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## **The Awareness of Renewable Energy efficiency for Supply Chain Management**

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**Abstract:** The aim of this paper is to explore the factors related to applications for innovative energy efficiency in supply chain management and provide understanding of community project awareness in relation to barriers for sustainable use of different energy types. This research employs exploratory interviews with experts to understand the applications of energy efficiency and to indicate factors that are considered important barriers to indicate community perceptions of awareness. The paper provides an overview of the field of energy supply chain and therefore will be of high value to top managers, policy makers and academics. It also shows how to understand factors of community awareness for efficient energy supply chain that results in cost savings and innovative effective supply operations.

**Keywords:** *Supply Chain Management; Innovative Energy efficiency; Community Awareness Factors.*

### **Introduction**

Since those “early days” attention to the whole gamut of issues relating to sustainability have encouraged the development of far more comprehensive models of energy use and consumption (Wong et al., 2012). However, the accuracies of such models, especially in respect of energy efficiency in supply chain management for different domains (e.g. buildings, transport, and factories), remain problematic. The growing energy demand in both developed and developing countries due to high pace of economic growth has increased their import requirements. There is a substantial potential for increasing efficiency of energy use. Estimates of the quantity of possible cost-effective energy savings vary but all studies indicate a large potential for community projects (Painuly, 2009; Thapar et al., 2017). The potential ranges from 10 to 30 per cent over the next two to three decades in industrialized countries (IEA, 2002) to 50-90 per cent in the case of new installations in developing countries and 20-50 per cent in existing installations.

Despite the fact that improving energy efficiency is one of the most desirable and effective short-term measures to address the issue of energy security. The question therefore arises – what is holding the energy efficiency back? What holds energy efficiency back is a combination of various market failures and imperfections, including imperfect competition, externalities, imperfect information, high transaction costs, and organizational failure and barriers. The barriers to energy efficiency are well known and various governments have tried to address them through specific regulations. Main

factors that cause market failures and create market barriers for energy efficiency include: financial – a lack of access to finance; technical – a lack of access to efficient technologies; information – a lack of knowledge at main supplier and/or end customer level along with the different functions of supply chain about efficient technologies/products; managerial – a lack of synergy with managerial goals and incentives in businesses; and institutional – a lack of competent regulatory body. Inadequate or inefficient policies themselves often in turn create more barriers rather than ease them. For consumers, market barriers may also include energy price distortions, high transaction costs, high discount rates, low share of energy costs in overall costs in the supply chain, disconnect between energy use and equipment purchase, etc. Despite huge scope for energy efficiency improvement, the progress in realizing the potential has been very slow due to these barriers in several countries. Therefore, this research paper aims to explore the factors related to applications for innovative energy efficiency in supply chain and provide understanding of community project awareness in relation to efficient use of different energy types. The authors structure this paper as follows: a review of innovative energy efficiency and community project literature is undertaken, the research methodology, findings and discussions, conclusion.

## **Literature Review**

This study strives to contribute to literature on the related topics of innovative strategic choices and performance in community-based enterprises for the renewable energy sector. In the renewable energy sector, the innovation motivators are different than the classical innovation for an entrepreneur, particularly the growth of wealth and market power since they are not possible outcomes in this sector, specifically in a framework of “decentralized energy”, which a sustainable energy market requires (Greenpeace, 2005). Cato et al. argued that the utmost essential innovation in the renewable energy sector is the “social invention” of the mutual model of organization: “The form itself, in a Co-operative and Mutual Enterprise, is the product, rather than a list of separate commodities” (Yeo, 2002). Nonetheless, it has been argued that entrepreneurs’ most significant innovations may be in the nature of the organizational form they choose and the way they choose to measure and distribute the returns from their activities. For many renewable energy entrepreneurs the wellbeing of the local community and the planet is the main motivation, instead of financial or individual gain (Cato et al., 2007).

The renewable energy production at the community level is very promising. It involves people in a neighborhood, who invest in renewable energy technologies jointly and generate the energy they consume, known as renewable energy communities (Docia and Vasileiadoub, 2015). The growing importance of community-based energy production is well illustrated in many countries such as Germany, Netherlands, UK, etc. Gaining a better insight on the motivations of renewable investors at the community level (Marques et al., 2010; Palm and Tengvard, 2011; Paladino and Pandit, 2012) can help policy makers to develop more effective supporting mechanisms to address these communities (Docia and Vasileiadoub, 2015).

Due to the different ways the term community is understood in different projects, Walker and Devine-Wright (2008) established two dimensions to classify community energy projects. The two dimensions are process and outcome. The process dimension considers who is involved in the project, who it is run by, with who the project is developed and their influences. While the outcome dimension refers to the social and spatial distribution

in the outcomes of a project, i.e. the project is for who, who economically or socially benefits from the project. Walker and Devine-Wright (2008) classify several observations related to community energy projects. They stated that the notion community should not be taken for granted. Barton (2000) defines community as “a network of people with common interests and the expectation of mutual recognition, support and friendship” (Barton, 2000). Additionally, communities usually have little to do with locality (Barton, 2000) and energy projects can be notable as community “based”, “led”, “set up” or “operated” (Coles et al., 2016). It is presumed that the public likes to be involved in urban community energy projects. It was found that individuals of the public saw the benefits of community based renewable energy in encouraging ways, associated with establishing community spirit and conserving natural resources (Rogers et al., 2008, 2012).

In many countries renewable energy communities have multiplied the last years, even in contexts that the structural conditions are not favorable (Docia and Vasileiadoub, 2015). As a strategy for accomplishing energy and environmental targets governments in the developed world have encouraged the creation of sustainable energy communities (Romero-Rubio and de Andrés Díaz, 2015). In the German renewable industry, community based renewable energy projects have been the essence of success, which has perceived one of the biggest installations in relations of renewable energy capacity (Docia and Vasileiadoub, 2015). In the United States of America, community-owned wind power development is also becoming a reality (Bolinger and Wiser, 2006).

### **Methodology**

The method is based on exploratory approach. The empirical context of the study is UK. The first step is a review of existing literature on renewable energy supply chain and community awareness. The study can indicate various themes related to applications for innovative energy efficiency in supply chain management and also provide sub-themes of applications based on project awareness in relation to barriers and their dimensions for sustainable use of different energy types. It is obvious that renewable energy applications that have significant potential for contribution in a country will be the candidates for the study of barriers and ways to overcome them. Then, 10 expert interviews along the supply chain of renewable energy applications are conducted to examine the various types of applications and their barriers. A thematic analysis approach is used to analyse the data collected from the expert interviews. Applications and their barriers is explored and analysed at several levels of themes. The first level is application types, the second level is barriers within a category, and the third is barriers' dimensions.

### **Finding and Discussion**

The various applications for efficient renewable energy in the supply chain are the following technologies: pollution prevention measures in existing processes, cleaning technology e.g. bioremediation of polluted soils, cleaner technology, process internal recycling i.e. re-use of material waste, heat and water, measurement technologies of pollution and processes.

At present these are just suggestions based on our preliminary investigation of the examples of community renewable energy schemes in the UK. Further research might also compare these examples with other businesses in the same sector organised according to more traditional business models. We found that all the applications demonstrated independence in the sense of wishing to provide energy to their local

community that was independent. In most applications the supply chain operators were concerned to achieve sustainability, although in many examples financial achievements were more important. In the context of associative entrepreneurship profitability needs to be interpreted as sufficient surplus to allow the business to continue: the satisfaction of this criterion was unclear in many cases, which are either nascent or publicly.

There are two types of barriers which are: internal and external. External barriers are concerns outside the firm while internal barriers are concerns within the firm that will delay a firm from doing its innovation initiatives. Barriers as follows: financial barriers (lack of finance from sources outside your enterprise), skill barriers (lack of qualified personnel), lack of information on technology, lack of information on markets, and lack of innovation partners (difficulty in finding cooperation partners for innovation). In a different way, renewable energy barriers were grouped as follows: infrastructural, connected with the form of innovation activity support, in the sphere of education and management, determined by actions of the state, and informational.

## **Conclusion**

With this research, we hope to contribute to the literature. To provide a conceptual framework of renewable energy community in supply chain management. The main focus is on a possible association among the themes of innovative strategic choices; community network; and supply chain performance. This is in community-based enterprises for the renewable energy sector in the UK. This research will also identify an instrument or analytical approach for assessing the renewable energy entrepreneurial/commercial component of firms. Second, managerial implications: research on renewable energy has the potential to benefit green firms, industries and sectors in countries. This research will advance the knowledge and practices of renewable energy entrepreneurial firms.

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## **Celebrity Endorsement Impact on Non Profit Organizations: A Case Study of Angelina Jolie's visits to Syrian refugee Camps in Jordan**

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**Abstract:** in a world torn by natural disasters and human conflicts, Non-Profit Organizations spare no effort in deploying all available resources to create a distinct brand identity. In essence, this competitive advantage helps in achieving NPOs goals and objectives, generally framed into raising public awareness, soliciting donations and influencing decision makers. In this paper, qualitative and quantitative research has been conducted to measure the impact of Angelina Jolie's endorsement on the United Nations High Commissioner for Refugees (UNHCR) operating in Jordan, and the impact of her numerous visits to Syrian refugee camps and host communities in Jordan. Empirical findings concluded that although celebrity endorsement drastically raises public awareness and increases visibility, but could not successfully nor significantly act as a sole mechanism for fundraising. Yet, it has been deducted that, in this particular case, individuals with high involvement with the NPO were more likely to donate funds and volunteer as a result to celebrity endorsement. Hence, it is recommended that UNHCR invests more time and effort in raising awareness to those less involved, to convert them into supporters and potential donors. For this case study, it has been concluded that Source Attractiveness was the most important element for respondents, whereas UNHCR's selection model had largely relied on the four models combined; Source Credibility, Source Attractiveness, the Match-Up Hypothesis and the Meaning Transfer Model. Through this study, it has been established that the celebrity endorser in this specific case overshadowed the agency. It is therefore highly recommended to enhance UNHCR's visibility during such activities.

**Keywords:** *Celebrity Endorsement, Non Profit Organizations, Jordan.*

### **Introduction**

The eruption of the Syrian crisis in March 2011 had a visible and distinct footprint on highlighting human rights in Jordan. The massive and sudden influx of Syrian refugees into the small, resource-limited country necessitated the rapid intervention of numerous national and international humanitarian aid agencies, whose primary role was to protect refugees and guarantee their access to basic human rights. One key agency that has been operating worldwide since 1950 (UNHCR, 2017) and in Jordan since 1991 (UN, 2017) rolled up its sleeves in preparation to fulfill its promise of saving the lives of those forced to flee; the UNHCR. The UNHCR has appointed renowned actress Angelina Jolie as its special envoy in April 2012, after years of dedicated service as UNHCR Goodwill Ambassador (Wikipedia, 2017).

Several authors (Dimed and Joulyana, 2005, Fill 2005, Roy, 2012, Spry et al, 2011, Domino, 2003) emphasized on the important of celebrities in advertisements and enhancing corporate and product image. Fill (2005) lists four main types of spokespeople who deliver the message and are described as the source: the expert, the celebrity, the CEO and the consumer. According to McCracken (1989), a celebrity endorser can be

defined as “any individual who enjoys public recognition and who uses this on behalf of a consumer good by appearing with it in an advertisement” (p. 310).

A celebrity is a familiar and known personality, scoring high on a the level of public recognition, thus giving them a certain image (Awasthi and Choraria, 2015). Alternatively, celebrity endorsement could back fire or prove to be less effective than anticipated. For example, resentment could arise if consumers believed that the fees paid to the celebrity might increase the cost of the product (Cooper as cited in Domino, 2003), or if the “fit” between the endorser and the product is not visible or strong (Till and Shimp, 1998), or if the celebrity’s image changes for any scandalous reason (Erdogan, 1999), or spurs negative publicity resulting from inappropriate behavior (Clow and Baack, 2004). Other reasons might be when the celebrity takes advantage of the endorsement to promote their own personal brand, and develop a need to differentiate themselves, gain publicity and promote their image, thus coming off as selfish (Petty et al. 1983), or lastly in the case of an overexposed celebrity; where the more products the celebrity endorses, the less credible (Tripp et al., 1994 and Clow and Baack, 2004) or the less trustworthy they seem (Dimed and Joulyana, 2005).

In the non-profit sector, the concept of celebrity activism is common, defined as “celebrities supporting social causes by endorsing campaigns aimed at raising issue awareness or funds with the general public” (Van den Bulck, Panis, Van Aelst, & Hardy, cited from de los Salmones & Dominguez, 2016). Similar to product endorsement, some celebrity endorsement might create negative impact when it is concerned with humanitarian issues, such as poverty, animal and child rights (Wilson, 2015). Angelina Jolie; a renowned American actress and director, was appointed as UNHCR Goodwill Ambassador on 27<sup>th</sup> August 2001 for numerous reasons; her powerful cultural and political status and universal popularity, her love for children demonstrated in three adopted children (Maddox, from Cambodia, Zahara, from Ethiopia, and Pax, from Vietnam) and a personal dedication and financial commitment to the cause of UNHCR demonstrated in the largest and one of many to come individual donations to the humanitarian agency; one million dollars to help Afghan refugees (UNHCR, 2017).

The purpose of this research it to measure the impact of celebrity Angelina Jolie’s endorsement on UNHCR, in light of her fourth visit in 2016 to Syrian refugee camps in Jordan, on the agency itself and Jordanians/Syrians residing in the country. The research aimed at identified whether Angelina Jolie was a good choice for celebrity endorsement, whether the actress visits were successful in terms of creating awareness, having actual influence in driving more donations, and increasing the number of volunteers helping Syrians in the camps who are in great need of such help, the following questions helped in reaching the research objectives:

## **Literature Review**

Solomon et al. (2006) list the five elements of the communication model that are necessary to achieve the communication and change consumers’ attitudes. The Source who includes and encodes a meaning into the Message, which is transmitted through a specific Medium, the Receiver then interprets the Message, and gives Feedback back to the Source. Ohanian (1990) pins importance on the credibility of the source to effectively relay the message to the receiver. Belch and Belch (2003) on further research on credibility name the main characteristics that reinforce the celebrity’s credibility as



trustworthiness in terms of honesty and believability and expertise in terms of knowledge.

### **Source Credibility**

Erdogan (1999) discusses two variables that affect the endorser's credibility; expertise (knowledge, experience and skills) and trustworthiness (honesty, integrity and believability). Bergkvist et al (2016) found that endorsers who are perceived as experts are more persuasive and tend to have a positive impact on the brand's image and produce greater agreement with the subject at hand, as opposed to non-experts.

### **Source Attractiveness**

Source attractiveness is not confined to physical appearance, but also includes similarity; which is the resemblance between the endorser and the target audience, familiarity; which is knowledge of the source through exposure and visibility, and lastly liking; which is the target audience's level of affection felt towards the endorser (Belch and Belch 2003). Kahle and Homer (1985) have proved that physical attractiveness of the endorser has a positive effect on the target audience, in terms of purchase behavior. Nevertheless, Sliburyte (2009) depends on the type of product. If the promoted product is a PC, for example, source attractiveness is not a significant behavior inducer.

