions, two studies are conducted: Study 1. a firm performance analysis is conducted to quantify the impact of social media engagement on the sales revenue. Study 2. text mining is performed on the unstructured social media posts to identify the critical components of a highly engaging social media post.

Study 1: Probit Model

For the objective of increasing sales, this study will examine the impact of released new products via social media channels (Facebook, Twitter and Yammer) on direct sales figures based on levels of engagement. This study will utilize a probit regression model to estimate the probability that social media contributed to the sale based on the defined social media release date, level of engagement and the subsequent sale amount.

Study 2: Text mining

For the objective of uncovering the attributes of engagement, text mining procedures will explore and identify the hidden but useful patterns, trends or rules from the engagement data and then create interpretation or models to explain questions and discover new knowledge (Park, Jang & Ok, 2016; Xu & Li, 2016).
This study will present timely research for organizations who are interested in learning whether or not the employee investment is worth engagement with social media channels in order to promote or sell new products and services. While it is hard to provide a “one size fits all” social media practice for all organizations, this could provide insight for companies within the same industry sector looking to increase sales goals. Social media is often a lead to a sale, but perhaps this study may offer an opportunity to quantify the impact of such leads.

**Keywords:** social media, return on investment, text mining, social media engagement, sales, regression analysis

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