### **Match-up Hypothesis**

Solomon (2002) confers that fame alone might not be the only element needed for an endorser to be successful. Therefore, this hypothesis assumes that to have an effective communication, the endorser and the brand should "fit", especially in terms of perceived attributes. The higher the match-up between brand and celebrity endorser, the greater the positive attitude towards both, especially in terms of product awareness and recall (Misra and Beatty 1990). Hence, although physical attractiveness and credibility are key elements in the selection of the celebrity, but the congruence or match-up between the celebrity and the promoted product should be present and visible. (Jain, 2011).

### **Meaning Transfer Model**

Martin (1996) argues that the company needs to assess the consumers' needs, link it to its symbolic features, then select the endorser who best fits these meaning, as he/she will be able to generate a more positive response. Wilson (2015) found that a celebrity alone is not capable of soliciting funds, support, donations, or human resources for the benefit of a charity, but might prove to be very effective in generating awareness and presenting appeals or running campaigns. To optimize the benefits of a celebrity endorser for a charity organization, the celebrity should have credibility, integrity, experience and personal connection to the cause they support. Salmones et al (2013) found that for a celebrity to exert influence over audience in the NPO context, they must be credible. Additionally, the better people like them, the more effective the communication.

### **Negative Publicity for NPO's**

Crossland (2015) proposes that if the endorser does not believe nor share the NPO's values, vision and mandates, then the endorsement might seem invalid. Unfortunately, and in some instances, the NPO or organization has little control over the endorser (Tom et al. citing from Crossland 2015), who might harm the brand image or the consumers' purchase intentions if their actions contradict with their endorsement.

### **The Overexposed Endorser**

Ilicic and Webster, (2011) mention that a celebrity who endorses several products is seen as indistinctive, whereas when the celebrity endorses one product, individuals display

higher interest in product purchase, respond better to promotional message, and regard product and advert more favourably (Mowen and Brown, 1981). McSweeney (2004) suggest that satiation can occur from psychological processes, such as habituation; “a decrease in responsiveness to a stimulus that is presented repeatedly or for a prolonged time”, or “a form of learning in which an organism decreases or ceases to respond to a stimulus after repeated presentations” Wikipedia (2017), or a behavioural response decrement that results from repeated stimulation and that does not involve sensory adaptation/sensory fatigue or motor fatigue (Rankin et al. 2009).

### **Involvement Levels**

Involvement is explained as the personal importance of an object for a person, (Petty et al., 1983) or the personal interest in a specific situation as a result of past experience, values, needs or personal features. These are the determinants to the depth, extensiveness and complexity of the consumer’s behaviour (Chakravarti & Janiszewski, 2003). Petty et al. (1983) concluded that if an advert included a product of high involvement, the content and information presented were a persuasive determinant in the individuals’ critical attitudes. In products with low involvement the endorser was the important element in shaping attitudes and purchase intentions. (Domino, 2003). The above is of significance to NPOs when considering Atay’s argument (2001) P.129, if the involvement is low, the individual might support the endorsers’ values, yet, when involvement is high, the individual’s own values and beliefs are of merit. On the other hand, and as aforementioned, celebrity endorsement in NPOs is very debatable since receivers may have doubts about their credibility, honesty and opportunistic behaviour, seeking publicity and visibility (Samman et al., 2008).

### **Methodology**

In this research, an integration of the qualitative and quantitative methods was adopted to draw general conclusions on the effectiveness of celebrity endorser Jolie on the Syrian crisis. Close-ended questionnaires containing 22 questions on a 5 point Likert scale representing “Totally Agree, Somewhat Agree, Neutral, Somewhat Disagree, and Totally Disagree” were formed in Arabic and distributed through the probability sampling, based on the principle of randomization, to 200 random Jordanian participants and 50 random Syrian participants. Respectively, 182 and 30 filled and valid questionnaires were returned. Questionnaires were tested on two Jordanians and one Syrian and valid feedback was taken into account, two university instructors gave their opinion of the research instruments questionnaires and in-depth interview questions, their comments and recommendations were taken into consideration which resulted in amending the instruments. Additionally, two interviews with senior UNHCR communication were conducted. One was through Skype with a communications Advisor in Geneva and the second one through telephone conversation with a field worker who accompanied Jolie on her visit to the Zaatari camp.

### **Results and Discussion**

General findings indicate numerous similarities and shared opinions between Jordanians and Syrians. In assessing the attributes of Jolie, Likability scored the highest, followed by Attractive, Familiarity and Trustworthiness in both nationalities (Source Attractiveness and Credibility), the results show that Angelina Jolie enjoys the characteristics of a successful endorser having scored high on the above mentioned characteristics, 78.2% of the respondents believe Jolie is likable, 67.85% see her as attractive, 58.24% familiar,

and 56.04% see her as trustworthy, however Jolie scored less in favourable 46.15% and knowledgeable apparently because they believe that she depends on her personality, looks and famousness in endorsement rather than her knowledge.

In a different question, 131 respondents out of 182 regarded Jolie as a very good fit to UNHCR (72%) and similarly 130 respondents out of 182 regard Jolie as most Trustworthy (71.4%), those characteristics show that choosing Jolie for endorsement was a very good choice by UNHCR, trustworthiness is a main element in choosing the endorser as explained earlier.

The overall perception of her credibility was excellent with 32.4% of the respondents, and very good with a percentage of 33%, 55.4% believe that Jolie has an excellent and very good credibility, only 5.5% of the respondents see her credibility level as poor. Chart three proves that Jolie has very strong credibility reflecting positively on the endorsement process.

The overall perception of her knowledge of UNHCR and refugees was also very good: 70 out of 182 respondents, with a percentage of 38.5%, and her having excellent knowledge of UNHCR and refugees 26.4%, hence 64.9% recognise Jolie as having very good and excellent knowledge of UNHCR and refugees, and therefore is an excellent choice to endorse syrian refugee camps in Jordan and enhancing awareness and need for increasing donations for UNHCR to be able to improve the living standards of Syrian refugees in various Syrian camps in Jordan.

The overwhelming majority; 147 respondents out of 182 (80.70%) agreed that people are profoundly influenced by celebrity endorsement, in general, in terms of raising awareness of cause; 142 respondents out of 182 (78%), but in a lesser degree in motivating people to donate money; 68 respondents out of 182 (47.25%), and volunteer time; 89 respondents out of 182 (48.90%), less than 50% of the respondent believe that Jolie's visits were successful in terms of urging people to donate money or volunteer in helping Syrian refugees in any way, from the analysis of the collected data we have seen that people understand that Angelina was the right choice for creating awareness, but did not achieve actual results on the ground.

In the specific case of Angelina Jolie for the benefit of UNHCR, 135 respondents out of 182 (74.18%) agreed that her visits and endorsement generated and heightened awareness of UNHCR brand reflecting positively on her UNHCR mission. In an interview with UNHCR, the media advisor highlighted the role a celebrity plays not only in raising the profile of the agency, but also in generating public support, enhancing donor relations and demonstrating the expenditure efficiency. Negatively, 106 respondents out of 182 respondents (58.2%) noted that Jolie's visit overshadowed the visibility of UNHCR on her visits to the Syrian Refugee camps. Chart 6 draws the comparison between the two. In the UNHCR interview, the media advisor stated that UN agencies deploy the fame of the celebrity for their use and benefit. Hence, the issue of overshadowing the brand is not as significant as the mission of the agency itself, which boils down to saving lives.

The only divergence in this category of questions is the Syrians' motivation by a celebrity endorsement to donate money to NPOs, where 14 respondents out of 30 (46.66%) was Neutral. This is understandable as they are in an abnormal emergency setting and financial hardship.

In an assessment of UNHCR's main attributes, it was mostly described as an Honest and Favourable organization, whereas Transparent and Reliable fell at the other end of the spectrum. It is worth mentioning that the Not Involved and Know Nothing About UNHCR respondents were the ones rating UNHCR as not Transparent (13 out of 28 respondents), nor Credible (9 out of 18 respondents).

General findings also indicated that the perception of UNHCR was NOT affected by Angelina Jolie's breakup with Brad Pitt (142 out of 182 Jordanians respondents (78.02%) in comparison to 28 out of 30 Syrians respondents (93.33%), the received data indicates that the marital or personal social status of Jolie does not have influence on the endorsed organisation as apparently is not related to the organisation's activities.

## Conclusion

The primary focus of this paper is to investigate and assess the impact of celebrity endorsement and Jolie's visits to Syrian refugee camps in Jordan. It has been concluded through UNHCR interview that celebrity endorsement attracts publicity and enhances visibility, and through the questionnaires that it drastically increases public awareness about the NPO and its cause. It has also been concluded that while money and time donations were confirmed as a result of celebrity endorsement at the beginning of the questionnaire - although with minor deviation from neutral affect – the results shifted towards negative when presented with the specific case of donating money or volunteering time for the benefit of Syrian refugees as a direct result to Jolie's endorsement and visits. Therefore, an NPO should not rely solely on celebrity endorsement for soliciting charitable giving; whether time, resources or money, but should combine it with other fundraising mechanisms, and this is in line with the research findings of (Domino, 2003).

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## Villain or responsible investor? Investigating public perceptions of a vocal shareholder activist

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**Abstract:** Maintaining long-term relationships has never been more important than in this era where more people are expressing their discontent via social media. The financial services industry is no exception. Within this context, 3 066 tweets that followed a public announcement by Futuregrowth Asset Management on 31 August 2016 were analysed. On this date, the lender publically announced that they would suspend further funding to six state-owned enterprises in South Africa. Futuregrowth's chief investment officer justified the decision by citing serious governance concerns. Some tweets were extremely punitive. Futuregrowth was blamed for the weakening of the country's currency and was accused of conspiring against the government. In contrast, other tweeters felt that the announcement was a wake-up call for the ruling party and that investors should actually be thanking Futuregrowth for being a responsible investor. Some tweeters called their decision a "game changer" and mentioned it in the same breath as investment boycotts and tax strikes. This study highlights the fragility of trust in the financial services industry in general and the asset management sector in particular. Given the risk of reputational damage, it is recommended that asset managers who want to fulfil their fiduciary duties do so in private.

**Keywords:** *public investor activism, public perceptions, asset management sector*

### Introduction

Maintaining sound relationships has never been more important than in this era where more people are expressing their discontent via social media (Gerbaudo, 2012; Kietzmann, Hermkens and Silvestre, 2011). The financial services industry is no exception. Trust is particularly important in this industry given high levels of risk and a sense of vulnerability on the part of the consumer (Alalwan, Dwivedi, Rana, Lal and Williams, 2015; Sekhon, Ennew, Kharouf and Devlin, 2014).

The biggest private lender in Africa, Futuregrowth Asset Management, publically announced on 31 August 2016 that they would not roll over existing debt or extend new debt to six state-owned enterprises (SOEs) in South Africa. The SOEs included the power utility Eskom, rail and ports operator Transnet, the South African National Roads Agency, the Land and Agricultural Development Bank of South Africa (LandBank), the Industrial Development Corporation (IDC) and the Development Bank of Southern Africa. Futuregrowth's chief investment officer, Andrew Canter, justified the decision citing serious governance concerns at the targeted entities (Cohen, 2016).

Journalists called Futuregrowth's announcement an unprecedented, courageous move - one that might even "spark a financial revolution" in the country (Hogg, 2016a). Futuregrowth's public approach to investor activism drew attention as most interactions between investors and investee companies in South Africa take place behind closed doors (Yamahaki and Frynas, 2016; Viviers and Smit, 2015). Canter had to content with harsh criticism from Futuregrowth's holding company (Old Mutual plc), clients, the targeted SOEs, government ministers and the public (Rose, Hasenfuss and Bissek, 2016).

Limited research has been undertaken on the consequences of public investor activism by asset managers on public perceptions. As such, this study investigated public perceptions in response to Futuregrowth's 31 August 2016 announcement.

### **Investor activism**

A shareholder activist uses his/her equity stake to hold management accountable and influence corporate policies and practices. Shareholders can do so by employing exit and voice strategies (McNulty and Nordberg, 2016). Shareholders using an exit strategy are said to 'vote with their feet' when they sell some or all their shares in a company (called the investee company) (Admati and Pfleiderer, 2009). If a large number of shareholders divest simultaneously, the targeted company's market valuation and cost of capital could be adversely affected.

Shareholders opting for a voice strategy engage management formally or informally on issues of concern (Goodman, Louche, Van Cranenburgh and Arenas, 2014). Formal voice strategies include efforts that are made publicly, such as the filing of shareholder resolutions, voting, posing questions at annual general meetings and stimulating public debate via traditional and/or social media. In contrast, informal voice strategies involves private correspondence and confidential negotiations with management (McCahery, Sautner and Starks, 2016).

A range of factors influence the choice of activism strategy, the most prominent being the size of shareholding, the level of investor protection and the culture in a particular country (Judge, Guar and Muller-Kahle, 2010). As South African shareholders enjoy relatively high levels of protection, they have no need to voice their concerns publically. The strong preference for private shareholder activism is furthermore attributed to the limited investment universe in the country and the resultant need to maintain amicable relationships with investee companies (Viviers, 2015). Research shows that private interactions tend to result in greater co-operation on the part of investee companies (Landier and Nair, 2009). Brav, Jiang, Partnoy and Thomas (2008) also show that hostilities often emerge when investee companies are publically 'named and shamed'. Animosity and distrust can spread quickly, thereby damaging the reputations of companies and individuals alike.

Compared to shareholders, lenders (such as bondholders and bankers) have fewer options to have their voices heard. Only the largest lenders are likely to have access to management. Futuregrowth has long been known as a responsible asset manager in South Africa. Driven by the desire to make a positive contribution to society, Futuregrowth has pioneered a number of development funds focussing on low-income housing, urban regeneration, shopping centres in rural areas and township, sustainable agriculture and renewable energy (Who we are, 2017). Futuregrowth was one of the first signatories of the United Nation's Principles for Responsible Investing and was intimately involved in formulating the Code for Responsible Investment in South Africa.

To mitigating overall portfolio risk, Futuregrowth integrates environmental, social and governance considerations into all of their investment analyses and decision-making processes. It was in light of this investment philosophy that Canter and his team decided to suspend lending to the six targeted SOEs. Canter was quoted as saying "As fiduciaries, we could not provide additional finance to these SOEs without having deeper insight into, and comfort around, their governance, decision-making processes and independence"

(Hogg, 2016a). He further mentioned that it was Futuregrowth’s responsibility to protect the savings entrusted to them as “a core proposition” (Hogg, 2016b).

Despite the sound justification for their decision, Futuregrowth faced harsh criticism from various sources (Smith, 2016). In this study, attention was, however, only given to responses by members of the public.

## Methodology

BrandsEye, a global media intelligence company, was employed to collect and analyse raw data from 31 August to 30 November 2016. They used the following keywords to identify relevant tweets: Futuregrowth, Andrew Canter, state-owned enterprises, SOE(s), Lynne Brown (the South African minister of public enterprises), Eskom, Transnet, South African National Roads Agency, SANRAL, Land and Agricultural Development Bank of South Africa, LandBank, Industrial Development Corporation, IDC, Development Bank of Southern Africa and DBSA.

All of the identified tweets were scrutinized by trained analysts to verify that they dealt with the correct entity, i.e. Futuregrowth Asset Management. BrandsEye excluded replies, re-shares and tweets made by Futuregrowth. The sample was restricted to comments made by South Africans.

A computer algorithm analysed the sentiments expressed in the tweets as positive, neutral or negative based on a proprietary measurement. Trained analysts verified a total of 3 066 sentiment classifications as the algorithm is unable to distinguish between sincere and sarcastic comments.

## Results and discussion

As shown in Table 1, the vast majority of the tweets across five incidents were neutral.

*Table 1: Summary of relevant tweets.*

Incident	Date	Number of comments	Sentiment expressed		
			% Positive	% Neutral	% Negative
Canter publically announces Futuregrowth’s lending ban.	31 Aug 2016	280	5.0	87.8	7.2
The ANC reacts to Futuregrowth’s announcement.	1 Sept 2016	1 057	8.3	77.7	14.0
Canter publically apologises for adopting a public activism approach.	8 Sept 2016	76	0.0	86.8	13.2
Futuregrowth publically lifts the funding ban against LandBank.	26 Sept 2016	90	0.0	97.9	2.1
Futuregrowth publically lifts the funding ban against the IDC.	7 Nov 2016	67	2.1	89.4	8.5

Some the negative tweets were extremely punitive. One tweeter questioned Futuregrowth’s motive for the announcement “Why not just do it? It [the public announcement] seemed shady”. An hour-by-hour analysis reveals that most of the tweets on 1 September occurred after 12pm, most likely in response to the following tweet by the African National Congress (ANC): “[We are] concerned by the posture adopted by Futuregrowth”.

Tweeters who expressed negative views on this day blamed Futuregrowth for the weakening of the South African rand. The currency fell to its lowest level in seven weeks on 31 August 2016 (Potelwa, 2016). Many of these individuals also accused Futuregrowth of conspiring against the ANC. Canter was called a racist and was reproached for using “white monopoly capital to effect regime change”. In an attempt to

restore the public's trust, Canter made it clear that the decision was made by a racially diverse team of investment professionals who applied rigorous credit assessment principles (Hogg, 2016b).

Several tweeters rightfully expressed concern about the impact that Futuregrowth's statement would have on the targeted SOEs' cost of capital. One tweeter asked "Why don't people get it that #Futuregrowth's decision is bad for all of South Africans, not just [president] Zuma? We are all screwed if Eskom goes obsolete". This tweeter alluded to the adverse impact that electricity shortages had on the South African economy in 2014 and 2015 (World Bank, 2017). A downgrade of Eskom's credit rating would raise interest charges and put even more pressure on ordinary citizens to fund the growing demand for electricity in the country. The same applies to the other SOEs providing public goods.

Canter responded by saying that it was never Futuregrowth's intention to undermine the operations or developmental goals of Eskom or any of the other SOEs. His team simply needed greater clarity on certain issues to make informed credit decisions (Cohen, 2016).

Futuregrowth's holding company distanced itself from their decision claiming that they (Old Mutual plc) remained committed partners and funders of the targeted SOEs (Slabbert, 2016).

Some tweeters claimed that there were "other companies with money" that could fund the targeted SOEs. These tweets were in line with the laissez-faire reactions from Eskom and Transnet's top management. An Eskom spokesperson remarked "If they are not going to lend us money, then I suppose it is fine. We will go elsewhere" (Cohen, 2016). Transnet's chief executive officer likewise claimed that he did not lose sleep over Futuregrowth's "unfair and unfortunate" decision (Omarjee, 2016). Both of these SOEs' credit ratings have since been downgraded and both have struggled to raise new debt to fund their 2017/18 budgets (Moola, 2017; Thompson 2017).

In contrast to the critics, some tweeters felt that Futuregrowth's statement was a wake-up call for the ANC. Some claimed that investors should be thanking Futuregrowth for being a responsible investor, one that "took a stand against thieves and looters". Some of positive tweeters called Futuregrowth's announcement a "game changer" and mentioned it in the same breath as investment boycotts and tax strikes. This group of tweeters hoped that other asset managers would follow Futuregrowth's example, stating that their decision showed "real character" and personifies "ethics in action". Although a few asset managers supported Futuregrowth's decision in principle, nobody followed their public activism strategy (Slabbert, 2016). Only one Danish bank publically announced that they would not extend any further loans to Eskom.

The following comments also capture a realisation among members of the public that Futuregrowth acted appropriately as a fiduciary: "Andrew [Canter] is a class act. Maybe it is time to transfer our pension funds to Futuregrowth!" and "What would you do if you knew that your fund manager is pumping your savings into Eskom and South African Airways [another ailing SOE]? I'd say run!!!" Quite a number of tweeters were upset by the ANC's attempts to suppress a public discussion on SOE governance. One person angrily remarked that "Economic freedom without political freedom is no freedom".

As shown in Table 1, conversation volume was relatively low on 8 September 2016 in response to Canter's public apology. Some tweeters argued that Canter's apology meant nothing given the damage it caused. Very few comments, most of which were neutral, occurred in response to Futuregrowth lifting its funding ban against the LandBank and



IDC in the weeks that followed. Spokespersons for both of these two entities commented on the constructive nature of the private engagements that took place with Futuregrowth to clarify their concerns (Le Cordeur, 2016; Mokhema and Gumede, 2016). These entities also made firm commitments to improve their governance in future.

### **Conclusions and recommendations**

Futuregrowth had solid grounds for targeting the six SOEs. As an asset manager, they have a fiduciary duty to preserve the savings entrusted to them. From the analysis it, however, seems as if they underestimated the reputational damage that could result from speaking out in public. It also seems as if Canter's explanations and public apology did little to restore the public's trust in the lender. The same applies to the good news of Futuregrowth resuming lending for two of the SOEs (which actually translates into a win-win situation for taxpayers, entrepreneurs and the public at large).

This study highlights the fragility of trust in the financial services industry in general and the asset management sector in particular. To preserve trust, investors should try (as far as possible) to engage investee companies in private. As indicated earlier, private negotiations strengthen relationships and often result in greater co-operation on the part of investee companies. Smaller shareholders and lenders are also encouraged to notify management of their intentions before speaking out in public. In doing so, they might just gain access, particularly in cases where management wants to avoid being publically criticised.

The empirical evidence also suggests that asset managers need to do more to educate the public on their role in the investment value chain. Technical terms such as fiduciary duty and responsible investing should be explained in more detail.

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## Strategies for Branding Cultural Tourism

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**Abstract:** Cultural Tourism is one of the largest and fastest growing markets in the tourism industry. Cultural attractions are often used to brand and position the country's tourism competitiveness. Cities and local communities are working together to increase access to cultural attractions and demonstrate its uniqueness, creativeness and innovation to attract domestic and international tourists to cultural attractions.

“Failte Ireland (2012) talks about the need to create memorable moments to make the customers feel valued, by providing the right products, right quality, right time, and right place. Cultural tourists have been described as creative tourists (Lord, 2002) where experiences must be provided to allow visitors to experience their creativity”. (Du Cros, H. & Mckercher, B, 2015).

This paper will discuss about the necessary strategies for branding cultural tourism to position attractiveness, uniqueness, experience, and find creative ways to continue to attract tourists in this segment of tourism. Thousands of tourists are highly motivated to visit cultural attractions and many museums and art galleries are available to national and international tourists interested in cultural attractions. Meanwhile, cultural tourist assets are at risk by an excessive number of visitors, therefore, it compromises its human carrying capacity and the sustainable development of these cultural sites.

**Keywords:** *Cultural, Tourism, Attractions, Brand, Strategies, Segment, Position, Sustainable, Development.*

### Introduction

The challenges of branding are creating a connection between the brand and the person, customers and potential customers. Creating a brand name for a cultural tourist destination means presenting an experience on how potential tourists will be able to enjoy while visiting specific cultural place, city, museum, art gallery, theater, and event. Culture is perceived as a significant asset for the development of tourism and attract national and international tourist to the cultural destination with the contribution of the community, government, non-for-profit organizations, and private organizations. These actors play and active role in the promotion of cultural tourism and branding cultural assets by collaborating and creating a strategic planning to make the cultural assets of the place attractive enough to appeal to the attention of domestic and international visitors. The cultural assets of a city and a country represent the competitive attractiveness of the place to increase the number of visits to these destinations.

### Literature Review

#### Tangible cultural heritage

“Cultural heritage is the legacy of physical artefacts and intangible attributes of a group or society that are inherited from past generations, maintained in the present and bestowed for the benefit of future generations” Tangible heritage includes buildings and historic places, monuments, artifacts, etc., which are considered worthy of preservation for the future. These include objects significant to the archaeology, architecture, science or technology of a specific culture.

Objects are important to the study of human history because they provide a concrete basis for ideas, and can validate them. Their preservation demonstrates recognition of the necessity of the past and of the things that tell its story. Preserved objects also validate memories; and the actuality of the object, as opposed to a reproduction or surrogate, draws people in and gives them a literal way of touching the past. This unfortunately poses a danger as places and things are damaged by the hands of tourists, the light required to display them, and other risks of making an object known and available” (UNESCO, 2017). Du Cros, and Mckercher, (2015)

discussed how the cultural management of tangible heritage should aim to search for the values of the community and desire to protect its own cultural assets to share with future generations. Investigation, and documentation represent very important aspects to help communities to create capacity for developing cultural touristic products as an initiative of the community.

### **Intangible cultural heritage**

“Museums, cultural community centers and institutes, among other from the public and non-for-profit sectors, have been at the local level in the increasing systematic approach to safeguarding intangible cultural heritage (ICH). Although the development of widely adopted management approaches is still in its early stages, overall it appears the most countries seem to have adopted a three stage approach comprising:

- 1- Involvement of communities;
- 2- Documentation and development an inventory
- 3- Building capacity within communities to continue transmission of ICH” (Du Cros, Mckercher 2015).

Du Cros, and Mckercher (2015) discussed how the intangible manifested through performance, festivals, handicrafts, listening storytellers, food-tasting, local markets, and promotes deeper engagement to understand the local culture.

### **The art of branding**

The art of branding a cultural destination success will be based on presenting the uniqueness, experience, and creativity of the place and specific cultural traditions and customs that cannot be found in specific destination.

“A brand is a set of associations linked to a name, mark, or symbol associated with a product or service. The difference between a name and a brand is that a name doesn’t have associations; it is simply a name. A name becomes a brand when people link it to other things. A brand is much like a reputation” (Tybout, 2005).

Cultural assets are considered tourism products which can become part of a brand name. If cultural assets are tourism products, the key of branding the cultural tourism products relies on the promotion of the benefits, uniqueness, and experiences that tourists can enjoy while visiting the cultural destinations.

### **Presenting Cultural Experience in the destination**

Reading an article about a cultural destination experience in a specific destination will get the reader interested about the value added that the place has to offer, uniqueness represents an essential element to position the destination in the minds of potential travelers. The cultural attractions can be the heritage of the destination and creating a connection between cultural tourism and potential visitor represents the first step to get the traveler engage in traveling to the cultural destination.

### **Generating Demand**

One of the challenges of the cultural destination is generating demand. The brand name will appeal to the intellect, emotion, and value-added of the unique cultural experiences that can be explored in the destination. The aim of the brand is to present the history of the culture, traditions, and customs that potential travelers can be able to explore.

### **Specialize on specific cultural promise**

The brand name should express the specific benefit of visiting the cultural destination. In other words, specializing on a cultural benefit and attractiveness that the destination can offer and create an experiential promise if visited.

### **Collaboration**

“Creating effective collaboration is also a challenge because the tourism and cultural sectors often seem to be speaking a different language. This is largely to do with the culture of the two sectors, because the tourism sector is largely commercial, whereas the cultural sector often has a non-profit ethos” (OECD, 2009).

Collaboration presents some challenges because the actors involved find no value in contributing with each other to develop tourism. In one hand, the public organizations are in charge in looking after the interests of the residents and citizens. On the other hand, the private sector is interested in growing their businesses and maximizing its profitability.

Meanwhile, the public, private, and non-profit organizations can come together to increase the brand's value. The community is also an important actor, but unfortunately sometimes, it is not being taken into account to determine what is best for its own future. Therefore, it does not contribute to the sustainability of the brand and the corresponding ethics and corporate social responsibility that it can provide to its residents.

### **Sustainability of cultural tourism sites**

The sustainability of cultural tourism brand will depend of the contribution it makes to its residents and citizens and how its community promotes the sustainable development of it. The tourists' visits will contribute to the sustainable development of the cultural tourists' destinations.

### **Positioning**

Brands have a remarkable ability to impact the way people view products. Consumers rarely just see a product or service; they see the product together with the brand. As a result, how they perceive the product is shaped by the brand. Advertising has the role of positioning the cultural tourism destination in the minds of national and international tourists. Innovative cultural tourism destination marketing and advertising are boosting the competitiveness of a cultural destination by presenting the cultural assets of the destination.

### **Segmentation**

“As Lilien and Rangaswamy (2003) put it: Segmentation is best viewed as the first step in a three-step process of segmentation, targeting, and positioning (STP). Segmentation groups customers with similar wants, needs and responses. Targeting determines which groups a firm should try to serve (and how). Positioning addresses how the firm's product will compete with others in the target segment” (Dolnicar, 2012).

“Hooley, Saunders, and Pierce (2004), in their book on marketing strategy, propose a few basic principles to guide marketing action:

Principle 1: Focus on the customer

Principle 2: Only compete in markets where you can establish a competitive advantage



Principle 3: Customer do not buy products (they buy solutions to their problems).

Principle 4: Marketing is too important to leave to the marketing department.

Principle 5: Markets are heterogenous.

Principle 6: Markets and customers are constantly changing” (Dolnicar, 2012).

### **Marketing**

Marketing is defined as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler and Armstrong 2003).

“Many of the adverse impacts noted in cultural tourism are a direct result of the failure to adopt a marketing management perspective, rather than because of adopting one. As a result of failure to identify clearly the core product, the target market, financial, and non-financial objectives, and a plan of action to achieve them, mixed messages can be sent to the travelling public” (Du Cros, Mckercher 2015).

Destination which lack a richly built heritage need to find new means of competing with those that do” (Richards and Wilson, 2007).

### **Challenges**

“Three key challenges emerged from the study: cash, consistency, and clutter. These are the “three C’s” of branding”. Executives need to deliver short-term financial results, but brands are long-term assets” (Tybout, 2005).

Du Cros, and Mckercher, (2015) discussed how the greatest challenge for ICH is how to promote cultural assets that are private and personal at the same time and can be market to tourists.

### **Tourism Carrying capacity**

“The definition-assessment and implementation of Tourism Carrying Capacity (TCC) needs to be considered as a process within a planning process for tourism development. These two processes are parallel and complementary and can provide a general framework guiding local community, planners, and decision-makers. This framework consists of principles, goals, objectives, and policy measures regarding tourism development in an area based on the area’s distinctive characteristics/features respecting local capacities to sustain tourism. Setting capacity limits for sustaining tourism activity in a place involves a vision about local development and decisions about managing tourism. These should be carried in the context of democratic community strategic planning, which requires participation of all major actors and the community at large. Consultation with relevant stakeholders is a key issue at all stages. The whole process is dynamic and cyclical” (Coccossis, H., & Mexa, A., 2002).

### **Sustainable development of brands and Corporate Social Responsibilities**

“Corporate Social Responsibility (CSR) can make a significant contribution towards sustainability. According to the definition of the European Commission, CSR is “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.*” CSR is part of the Europe 2020 strategy for smart, sustainable and inclusive growth (European Commission). It is important to point out that CSR measures are voluntary and should therefore exceed legal regulations (e.g. environmental regulations, employment rights, etc.). Furthermore, it is a multi-stakeholder concept where dialogue between the stakeholders plays a major role. In this context, stakeholders are not only beneficiaries but also partners in developing and implementing CSR projects for businesses” (ECM,

2017).

### **The legal environment**

“Government at a variety of levels in many countries may increasingly impose taxes, laws, and other restrictions upon travel-related commerce, as part of their political, social, economic, and ecological agendas” (Wang, 2011).

## **Discussion**

### **Accessibility**

It represents an important aspect to boost the brand name as a cultural destination because more people will be able to visit the cultural assets. Meanwhile, if it is difficult to access the cultural destination people will not visit as much because the cost and length to reach the destination.

### **Creativity**

“Creativity has become a more important element in regional development strategies because: The rise of symbolic economy privileged creativity over cultural products.

Regions and cities have increasingly used culture as a form of enhancement and therefore need to find new cultural products to create distinction in an increasingly crowded marketplace.

### **Simplicity**

The brand name should present simplicity on its message, its slogan is easy to remember, an image position the destination as a must see cultural destination. It is important to keep in mind what is the target market that it is appeal to. It is not about the culture it is about the experience, therefore, selling the experience is key to attract potential tourist and interest in the cultural assets.

### **Challenges**

It takes time to develop a brand name or reputation of the cultural tourist destinations. Brand names need to be managed well to guarantee longevity.

It is essential that the brand name provides consistency with its promise. In other words, the brand must fulfill the benefit, uniqueness, and creativity it promotes.

There is a lot of competition among cultural tourism destination, and potential tourists are constantly exposes to thousands of advertisements and promotion of cultural assets which are constantly competing, therefore, creating distinction.

### **Tourism Carrying capacity**

Tourism carrying capacity contributes to define the planning, goals, objectives, and the policies of the development of the tourism cultural product and establish sustainable tourism parameters to protect the cultural assets.

Human carrying capacity refers to the number of people that can visit a place at the same time. For example, some cultural assets have a limited number of people can visit the cultural attraction at the same time.

### **Sustainable development of brands and Corporate Social Responsibilities**

Cultural tourism destination and promoters should actively participate in developing tourism cultural products based on the corporate social responsibility and demonstrate how the preservation and/or promotion of the cultural assets will make a contribution to the social, economic and environmental needs of the community, city, and country.

### **The legal environment**

In one hand, laws and legislations can contribute to increase the number of national and international tourists and local communities by facilitating easy access to these

destinations. In the other hand, strict laws, and legislations can affect and restrict the access of international tourism to these destinations.

### **Marketing**

Marketing represents an essential tool to boost branding of cultural tourists' destinations. It contributes to the development of the cultural tourist destination by giving promotion to diverse cultural assets to attract domestic and international tourists. Marketing is not an isolated effort and it can create an opportunity for the community, government, non-for-profit organizations, and companies to come together contribute to sustainability of the cultural assets of tourist destinations.

Marketing strategies contribute to branding and image development, Internet platforms provide information to national and international tourists, travel organization can create joint ventures to share tour operations, organizations can create new cultural tourists' destinations by creating cultural events in several regions in the destination, discount coupon to cultural sites can increase the interest to new creative and cultural sites.

It is necessary that the cultural tourist destination follow the rules, and laws of the country to successfully brand the tourists products to national and international tourists.

### **Conclusion**

This paper discussed about the necessary strategies for branding cultural tourism to position attractiveness, uniqueness, and experience and find creative ways to continue to attract national and international tourists in this segment of tourism. Thousands of tourists are highly motivated to visit cultural attractions and many museums and art galleries are available to tourists interested in cultural attractions. Meanwhile, cultural tourist assets are at risk by an excessive number of visitors, and compromises its human carrying capacity and the sustainable development of these cultural sites. Therefore, government organizations should design tourism policies that will improve the human carry capacity of the cultural assets but defining the number of visitors that can be in one cultural asset at the same time.

Culture is perceived as a significant asset for the development of tourism and attract national and international tourist to the cultural destination this can only be possible with the contribution of the community, government, non-for-profit organizations, and private organizations.

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## The importance of business model, process innovation at organisational level of management in event market

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**Abstract:** This paper describes the market trends of event and the investments that companies make in this direction, the importance of business model and process innovation about that.

The aim of this paper is defining the innovation of a sales organisation process: differently from the past, today often a firm doesn't not sell just a product or a service, but an idea, a value, a lifestyle concerning the products with market and industry trends. Event Market is growing strongly during this years in terms of exclusive and corporate events (like team building, etc).

This research employs an analysis for the literature review to identify factors that led to change a business model, process innovation at organisational level of management in European and international companies.

This research employs, also, an empirical analysis with the aim to define the trends of European and international event market, starting to Italian market. During a period of observation exposed a same of customers randomly to a survey with the purpose to define the relationship between the Interviewees, the Social Media and Event.

In line with market trends, greater investment by companies in promotional or exclusive events, there are new innovative strategy for event development focused on exclusive and innovative service connect with digital communication and advertising.

**Keywords:** *management, event market, innovation, business model innovation, process.*

### Introduction

This paper describes the market trends of event and the investments that companies make in this direction, the importance of business model and process innovation about that.

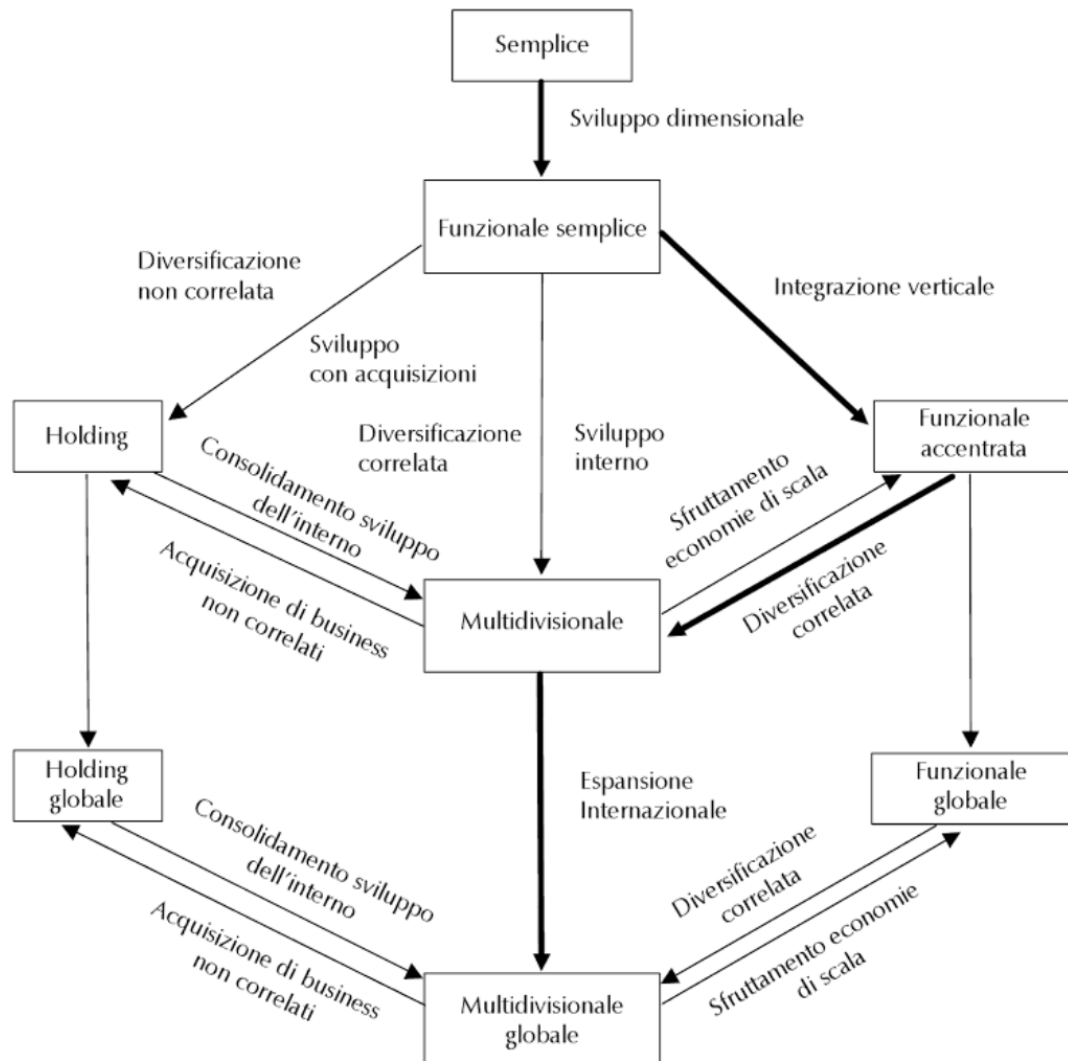
The aim of this paper is defining the innovation of a sales organisation process: differently from the past, today often a firm doesn't not sell just a product or a service, but an idea, a value, a lifestyle concerning the products with market and industry trends.

This research employs an analysis for the literature review to identify factors that led to change a business model, process innovation at organisational level of management in European and international companies from global multidivisional to easy.

From the empirical analysis, a questionnaire submitted to 40 companies and an interview with a businesswoman in the industry, it is evident that: corporate events are a major component of the event industry and that about 60.8% of the total of events hosted in Italy in 2015 (and 52.2% of the total participants) had participants, coming mainly from the same Region where the congress venue is located. 30.1% of the events (and 32.6% of the total participants) had a national horizon, ie with participants, excluding rapporteurs, coming mainly from outside the region; 9.1% of the events (and 15.2% of the total participants) were classified as international, having significant numbers from abroad.

This Italian framework reflects the international picture: corporate events support the industry and the participants tend to be the venue for the event.

Figure 1: Development organization



(Source: *The Role of Structure & Process*, J. R. Galbraith and D.A. Nathanson)

Considering the three types of customers: companies, associations and institutions, the first were the most active ones. The need and willingness to stimulate sales force, to boost the performance of its employees, and to launch new products on the market all the more than half of the events had been promoted by the corporate segment.

To confirm this, it is defined that events promoted by associations, companies and institutions represented 87.2% of the total of events, while the percentage of cultural events of about 5.7% and other events of about 7.1 %.

The survey identify the percentage of investment during 2016.

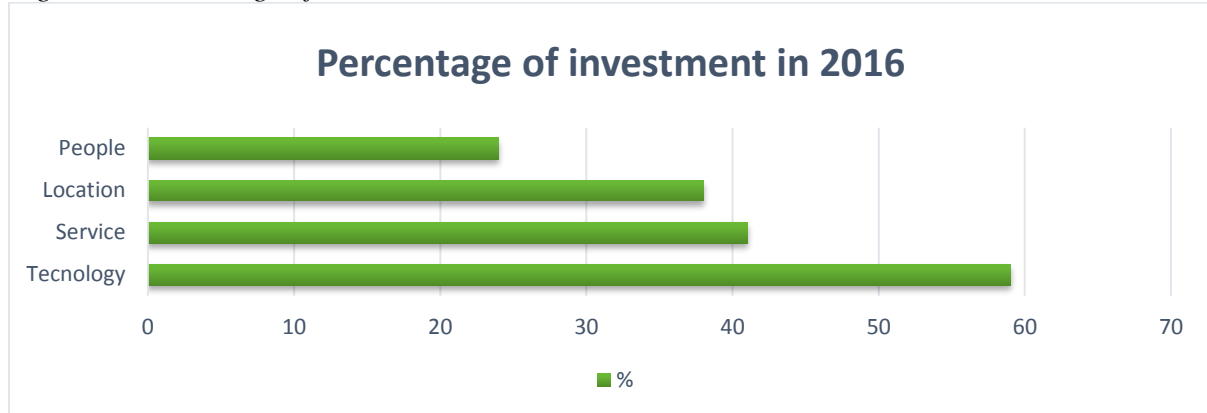
In 2016, investments of about 56.8% of total investments were made in:

- technology for 59.7% of the total



- infrastructure and services for 48.4% of the total

Figure 2: Percentage of investment in 2016



(Source: Author Elaboration of Survey)

In line with this trend, companies, their business models and their internal organizations are adapted, especially to properly support birth (in case of start-up), development of new ideas and achievements to be achieved and achieved.

Just following the analysis of this growing market, the trend of "new event star-ups" is part of the offer of an exclusive, innovative and luxury service. The goal of many small new star-ups is to become the leader in delivering exclusive service with high quality products and service professionals, giving the corporate event the surplus needed to distract the consumer from its competitors.

Start-ups promote their service primarily through the word-for-word and digital channels: Instagram, Facebook, etc. It is not necessary to make massive advertisements and invest large amounts of money in the "traditional" promotion because since the beginning of the business the positive word of mouth has enabled start-ups to develop a good network of contacts of potential customers both in B2B and B2C .

The list of "traditional" communication channels used to promote new activities are:

- website
- collaborations with the printing industry
- sending DEM (newsletters by filling out forms during events)
- social network (Facebook, Instagram, LinkedIn)
- participation in trade fairs

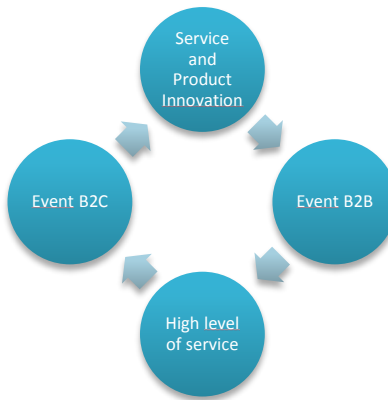
To achieve this ambitious goal, factors common to the different star-ups interviewed have been identified:

- Good innovative idea
- High quality product and service
- Slim business organizational structure: little propensity to delegate for sensitive activities while good propensity to delegate for daily and non-risky activities
- The entrepreneur is the ambassador brand and cares about corporate relationships
- High business efficiency (excellent plant management and investment turnover)
- Strong dimensional growth (increase in number of employees and increase sales)
- Good Reputation
- Attention to human resource: attention is drawn to the design of activities, the tasks with which human resources are called to contribute to the production of the service.

The division of labor plays a key role in achieving such goals, and is still the strong point of the business; The assessment of personal skills with the consequent attributes of different tasks allows the achievement of these goals.

Many of the participants in business events show interest in the "innovative" service and in some cases become customers in turn, passing from "business experienter" to "private consumer" customers, from event B2B and event B2C, so that's why the business Structure needs to be slim and adaptable to all customer's needs

*Figure 2: Cycle from B2B to B2C*



*(Source: Author Elaboration)*

In line with market trends, greater investment by companies in promotional or exclusive events, there are new innovative strategy for event development focused on exclusive and innovative service connect with digital communication and advertising. Over the decades, Communication and Advertising have changed in order to meet the evolution of the consumer, who has grown to become more and more demanding while in parallel aware and informed.

Differently from the past, today often a firm does not sell just a product or a service, but an idea, a value, a lifestyle concerning that product. So this research identifies some common factors, at the organizational level, common to new businesses that allow efficiency and effectiveness to be achieved: slim structure, brand ambassador is the entrepreneur and attention to human resource.

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## Consumers driven innovation process for rapid design and development of new food products

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**Abstract:** A big challenge in the food industry is to introducing new food products or reformulating existing ones rapidly without comprising the quality of product itself. Once having future trends and innovative food products to marketplaces, very high rates of the failure of introduced products will reduce to minimum percentages and respond quickly to different market segments. New product development process is more complex, time consuming and risky than ever before due to heterogeneous individuals' preferences and short product lifecycle. Consumers' interaction and understanding their requirements are a vital factor to streamline new product innovation process. The customer as co-creator of products is a grand challenge facing the entire consumer products industry. This paper presents consumer driven framework for rapid design and optimisation of new formulated products with desirable quality attributes on demand to meet the current consumer needs and desires. The framework is driven by different groups of consumers to interact directly in the product design process in terms of their consumer likings. Then, these likings are accurately translated into the production process design to project into a novel manufacturing process platform rapidly and concurrently. A target product of the case study is liquid formulations and in particular on food-grade orange flavoured beverages.

**Keywords:** *New product innovation, Mass customisation, products design and development.*

### Introduction

Today food industry is under pressure to design and develop new products. Hence, a continuous production of successful new products is vital factor to sustaining a competitive advantage in the marketplaces (Jaeger, Rossiter, Wismer, & Harker, 2003). New Product Development (NPD) can be fashioned using new technologies or new market opportunities (van Kleef, van Trijp, & Luning, 2005). The key success factors in NPD of food products (e.g. market knowledge, consumer knowledge and retail involvement) have been highlighted to achieve a successful development process in the food industry. In this condition, involving consumers at the early stages of the NPD process is an essential step to obtain consumers' needs and desires and ultimately their satisfaction. However, placing consumer at the heart of the concurrent product and process design of new products (i.e. a close loop process) is an effective procedure. It starts with consumer requirements and completes with consumer satisfaction (Chen, 2011).

To meet or exceed consumer expectations, efficient and effective methods combined with a proper food production processing should be selected and applied to deliver successful new products. The major tackle facing the food manufacturing companies is the great growth in the number of formulation technological possibilities during the past decades (Benner et al., 2003a). Consequently, new food products are often failed to enter the markets due to either not designed to consumer requirements or not formulated

efficiently. Importantly, the failure rates of new products are very high within the first two years of introduction into markets. For example, Sorenson (2006) stated the main success factor for global trend of the NPD is the total annual number of the launched products such as a comparison between Western European industry and Asian and North American industry (e.g. Suwannaporn & Speece, 2010; Gresham et al., 2006; Winger & Wall, 2006).

The high percentage of failure in the NPD Process could be controlled by internal and external quality dimensions. These dimensions are mass-individualization, physical product characteristics, environmental variables and newly developed technologies. For instance, experience in the field has shown that consumer consumption pattern is drastically changed toward personalized consumer product in the recent years such as healthy products (i.e. products with low calories or sugar) (e.g. Linnemann, et al., 2006; Costa & Jongen, 2006; Kutin, et al., 2016). In order to sustain a competitive advantage and keep delivering a successful new product, the traditional methods in the NPD process should be ignored sequential approaches. That means consumer driven the successful NPD process is achieved through placing consumers as co-creators in a close loop process to formulate new products or reformulated or optimize the existing ones.

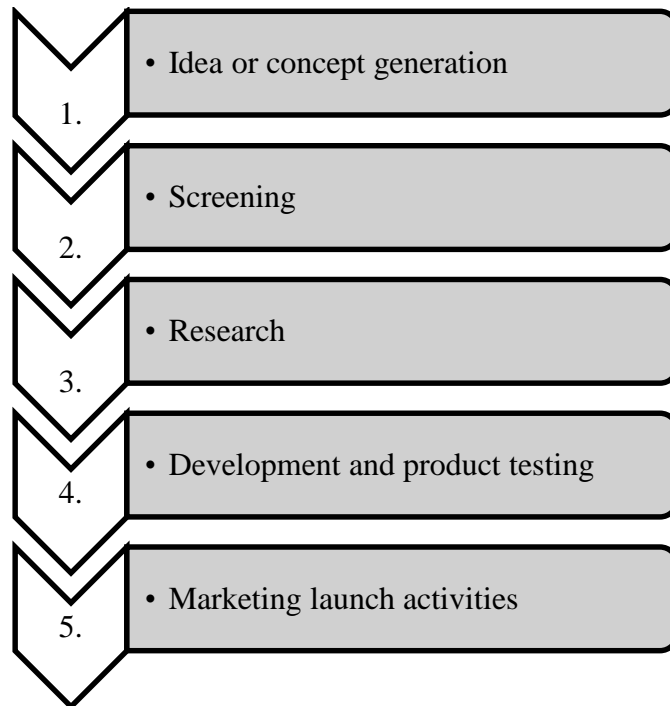
Due to the demanding change and growth as well as more product individuality, the rapid responding to consumers is a crucial issue to enhance the NPD process in the food industry. Such ability can be supported by advanced processing technology coupled with market and information intelligence to provide consumers with tailored, first-time-right product. This enabling is to identify consumer segments with different product preferences and to use low energy requirements of newly advanced production technologies (e.g. a low pressure, flexible and scalable processing method). In this regard, these technologies will produce a variety of consumer personalised products in the efficient and low cost manner as well as quick and flexible mode according to consumers' needs and desires.

## **Literature Review**

The key challenge in the food manufacturing industry is to design and produce food products which meet consumers' needs more accurately and at a faster pace. Current methodologies for food product development entail the engagement of expert panels and focus groups to direct the formulation of new products, reformulate or optimise existing ones. There are also great uncertainty and risk surrounding the success level of NPD process due to its limited involvement with customers that current market research techniques afford. Customer-driven food product design is a recent trend in the food industry, with increasing consumer demands for more individualised products addressing a variety of needs. Such personalised food design requires strong communication between food manufacturer and consumers regarding the desired sensory properties of the food. Therefore, design and identification of the sensory attributes are essential to developing optimal food and beverage products for individuals. Once such market segments are identified, and then there is the question on how to re-configure manufacturing lines to respond quickly to such emerging markets. In this condition, new efficiencies in food R&D are required with novel knowledge-driven methodologies that allow the rapid design and optimisation of new food products. Any food design methodology must establish the crucial link between sensorial and physical properties to

food product structure and ultimately determine the most profitable manufacturing pathway (Jreissat 2016; Isaev et al., 2016; Isaev et al., 2015; Tsimiklis et al., 2015). The NPD process has traditionally streamlined in five to eight principal activities as presented in Figure 1.

*Figure 1: NPD process based on (Stewart-Knox & Mitchell, 2003)*



The NPD process has recently become a consumer-oriented approach. Recent researchers have realised the consumer role in the NPD process and in particular in the early stages. Consumer demands should be in a close agreement with launched products to be as a starting point of NPD process and, consequently, success of the process (Zarei et al., 2011; Costa & Jongen, 2006; Stewart-Knox & Mitchell, 2003). Therefore, introducing new products requires reducing the time to markets without compromising the product quality concurrently to improve the efficiency of the product development process (Linnemann et al., 2006; Benner et al., 2003a).

The failure in the product development process could occur due to not reaching the precise target values for requirements of the product. Failure rates in introducing a new food product into the marketplace can reach high percentage; up to roughly 70 to 80 percent (Gresham et al., 2006; Winger & Wall, 2006). Additionally, the product development process in the food industry is greatly based on the innovation method. The innovative food product is more targeted experience than the innovative food processing in the food industry because the food processes may be too expensive and not applicable for normal food manufacturing at the same time. Furthermore, such failures come from three reasons: Firstly, the composition of food products is complex and varied as it plays a significant role in the taste, texture and mouthfeel of the final product. Secondly, food product depends on interactions between ingredients such as chemical reactions and specifically foods need to be a metastable state in the consumption process to provide the required flavour and taste. Thirdly, production processes could influence the product



properties and physiologically active food ingredients resulting in changing in the final quality of some food products such as bread products where they necessitate complex steps to produce in their final required quality (Norton et al., 2006; Benner et al., 2003b). Food processing companies need to develop continuously new products because of critically rapid adaption to the customer. Subsequently, the key success factors in NPD of food products (e.g. market knowledge, consumer knowledge and retail involvement) have been highlighted to achieve a successful development process in the food industry (Suwannaporn & Speece, 2010; Stewart-Knox & Mitchell, 2003). Moreover, the effective organisation of NPD process requires crucial issues to introduce new products and to obtain a competitive advantage locally and globally in the food industry. These issues are technology, market, the strategic role of new products, cultural management contexts, success factors and success rate of a new product and its methodologies (Suwannaporn & Speece, 2010; Costa & Jongen, 2006).

## **Research Methodology**

### **Sample Size and Measured Instruments**

Untrained consumer panels of 45 members were selected to determine the most preferred sensorial attributes of the target product as input for the innovation process. Those consumers had different backgrounds such as gender, age and nationality to provide products with the various quality attributes. Five sensory attributes of three commercial orange juices were examined: appearance (i.e. colour), flavour (i.e. smell), texture (i.e. smoothness), taste (i.e. acidity) and overall acceptability. These words were used to describe the orange juices due to familiarity to consumers. Interval based questionnaires were used for the evaluation of three different commercial orange juices from the local markets. Respondents were asked to sketch an ellipse shape with regard to their perceptions for the related product attributes on the scale range between 0 and 10 (i.e. a 10 point Likert scale).

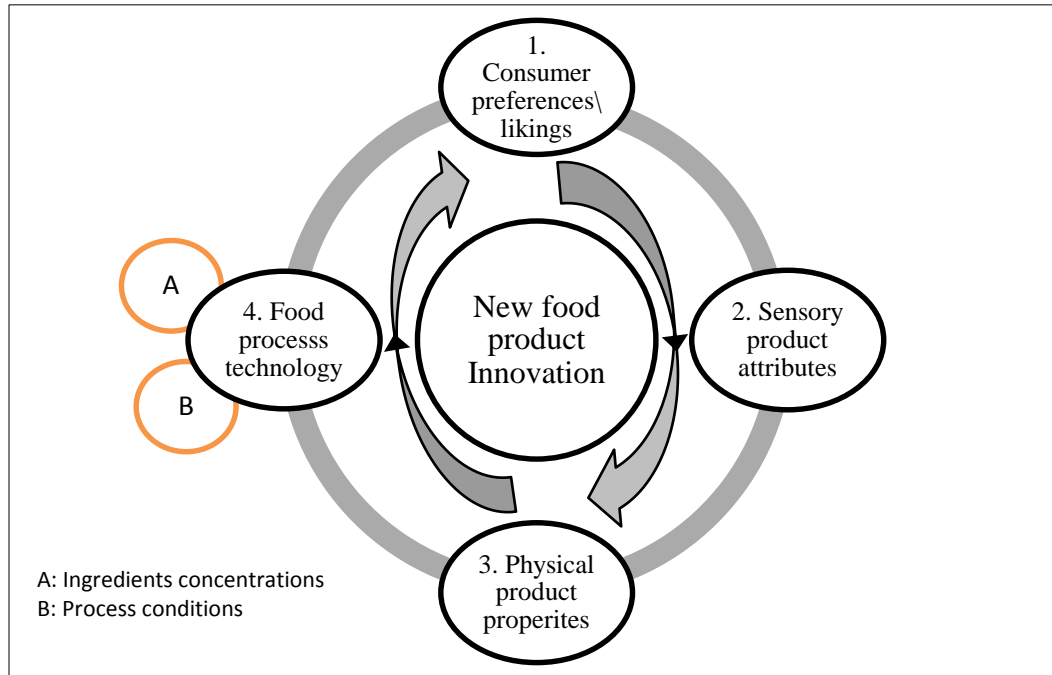
### **Data Analysis**

Statistical analysis was used to link sensory attributes and physical properties of the intended food product. Also, the experimental design space for the food process technology was established based on our previous research (e.g. Jreissat, 2016; Isaev et al., 2016) to make and optimise the orange beverage formulation and its manufacturing processes. Consequently, Response Surface Methodology (RSM) based on Central composite Design (CCD) was used to demonstrate and test the novel manufacturing system for orange beverages. Independent variables were determined in the experimental design to formulate the orange beverage regarding limits of the formulation parameters, to find main and interaction effects of both formulation and process parameters on the desirable properties. Independent variables were main ingredient concentrations in addition to process conditions. The main ingredients of the orange beverages were Arabic gum (w/w%), xanthan gum (w/w%), orange oil (w/w%).

In order to link the sensory attributes and formulation parameters, these attributes required to quantify using consumer inputs from the online tool (i.e. web application). Then, the measured physical properties that match consumers' likings could be found in the formulation design space by projecting the target product properties. In the other words, texture resembles viscosity value; appearance represents colour intensity; mean particle size affect smell or flavour level and pH level controls the taste sense. The target properties could be found based on the clustering of physical properties as well as the

manufacturer knowledge and experience in order to formulate new product or reformulate (see Figure 2).

*Figure 2: Consumer driven framework for rapid food innovation process*



## Results and Discussion

45 untrained consumers' profiles (15 members for product A, 15 members for product B and 15 members for product C evaluated three commercial orange juices in order to select the today's product in terms of the sensory descriptors studied (Table 1). The three orange juices were bought from the local marketplaces based on the obtained results from online questionnaire. The online tool was used to determine the most favourite preferences of the orange beverage product in supermarkets. Consumers' acceptability of the new sensorial product qualities and their purchase decisions are considered the main factors affecting the NPD and its innovations in the food and drink industry.

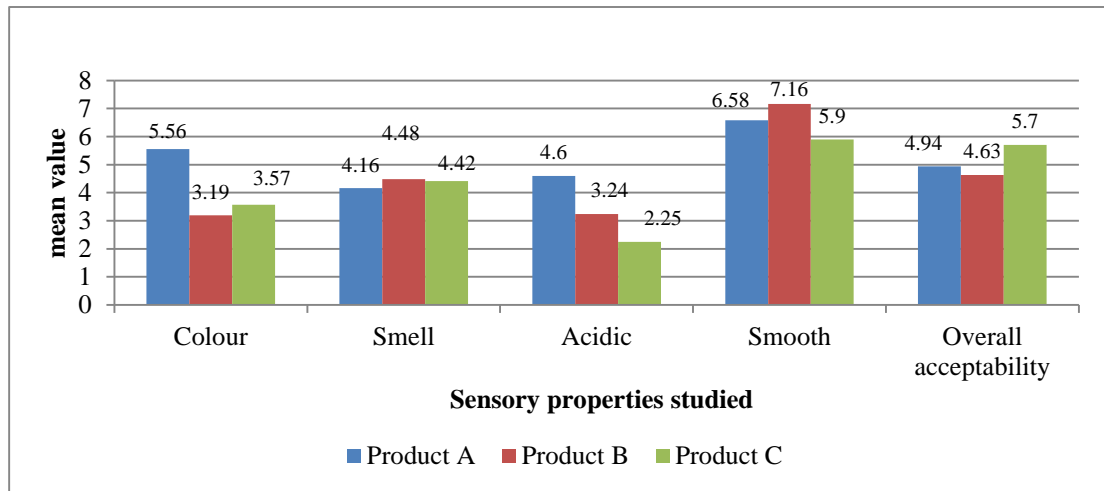
*Table 1: Sensory descriptors for consumer preferences*

Sensory quality	Sensory descriptor	Quality Range for Juices	Preference liking
Appearance	Colour	Bright-Golden-Dark Orange	Bright Juice
Texture	smoothness	Thin- smooth- Thick	Smooth Juice
Taste	Acidity/sour	Low-High (Sweet-Sour- Bitter)	Sour/ low Acidic Juice
Flavour	Smell	Citrus-Fruity	Citrus Juice

Consumers assessed the product C as bright and sour orange juice due to formulation parameters such as ingredient concentrations and types. In addition, the orange juice C was the best overall acceptability compared to the other products. This is because of the highest scores of the flavour (smell) and the texture. Consequently, orange juice product c was the target product in terms of these sensory qualities studied according to those consumers or market segments. Indeed, this product is considered as personalised

consumer product. Developing such this product in the marketplace has twofold benefits: (a) To reduce the travel need due to establishing a proper manufacturing process that is located closer to its segment markets and (b) To respond rapidly and flexibly to different market segments with regard to changing in consumers' requirements, demands and needs. The evaluation study for the three orange juice products are shown in Figure 2 in terms of colour intensity, smell, acidity, smoothness and overall acceptability.

Figure 3: The obtained results for evaluation of the orange juices (A, B and C).



## Conclusion

In this research, involving consumers as co-creators at early stages of the NPD process to engineer and manufacture products, which meet their needs and demands more accurately and rapidly. R & D traditional methodologies entail producing by products or innovative products ideas without engaging the end consumers in the concept development stage. Consumer acceptance and product design problems as well as high costs are the expected results in the later stages of the product development process. Therefore, it is important to remain flexible quickly responding to the increasingly demanding consumer desires. From this point, this research presents the framework of consumer driven innovation process to bridge NPD process for rapid and flexible design and development of newly formulated products. That in turn implicates the ability to identify the needs and preferences of diversified markets with several geographically different products. As a result, mass personalised consumer products have potential advantages to reduce the travel need and to respond rapidly with demand growth and changes. Future research is still required to explore online web applications or social media to gathering information from market intelligence to enhance consumers' perceptions. Also, the ability to provide devices supporting rapid responds that allow for the best consumer requirements for an individual customer to be rapidly determined will be a key part of the growth.

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## The Impacts of Direct Marketing Strategies on Consumers' Purchasing Decision in Cosmetic Sector in Turkey

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**Abstract:** Nowadays, consumers could be reached directly, through the rapid development of direct marketing. In order to affect consumers' purchasing decisions, direct marketing method uses specific advertisement tools and distribution channels to establish direct and mutual communication. Alongside the traditional channels, direct marketers have taken advantage of communication tools such as computer, fax, television, smartphones, e-mail and Internet. Thereby direct marketers generally use various direct marketing strategies such as online marketing, face-to-face selling, direct mail marketing, catalog marketing, telemarketing etc. Focusing on three of these direct marketing strategies, namely Social Networking Websites (SNS), Cause-Related Marketing (CRM) and Word of Mouth Marketing (WOM), this research aims at analysing the impacts of SNS, CRM and WOM on consumer's purchasing decisions for Avon cosmetic products in Istanbul, Turkey. The paper utilizes a quantitative survey of 1,421 cosmetics customers in Istanbul to investigate the conceptual relationship between three direct marketing strategies and purchasing decision through nine hypotheses. Data was analysed through T-tests, One-Way Anova and Binary Logistic Regression. Based on the findings of the research, a significant and positive relationship between variables was confirmed. This research provides a contribution to direct marketing literature, since no similar studies have been conducted in cosmetics sector in Turkey.

**Keywords:** *Direct marketing, WOM, SNS, CRM and cosmetic sector.*

### Introduction

Nowadays, the ever-increasing abundance of goods and services, and the improving protection of competition foster the rapid development of direct marketing as an alternative to reach consumers directly.

The benefits of direct interaction are known to mankind for centuries. The business is also aware of the advantages of the direct communication with an individual customer. In order for the latter to be achieved, companies often employ direct marketing strategies. The word “direct” is the key to describe the essence of this type of marketing approach. In this context “direct” means that the business-to-consumer interaction occurs without the use of intermediaries. Although a substantial number of companies employ direct marketing strategies in cosmetics sector in Turkey, the present research focuses on the customers of the oldest direct selling organizations of cosmetics, Avon Products Inc. in Istanbul, which is the most populous city of Turkey with its population reaching to 15 million in 2017.

Avon also implemented diverse marketing strategies to increase the consumers' involvement with its products since 1993 in Istanbul. This research focuses on the three of the most widely used current marketing strategies of Avon, and investigates the impact of SNS, WOM and corporate social responsibility programs (CSR) on consumer



purchasing decision of using Avon cosmetics as their most preferred brand of cosmetics among the other brands.

## **Literature Review**

### **Direct Marketing**

Most discussions concerning the concept of direct marketing begin with the definition given in 1981 by the American Direct Marketing Association (the present-day – Data & Marketing Association). The definition (as cited in Murrow & Hyman, 1994) describes direct marketing as “an interactive system of marketing which uses one or more advertising media to affect a measurable response and/or transaction at any location” (p.48). Direct marketing sells products and services directly to consumers, instead of relying on intermediaries (Webber, 2013). Probably most popular among the direct marketing approaches is the practice of face-to-face selling, which developed in the early 20th century, and allowed the distribution of various goods including household supplies, cosmetics, and even automobiles (Keep & Vander Nat, 2014). Beginning with door-to-door selling, the direct selling sector was expanded by formats such as party plans and Internet sales. The list of the 10 biggest revenue generating direct selling companies in the world for 2016 consists of Amway, Avon, Herbalife, Vorwerk, Infinitus, Mary Kay, Perfect, Natura, Tupperware and Nu Skin - in a descending series (“DSN Announces the 2016 Global 100!”, 2016).

### *SNS*

The impact of SNS on consumers has been broadly studied, as well as its role in the purchasing decision process. Thus, a research finds that the participation of consumers in the creation of user-generated content about a brand on the SNS affects their future purchase behaviour (Maulhouse, Kim, Calder & Vandenbosch, 2013). Regarding consumers' intentions to purchase, a previous research has discovered that consumer socialization through peer communication on SNS affects product attitudes, which then influences the purchase intentions (Wang, Yu & Wei, 2012).

### *WOM*

The introduction of social media is the reason why in recent times the processes of WOM have received greater attention from researchers and practitioners in marketing and other areas. Social media provided greater connectedness of people and a considerable speed with which interpersonal messages can spread (Kimmel & Kitchen, 2014). Hence, the power of WOM to influence consumers' decision-making processes has recently gained much significance. For instance, a study conducted by Do-Hyung, Lee and Han (2007) reveals that: 1) consumers' purchasing intention increases along with the number of reviews, since most reviewed products are considered to be popular, and 2) the quality of on-line consumer reviews has a positive effect on consumer purchasing intention.

### *CRM*

A specific manifestation of a company's social responsibility is CRM (Sheikh & Beise-Zee, 2011), which targets customers who want to “make a difference in society through their purchasing” (Bronn & Vrioni, 2001, p.207). Thus, Varadarajan and Menon (1988) describe CRM as “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (p.60). For this reason, CRM is often defined as ‘win-win-win strategy’, SINCE it can be BENEFICIAL TO all (i.e., the company, the

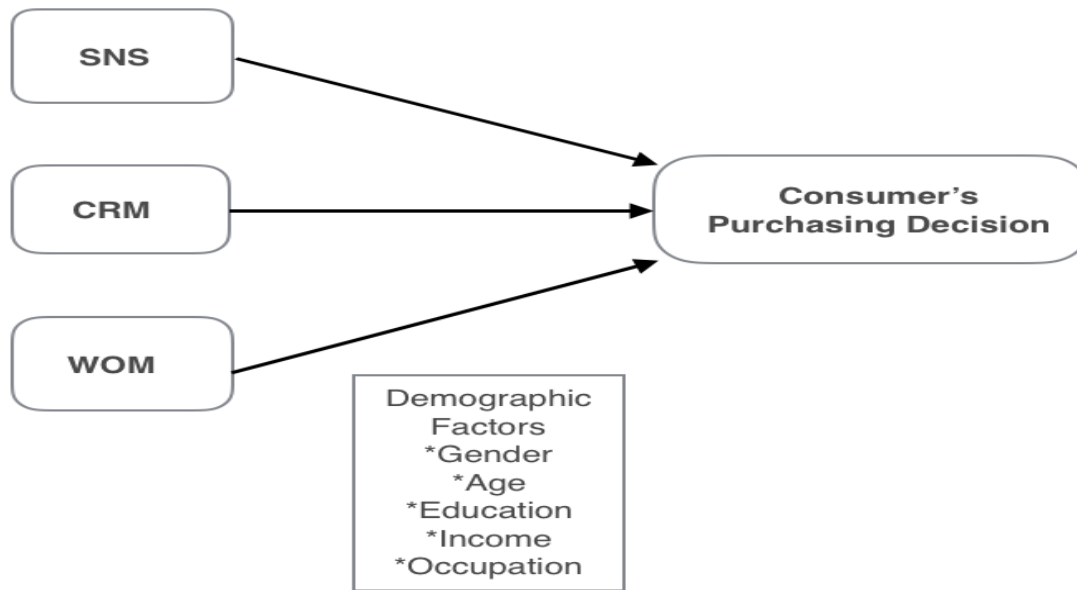
cause and the customers) involved (Hemat & Yuksel, 2014).

## **Conceptual Model, Hypotheses and Methodology**

### **Model Development**

The research proposes a research model, as shown in Figure 1, to examine the relationships between the constructs of this research, namely the impacts of SNS, CRM and WOM on the purchasing decision and their determinants depending on demographic characteristics.

*Figure 1: Conceptual Model*



### **Hypotheses**

- H1: WOM has a significant and positive impact on consumer's purchase decision.
- H2: There is a significant difference between the relationship level of the reference people with participants and WOM.
- H3: There is a significant difference in WOM by economically activity of the people.
- H4: SNS have a significant and positive impact on consumer's purchase decision.
- H5: There is a significant difference in SNS by age groups
- H6: CRM has a significant and positive impact on consumer's purchase decision.
- H7: There is a significant difference in CRM by education factor.
- H8: There is a significant difference in CRM by income factor.
- H9: Women will show more support for CRM than men.

### **Methodology**

The study has a cross-sectional research design, and employs a survey that was conducted among the cosmetics users in Istanbul. Based on the existing literature and research questions, a questionnaire was designed and uploaded to "polldaddy.com". The questionnaire collected information on cosmetic brand awareness and usage, and reflections on SNS, CRM, WOM and the demographic characteristics of the respondents. The population of the study included all people using cosmetics of direct selling companies in Istanbul. The sampling strategy used in the study was convenience

sampling, and the sample was reached through email lists, and directed to the aforementioned online surveying site. A total number of 1468 questionnaires were filled, and among those 1421 were complete and used for the analysis in this paper.

The questionnaire was this research have been directed to respondents as on-line through the website. The online questionnaire involves in a huge sample size consisting of the people who live in Istanbul, Turkey. As well sample size has been determined as 1421. 5-point likert scale as rating scale and multiple-choice questions were used in this research. The five response categories are respectively "strongly disagree, disagree, neither agree nor disagree, agree and strongly agree".

## Result and Findings

Table 1 presents respondents' demographic characteristics as age, gender, work status, education and income. There are 80 out of 1421 responses missing from the demographics.

*Table 1: Demographic characteristics*

Variable	Category	Frequency	%
Gender	Female	1272	90.5
	Male	134	9.5
Age	20 or younger	571	40.2
	21-39	676	47.6
	40 or older	174	12.2
Education	Less than a high school	268	19.0
	High school degree	370	26.2
	Bachelor Degree	632	44.7
	Master or PhD Degree	144	10.2
Work Status	Not Economically Active	675	49.5
	Economically Active	688	50.5
Income	2000 or less	554	39.0
	2000 - 4000	693	48.8
	4000 or more	174	12.2

Table 2 presents the most of respondents (37.2%) said the most often using Avon products from among the other options.

*Table 2: Distribution and responses (Q5: If you are using the products of multiple brands, which one do you use the most often?)*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Oriflame	343	24.1	25.6	25.6
	L'oreal	177	12.5	13.2	38.8
	Flormar	290	20.4	21.7	60.5
	Avon	529	37.2	39.5	100.0
	Total	1339	94.2	100.0	
Missing	System	82	5.8		
Total		1421	100.0		

As summarized in table 3, it indicates that WOM has the most significant impact on consumer's purchasing decision (49,8%) among the tested marketing strategies used.

*Table 3: The Determinants of purchasing decision (Q6: Which of the reason(s) below affect your decision to buy a product?)*

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	<b>SNS</b>	556	39.1	39.1	39.1
	<b>CRM</b>	158	11.1	11.1	50.2
	<b>Recommendations or opinions of people around you (WOM)</b>	<b>707</b>	49.8	49.8	100.0
	<b>Total</b>	1421	100.0	100.0	

Cronbach's alpha was used for determining the reliability of the structures. The average of this study based on reliability is  $\alpha .75$ , namely the research can be said to be reliable because it is over 0.7 recommended by Cronbach (Malhotra, et al., 2012, p.435). In Table 4, the reliability results for each construct are detailed.

*Table 4: Summary of Reliability Test (Cronbach's Alpha)*

Variable	No of Item	Cronbach's Alpha
<b>SNS</b>	SNS1, SNS2, SNS3, SNS4, SNS5, SNS6, SNS7, SNS8, SNS9, SNS10, SNS11, SNS12	.75
<b>CRM</b>	CRM1, CRM2, CRM3, CRM4, CRM6, CRM7, CRM8, CRM9, CRM10, CRM11, CRM12	.73
<b>WOM</b>	WOM4, WOM5, WOM6, WOM7, WOM8, WOM9, WOM10, WOM12, WOM13, WOM14	.77

T-Test and ANOVA test are statistical methods, which are used to compare group means. T-test is limited with two groups to crosscheck the means and ANOVA can be used in order to compare means, if there are three groups or more (Sekaran, 2003). As summarized in table 5, based on social responsibility activities, purchasing decision is not directly correlated with gender factor, since p value is  $>.05$ . Thus ninth hypothesis was rejected because according to the table, it is impossible to say that there is a significant difference for CRM by gender.

*Table 5: T-Test by Gender*

Code	Gender	N	Mean	Std. Dev.	T	Df	Sig. (2-tailed)	Hypothesis
CRM	Male	128	-.1447912	.894	-1.726	1376	.085	Rejected
	Female	1250	.0158233	101.324				

According to table 6, there is a significant difference for WOM by work status, since the significance value is  $.00<.05^*$ . Therefore based on WOM, purchasing decision is correlated with work status factor and third hypothesis was supported.

*Table 6: T-Test by Work Status*

Code	Work Status	N	Mean	Std. Dev.	T	Df	Sig. (2-tailed)	Hypothesis
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WOM	Not Economically Active	652	-.120	114.415.831	-4.229	1.204	<b>.000*</b>	<i>Supported</i>
	Economically Active	660	.115	.85323425				

Table 7 indicates that there is a significant difference for SNS by age factor (the significance value is  $<.05^*$ ). On the other hand, purchasing decision is correlated with age factor and fifth hypothesis was supported.

*Table 7: One-Way Anova Test by Age*

Code		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
SNS	Between Groups	101.447	2	50.724	54.936	<b>.000*</b>	<i>Supported</i>
	Within Groups	1.197.553	1297	.923			
	Total	1.299.000	1299				

Table 8 shows that there is a significant difference for CRM by education factor (the significance value is  $<0.05^*$ ). Therefore seventh hypothesis was supported.

*Table 8: One-Way Anova Test by Education*

Code		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
CRM	Between Groups	40.990	3	13.663	13.993	<b>.000*</b>	<i>Supported</i>
	Within Groups	1.344.498	1377	.976			
	Total	1.385.488	1380				

Based on table 9, eighth hypothesis that there is a significant difference in CRM by income factor was supported because there is a significant difference in CRM by income factor.

*Table 9: One-Way Anova Test by Income*

Code		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
CRM	Between Groups	22.743	2	11.371	11.544	<b>.000*</b>	<i>Supported</i>
	Within Groups	1.364.257	1385	.985			
	Total	1.387.000	1387				

According to the results of table 10, there is a significant difference between the relationship level of the reference people (family, partner, friend and relative) with the respondents and word-of-mouth marketing. Thus second hypothesis was supported.

*Table 10: One-Way Anova Test for H2*

Code		Sum of Squares	Df	Mean Square	F	Sig.	Hypothesis
WOM	Between Groups	41.299	3	13.766	14.520	<b>.000*</b>	<i>Supported</i>
	Within Groups	1.287.523	1358	.948			
	Total	1.328.821	1361				

Regression analysis is a powerful and flexible process to help to determine relationships between dependent variable and one or more independent variables and related to quality and degree of relationship between variables (Malhotra, et al., 2012, p.704). As summarized in table 11, WOM, CRM and SNS have significant and positive impacts on consumer's purchase decision, when controlled for demographic variables, since the sig. values are  $.00<.05^*$ . Therefore first, fourth and sixth hypotheses were supported.

*Table 11: Logistic Regression Test - Variables in the Equation*

	<b>B</b>	<b>S.E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp(B)</b>	<b>Hypothesis</b>
WOM	.288	.082	12.220	1	.000*	1.333	<i>Supported</i>
CRM	.219	.072	9.207	1	.002*	1.245	<i>Supported</i>
SNS	.291	.083	12.258	1	.000*	1.337	<i>Supported</i>

## Conclusion and Discussion

Based on the obtained results, it can be concluded that all the objectives of the study are achieved. The direct marketing strategies, specifically, WOM, SNS, and CRM are effective in reaching the target consumers and affecting their purchasing decision.

Regarding the previous researches SNS significantly affects intention to buy, since they create trust by letting consumers to show online social support for their peers (Wang, Yu & Wei, 2012). And this research has verified this case. As in this research, East, Hammond and Lomax (2008) observed that positive WOM has greater impact on brand purchase probability than negative WOM.

Previous studies of the effect of CRM over consumers provided some controversial results. Thus, a study conducted by Barone, Miyazaki and Taylor (2000) revealed that a company's support of social causes could influence consumer choice. In addition, Webb and Mohr (1998) found that the majority of consumers buy products influenced merely by a firm's CRM strategy and motivated by the desire to help the cause. However the same research indicates that CRM does not affect buying decisions when other traditional purchase criteria are particularly important for the consumer. On the contrary, this research indicated that CRM has positive impact on purchasing decision.

Ross, Patterson and Stutts (1992) noticed that men have less favourable attitudes toward a firm's CRM compared to women, which is also verified by this research.

## Theoretical and Managerial Contributions

This research has provided two theoretical contributions with different perspectives. First, this study is among the first studies to examine the impacts of direct marketing on Avon consumers' purchasing decision in cosmetic industry. Second this research has collected all these three determinants; WOM, SNS and CRM in a single study and examined all together.

Concerning strategies and tactics facilitating the observation of the influences of CRM, WOM and SNS on purchasing decision, the findings of this research provide useful information to cosmetic industry. First, the research indicates that the consumers prefer a company that considers its impact on society during its operations, which is an environmentally leader. Moreover, support of socially responsible projects increases consumers' trust to company and brand, and affects their decision to buy. Therefore, CRM may be a good strategy for a publicly traded company with the aim of increasing margin of profit.

Second, in terms of WOM, the findings of this research presented that WOM would be the most efficient channel to encourage the consumers, and that they trust more the advice of a person who has previously used that product/service. This could become a motivational tool that the individual decides to purchase by her/his own will and away from the company's interests. Hence, the companies can initiate a study besides their marketing strategies as to advertise by including advice and suggestions from customers with previous experience of the company's products.

Finally, regarding the SNS, nowadays social media usage gradually increases, so it can easily get information about products/services, purchase, make the payment, complaint



and advise about the products. And also the findings of the research have promoted. Thus publicly traded companies can focus on activities by means of social media accounts and on online marketing in order to reach directly their target consumers.

### **Limitations and Recommendations**

As in any other research, this research also has a few limitations. The first of the outstanding limitations is non-probability sampling technique and also convenience sampling and snowball sampling method, due to the lack of available database for any direct marketing companies, and the true distribution of the sample population remains unknown.

Based on demographic distribution, the participation rate in the survey of housewives, retired and 60 or older people is lower compared to the other demographic groups, since the questionnaire form is arranged just as online.

The last, due to time and budget limitations, the questionnaire of the research was applied to the Avon's consumers living in Istanbul. As well it means that there is market limitation, since the study field was just direct selling industry. The research was implemented on cosmetic sector in direct selling industry. Hence if the research had been conducted in only direct selling industry, the results might have been different.

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## Strategies for Branding Cultural Tourism

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**Abstract:** The purpose of this paper is to develop the quality higher education in Jordan by studying the number of students and academic ranks in the Jordanian universities, public and private during the period 2000 – 2011. Number of degrees and academic ranks in the Jordanian universities, public and private, increased during the same period so that the total number of academic ranks during the period 2010 – 2011 was (5566) in public universities with (2599) academic ranks in private ones. Whereas the total number of students during the period 2010 – 2011 was (38707) in public universities with (13445) students in private ones.

Finally, time series has been used, by which the results were so different from the general trend. The forecasting of academic ranks and different simple correlation coefficients in public and private universities has been estimated.

**Keywords:** *Quality, Human Capital, General Trend Equation.*

### Introduction

Higher education is no longer a prestige in the Arab countries for the elite people in the society, but it has become crucial for each Arab country in the framework of its efforts to achieve its goals in the development, especially in Jordan and some Arab countries. Moreover, education and not the financial capital has become the main source of wealth of nations, at present and future.

Therefore, the development of human capital in the Arab community is one of the priorities of its objectives. Thus the Arab countries encounter severe pressures to meet the growing demand for higher education in terms of quantity and quality, in particular, the institutions that rely mainly on the government funding, in addition to their income from tuition fees in some Arab countries. The statistics indicate that the number of Arab students enrolled in universities increased from four million students, male and female, to six million during the period 2000 to 2011, out of about 100 million male and female students in the world. So, it is important to pay attention of the quality of higher education in Jordan through many factors and indicators, such the number of the degrees and academic ranks in the Jordanian universities, public and private. The number of students in the public and private universities.

There are many reasons for the growth of university education demand in Jordan which serve the formulation and development of the human capital,

Therefore, more attention should be paid to the quality of education in Jordan in order to supply the society with appropriate outputs commensurate with its formulation and the development of the human capital.

The paper focused on the quality of higher education in Jordan, in terms of basic concepts, including the concept of quality, time series analysis, and human capital. Also the forecasting of the academic ranks for the period 2015 - 2016 and different simple correlation coefficients in the public and private universities has been estimated.

### Literature Review

The most important relevant previous studies relevant linked with this paper are the study of (Batikhi, 2001) in which he pointed out to the Jordanian universities scientific

research. (Badran, 2002) indicated to the rules and horizons of a distinguished higher education in Jordan. (Al-Qasem, 1999), he pointed out the rules and horizons of higher education in Jordan. (Al-Hajj, 2008) discussed the guidelines of quality assurance and accreditation of Arab League. (Haddaw, 2011) discussed the evaluation of higher education by using the comprehensive quality management and statistics.

## **Methodology**

### **Quality**

Quality is an old concept. The first man who was interested in quality was Babylon's In Iraq, including Hammurabi, who was interested and emphasized proficiency through what had been displayed in his famous obelisk which contained many laws. The main objective of quality is to detect deviations and defects of production or services of certain organization. Such situation requires finding out the solutions to correct these defects. Moreover, quality plays a prominent role in detection of the strengths and weaknesses (internal environment) as well as the opportunities and threats (external environment) of the organization.

There are many definitions of quality, for example; the quality is the degree of preference, which means the preference for certain product or service, also the quality is identical for use, which means that the specifications conform to the requirements of certain goods or services. Al-Waseet Dictionary defined quality as "it is derived from (do something well), i.e. the well done something or saying, doing something well means making it well. The American Institute of Standards defined quality as (the whole features and characteristics of a product or service which make it to be able to meet specified needs).

Currently, it is well known that the scientific developments and technology, as well as the development of the university performance and the interest of university graduates need continuous efforts of the Arab universities and the provision of basic fundamentals of achieved development and continuous higher education. Therefore, quality is deemed a distinct and important functions sought by the managers of different organizations. It has many benefits, especially at the level of competition among the organizations. The prime objective of quality is to detect the deviations and defects in production process or services of certain organization. This requires the appropriate solutions to correct those errors and deviations. Moreover, quality plays a prominent role in detecting the weaknesses and strengths (internal environment) in addition to the opportunities and threats (external environment) of certain organization.

### **Time series analysis**

Statistically, it is well known that time-series analysis is one of important topics in statistical methods. It is a set of observations of certain (PHENOMENON) variable takes different period of time regularly. Therefore, this analysis requires three stages, namely: stage of identification through the design of the examined series to identify its behavior, so that we can be able to determine whether it represents the general trend, seasonal variations, or periodical variations due to regular variations. The second stage is assessment stage, for example the general trend variation represents the changes occur by time and can be defined by increasing or decreasing time series in three ways; namely the method of mid-term arithmetic means, least squares method and moving averages method which will be used in this paper. The benefit of the estimated general trend equation is the forecast of the studied phenomenon values. The third stage is the stage of diagnosis of

validity of the model used by examining random errors variable by using one of the methods related to this test.

### **Human Capital**

The quality of the Arab higher education has important role in the development of human capital. Also that human capital represents a group of capabilities and capacities and innovations that characterize individuals, and its ability to achieve leadership and innovation in various fields. This brings us to a globalized world, where the development of human capital is deemed an essential condition to transform to a society and economics of knowledge, which leads to a balanced economic and sustainable development. So that the world is divided into two advanced and developing countries.

### **Results**

Two types of data have been adopted in this paper, namely; secondary data, represented in the published literature in books, journals, previous studies and periodical journal related to the paper. The primary data, which is the data published by the Ministry of Higher Education and Scientific Research of Jordan.

The use of a descriptive statistics, including mean, average rate of change, the percentage of development, numbers and percents to describe paper data. Also, the use of inferential statistics, including simple correlation coefficients, and time series analysis to analyze paper data as mentioned before in the theoretical framework.

*Table 1: The Development of the Academic Ranks and Students Numbers Enrolled in Jordanian Universities for the Academic Year 2000/2001 - 2010/2011*

Years	Academic Ranks			Students/Public			Students /Private		
	Public	Private	Total	Males	Females	Total	Males	Females	Total
2000/2001	3062	1498	4560	10012	12514	22526	8099	2953	11052
2001-2002	3142	1619	4761	9584	11070	20654	7887	2850	10737
2002/2003	3523	1879	5402	10510	12069	22579	8188	3055	11243
2003/2004	3815	1881	5696	11585	13689	25274	7711	3662	11373
2004/2005	3958	1984	5942	17874	21901	39775	8827	3833	12660
2005/2006	4355	2187	6542	19066	24939	44005	8295	3759	12054
2006/2007	4506	2326	6832	19315	25664	44979	7945	4152	12097
2007/2008	4772	2511	7283	17809	24495	42304	7705	3552	11257
2008/2009	4951	2662	7613	18688	22509	41197	9763	3778	13541
2009/2010	5308	2730	8038	20108	24690	44798	9080	4515	13595

2010/2011	5566	2599	8165	15396	23311	38707	9843	3602	13445
The percentage development% 2010/2011 ————— 2000/2001	182	174	179	154	186	172	122	122	122

*Table 2: The distribution of Academic Ranks in Jordanian Universities, Academic Year 2010 – 2011*

<b>Universities</b>	<b>Professor</b>	<b>Asso. Professor</b>	<b>Assistant Professor</b>	<b>Lecturer</b>	<b>Lecturer</b>	<b>Researcher</b>	<b>R &amp; T Assistant</b>	<b>Total</b>
<u>First: public universities</u>	967	1223	1675	424	870	38	369	5566
The University of Jordan	335	323	325	61	289	27	179	1539
Yarmouk University	227	205	175	105	119	-	28	859
Mouta University	119	160	114	22	77	-	6	498
University of Science and Technology	157	202	279	6	138	-	38	820
Al-Hashemite University	40	116	216	13	85	-	29	499
Al Al-Bait University	30	71	113	41	42	-	16	313
Balqa Applied University	27	83	182	116	5	-	19	432
The Al-Hussein Bin Talal University	13	35	151	45	-	-	3	247
Technical University of At- Tafilah	6	18	72	6	59	-	17	178
German Jordanian university	13	10	48	9	56	11	34	181
<u>Secondly: private universities.</u>	255	360	1449	412	117	-	6	2599



Jordan University College	1	-	3	-	20	-	6	30
Arab University of Amman.	34	28	27	-	-	-	-	89
Middle East University	31	22	61	5	-	-	-	119
Jadara University	12	15	54	10	-	-	-	91
Amman Private University	17	39	155	59	-	-	-	270
The University of Applied Sciences	19	42	147	21	56	-	-	285
Philadelphia University	20	40	135	59	-	-	-	254
Isra University	18	24	143	46	-	-	-	231
Petra University	22	34	128	57	-	-	-	241
Jordanian Zeitouna University	24	44	163	23	38	-	-	292
Zarqa University	13	31	158	50	-	-	-	252
University of Irbid	6	3	77	24	-	-	-	110
University of Jerash	17	21	114	32	-	-	-	184
Princess Sumaya University of Technology	19	13	28	3	3	-	-	66
Jordanian Academy of Music	1	1	7	14	-	-	-	23
University of Educational Sciences	-	-	13	5	-	-	-	18
National University of Ajlun.	1	3	36	4	-	-	-	44
Total Number	1222	1583	3124	836	987	38	375	8165
The percentage( %)	15.0	19.4	38.2	10.2	12.1	0.5	4.6	100

*Table 3: Members of Academic Ranks in Jordanian Universities, According to Scientific Degree University Year (2010-2011)*

<b>Universities</b>	<b>Phd</b>	<b>Master Degree</b>	<b>Diploma high</b>	<b>Bachelor</b>	<b>Total</b>
First: Public Universities	4272	1073	8	213	5566
The University of Jordan	1193	226	3	117	1539
Yarmouk University	652	195	1	11	859
Mouta University	431	66	1	-	498
University of Science and Technology	665	150	-	5	820
Al-Hashmite University	416	83	-	-	499
University of Al Al-Biat	253	57	-	3	313
Balqa Applied sciences University	296	115	2	19	432
The Al-Hussein Bin Talal	187	59	1	-	247
Technical University of At Tafilah	108	53	-	17	178
German Jordanian university	71	69	-	41	181
Secondly: Private Universities.	2061	518	4	16	2599
Jordan University College	6	17	-	7	30
Arab University of Amman.	83	2	4	-	89
University of the Middle East	114	5	-	-	119
University of Jadara	82	9	-	-	91
Amman Private University	211	59	-	-	270
The University of Applied Sciences	208	77	-	-	285
Philadelphia University	196	58	-	-	254
Isra University	185	46	-	-	231
Petra University	184	57	-	-	241
Jordanian Zeitouna University	232	60	-	-	292
University of Zarqa	202	50	-	-	252
University of Irbid	86	24	-	-	110
University of Jerash	151	33	-	-	184
Princess Sumaya University of Technology	60	6	-	-	66
Jordanian Academy of Music	8	6	-	9	23
University faculty of Educational Sciences	13	5	-	-	18
National University of Ajlun.	40	4	-	-	44
Total number	6333	1591	12	229	8165

Tables 1, 2 and 3 indicate that the total number of academic ranks in the academic year 2010-2011 in public universities were (5566) and (2599) in private universities respectively, totaling (8165). The total number of Professors were (1222), Associate Professor (2583), Assistant Professor (3124), lecturer (987) and Researcher (38), Assistant Researcher and Teaching (375) and their percentages were (15.0, 19.4, 38.2, 12.10, 0.5, and 4.6) respectively. Therefore, the highest percent was (38.2) for the Assistant Professor rank and the lowest was (0.5) for the Researcher. The total number

for a Doctorate was (6333), Master Degree (1591), Higher Diploma (12) and Bachelor Degree (229). The total number of students in 2010 - 2011 in Jordanian public universities and private were (38707, 13445) respectively. Average rates of change of academic ranks for example for the period (2000-2001), is  $(5566 - 3062) \div (5566) = 0.45$  in the public universities and (0.42) in the private universities, and with a grand total to both (0.44). Rate of change of grand total of the students in the public universities was (0.42) and (0.18) in the private ones. It can be seen that average rate of change of the academic ranks and students in the public universities is greater than the private one. The percentage of development for the number of academic year 2010-2011 divided by the number of 2000-2001, according to calculation of the Ministry of Higher Education and Scientific Research of Jordan for academic ranks in public universities was (182) and 174 in private universities, with total (179). The total of development percents of the students in public universities were (172) and in private universities (122). So, the percentage of development of the academic ranks and students in the public universities is greater than the development percent of academic ranks and students in the private ones.

In order to estimate the relationship between academic ranks and students in public universities and private universities, simple correlation coefficient has been used based on Table 1 for the period (2000-2011). The simple correlation coefficients between the total number of academic ranks in public and private universities was (0.97), and between the total number of academic ranks and the total number of students in public universities (0.82) and between the total number of academic ranks and the total number of students in private universities (0.80) and between the total number of students in public universities and private universities (0.70). It was found that they are positive and strong relationships. The strongest was the correlations of academic ranks in public and private universities and the lowest was between the students in both public and private universities.

In analyzing a time series, there are three major stages of model building: identification, estimation, and diagnostic checking. So the first step (identification) is plotting it. A plot gives a general idea of how the series behaves. Does it have an overall trend (increase or decrease over time)? Does it show seasonality? Does it show no trend or no seasonality?

The figures for academic ranks and students in public and private universities. Indicate that the behavior of time series. It was clear that there was a general trend toward increasing. Therefore, the general trend will be adopted in the estimate and diagnostic stages are shown in table 4.

For the estimate values of  $\beta_1$ , it means any increase in one year will increase (254, 126, 2478, & 268) in both the number of academic ranks and students in public and private universities. The t-values of the number of academic ranks and students in public and private universities were all significant (0.00) since which are less than the significance level (0.05). The means of random errors were equal to zero, with standard deviations all equal to (0.95), which is close to one. Therefore, the conditions of random errors in terms of mean equal to zero, and the standard deviation was equal to one. This means that the random errors follow normal distribution, which requires to be done in the diagnostic stage. Also predictive values (Forecasting) are shown in Table 4, the first predicted value represents the period 2015- 2016, while second predicted value represents the period 2019-2020. It was found that increasing with time, where the increase will be to academic

ranks and students in public universities compared to academic ranks and students in private universities.

*Table 4: Results of the General trend Equation in the Period 2000-2011*

<b>Results</b> <b>Dependent Variable</b>	<b>Estimated <math>\beta_0</math></b>	<b>Estimated <math>\beta_1</math></b>	<b>T-Significance Of <math>\beta_1</math></b>	<b>Forecasting</b>	<b>Means of Standard Error</b>
Academic Ranks (Public Universities)	2745.46	253.91	0.00	5793, 7823	0.00
Academic Ranks (Private Universities)	1412.36	126.36	0.00	2929 3590	0.00
Students (Public Universities)	20294.42	2478.17	0.00	59945 69858	0.00
Students (Private Universities)	10486.95	268.15	0.00	14777 15850	0.00

## **Conclusion**

From literature review, there are a few researchers considered that the Quality of Higher Education. Because academic ranks and students in public and private universities are increasing, the Ministre of Higher Education and Scientific Research are requested, to take care of the humane capital. The percentage of development of the academic ranks and students in the public universities is greater than the development percent of academic ranks and students in the private ones. The strongest was the correlations of academic ranks in public and private universities and the lowest was between the students in both public and private universities. Take the benefit, as possible, of the conclusions of this paper, in particular the means and forecasting of the total number of academic ranks in universities and the number of students in both, public and private universities, in order to make a comparison between the actual and estimated number of them for several years.

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## Evaluating the impact of supplier engagement on supplier selection in chemical industry

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**Abstract:** Supplier engagement promotes the ethical ways of working, operating which results into appropriate selection of supplier. In the competitive world the ethics in working, producing are lacking behind. Supplier engagement includes the practices like auditing the basics like human rights, environmental policies etc. which affect the human life directly. Effective supplier management will challenge and help in selecting the best supplier for long term business relationship.

**Keywords-** *Supplier engagement, supplier selection.*

### Introduction

In today's business environment organizations are working towards improving efficiency and effectiveness. Both marketing and procurement sections are under intense pressure to achieve their goals. Hence people are doubling their efforts and seeking ways to perform these critical functions better while reducing costs in the value-adding process to achieve more and more.

Here supplier plays very important role as far as procurement is concern as suppliers are critical to a company's success. But now a day's suppliers are being ignorant by the buyers just because the factor like Cost. This results into lack of attention towards sustainable relationship with suppliers. Hence the bonding between buyer and supplier is degrading, results into decrease in trust and partnership between them. In many cases suppliers are automatically blamed for problems that occur with product and services. Here the need for supplier engagement arises.

The importance and the need of the supplier engagement is very much visible to every industry now. Majorly the MNC's are focusing on to straighten the buyer-supplier relationship by conducting supplier engagement programs in the organization. To develop a successful relationship there has to be a perfect engagement of supplier. Supplier engagement is nothing but developing the meaningful relationships with suppliers, gaining assurance from them and driving more and more responsible business practices within the supply chain operations to deliver a secure and sustainable future.

Supplier engagement is based on the various factors like Price, quality, delivery reliability, and service etc. All these are the most important criteria used to screen potential suppliers and to move ahead with the relationship. There are also very important criteria like ethics, organizations policies, code of conducts, knowledge sharing, technology sharing etc.

Supplier engagement brings buyer and supplier's together, enabling buyer to enter into meaningful dialogue and work together to achieve common goals and commitments set for and set by both. Engagement means more than exchanging information or sharing policies. Basically it is all about having the right conversation with suppliers to achieve more.

To have perfect supplier engagement practice there is a necessity to make a right supplier selection. The aim of the supplier-selection process is to find the most suitable source or a



small group of alternative sources. Thus, effort needs to be made to cultivate and maintain relationships with good suppliers. It is expected that relationships improve along with reliability of demand and supply, which leads to mutual understanding and agreement. Every company has to realize the importance of their relationship with suppliers and work continually to improve it. But there is ignorance from some enterprises as they do not realize the importance of establishing a good relationship with suppliers. If the supplier is not chosen carefully, products and services may not be delivered on time or in the correct quantity, or may be of inferior quality. Any of these may affect the organization's product or services and result into customer's dissatisfaction. At the time of supplier selection, suppliers are evaluated according to their capacity to deliver the required quality, quantity, price and post-sale services, such as timeliness of delivery. We can also select the suppliers by checking with their clients / customers as to their quality and reliability of supply. Right selection of supplier minimizes many problems. Hence to building and maintaining a good relationship with supplier is necessary for many organizations. On the other hands the companies like big MNC's find it difficult and time consuming as the number of supplier are more in their case.

Previously organizations were buying materials from one supplier only because of lack of alternate source. But this decision is not always of benefit to the company. It creat a monopoly in the market. Or, it can be that the quantity to be purchased is too small to be worth the effort of dividing it among suppliers, or because a provider has a good reputation and there is no other comparable competitor. However, healthy competition needs to exist to obtain the best from suppliers. Obtaining supplies from only one source could potentially lead to a monopoly as other suppliers in the market might disappear, which would impact on price, quality and service. Enterprises are now concerned about developing a network of suppliers, as they have realized the importance of good networks and developing long-term relationships. Organization has started developing the source for raw material throughout the world from various countries. Major reason behind is the changing economies of countries, environmental crises etc. (Ivey business journal on Buyer-supplier relationship in changing Romanian economy article "Supplier Selection Process: Relationships with supplier").

This study majorly emphasis on the factors which affects the supplier engagement and their impact on supplier selection. The necessary studies has been done through data collection from purchase managers of various chemical companies to prove that there is a great impact of supplier engagement on supplier selection and vise a versa. The assessment parameters for the supplier engagement have been taken from Ecovedis. A company which gives rating for the suppliers on the basis of certain criteria like Environment policy, Safety policy, Business ethics, CSR etc which helps in selection a supplier as per the requirements and leads to the sustainable supply chain management.

## **Literature Review**

### **How Supplier selection and buyer-supplier engagement impact the firm performance**

Kannan, Vijay R; KeahChoon Tan in (2006) had studied the importance of supplier selection in buyer-supplier engagement and it impact on the buyers performance. Selecting the right supplier and developing the infrastructure for successful relationship between buyer and supplier is very important. Also for a buyer creating an environment

in which the relationship with a supplier can be a source of value added is equally important. Although traditional Supplier selection criteria such as price and delivery performance are important, buyers must go beyond operational selection criteria, explicitly considering a potential supplier's strategic orientation and commitment to meeting shared goals and objectives. If we consider supplier as a partner then it will help to increase the ability and opportunity of a firm to achieve a competitive edge.

*Study needs to further analyze to examine whether the model holds for specific industry or it is made with purchase perspective. The study doesn't explain how or why engagement and Supplier Selection drive relationship. Hence there is a further scope for study the role of buyer-supplier relationship in managing the supply chains.*

Vonderembse Mark A and Tracey Michael 1999 investigated the impact of supplier selection and involvement on firm's performance. They found that product quality and product performance dimensions of supplier selection criteria plus all of the dimensions of supplier involvement and supplier performance are positively correlated with manufacturing/ buyer's performance. When the suppliers are known that they will be judge on the well-defined criteria, they increase their level of efforts and attention towards performance enhancement. Raising the level of involvement may have a significant impact on performance. Good supplier selection criteria and involvement programs enhance communication and create an environment of trust that built fertile relationship with supplier.

*Study didn't focus on the supplier involvement programs and how it can develop and incorporate. The limited variables had considered while studying the subject.*

*Table 1: The Summary of the above mentioned studies has been tabulated below*

Author /Year/Journal	Area Of Study	Gaps in the Study
Buyer-Supplier engagement and its impact on firm's performance		
Mr. Vijay R. Kannan (USA) Utah State University July 2006 International Journal of Physical Distribution & Logistics Management.	The impact of Buyer-Supplier Engagement and Supplier Selection on improving relationship and Firm performance.	1) Presented in USA no reference to India. 2) Not specified whether the study covers a specific industry or it is made with purchase perspective 3) Not explained the role of buyer-supplier relationship in managing the supply chain.
Vonderembse Mark A and Tracey Michael 1999 Journal of Supply Chain Management	Selection criteria and supplier involvement enhances the supplier performance which can positively correlated with manufacturing/ buyer's performance.	Study didn't focus on the supplier involvement programs and how it can develop and incorporate. The limited variables had considered while studying the subject.

### **The importance of Supplier Selection in Buyer-Supplier Engagement:**

The article on Buyer-supplier relationship in changing Romanian economy says 'bigger the company the more likely that a policy has been developed and implemented in regard to suppliers'. The aim of the supplier-selection process is to find the most suitable source or a small group of alternative sources. Thus, effort needs to be made to cultivate and maintain relationships with good suppliers. It is expected that relationships improve along with reliability of demand and supply, which leads to mutual understanding and agreement. Every company has to realize the importance of their relationship with

suppliers and work continually to improve it. But there is ignorance from some enterprises as they do not realize the importance of establishing a good relationship with suppliers.

If the supplier is not chosen carefully, products and services may not be delivered on time or in the correct quantity, or may be of inferior quality. Any of these may affect the organization's product or services and result into customer's dissatisfaction. At the time of supplier selection, suppliers are evaluated according to their capacity to deliver the required quality, quantity, price and post-sale services, such as timeliness of delivery. We can also select the suppliers by checking with their clients / customers as to their quality and reliability of supply. Right selection of supplier minimizes many problems. Hence to building and maintaining a good relationship with supplier is necessary for many organizations. On the other hands the companies like big MNC's find it difficult and time consuming as the number of supplier are more in their case.

Previously organizations were buying materials from one supplier only because of lack of alternate source. But this decision is not always of benefit to the company. It creates a monopoly in the market. Or, it can be that the quantity to be purchased is too small to be worth the effort of dividing it among suppliers, or because a provider has a good reputation and there is no other comparable competitor. However, healthy competition needs to exist to obtain the best from suppliers. Obtaining supplies from only one source could potentially lead to a monopoly as other suppliers in the market might disappear, which would impact on price, quality and service. Enterprises are now concerned about developing a network of suppliers, as they have realized the importance of good networks and developing long-term relationships. Organization has started developing the source for raw material throughout the world from various countries. Major reason behind is the changing economies of countries, environmental crises etc. (Ivey business journal on Buyer-supplier relationship in changing Romanian economy article "Supplier Selection Process: Relationships with supplier")

The conclusion of prior work is that while price, quality, delivery reliability, and service are the most important criteria used to screen potential suppliers, the specific criteria used and their relative importance depends on the type and circumstances of the purchase. Moreover, while there is a tendency to focus on measurable criteria, subjective criteria such as technical capability, flexibility, and the willingness of a supplier to work in a collaborative manner, can be important in certain buying circumstances, for example, in the context of cooperative relationships. Based on prior evidence, we posit that the criteria used to select suppliers can positively and directly influence relationship success.

#### **The effect of supplier development on buyers purchasing performance:**

Cristobal Sanchez-Rodriguez, David Hemsworth, Angel R. Martinez-Lorente, (2005) put their efforts to analyze the effect of supplier development practices with different levels of implementation complexity on the firm's purchasing performance. Where they defined three supplier developments construct namely basic supplier development, moderate supplier development, and advanced supplier development. The study reveals how involving suppliers in supplier development activities is important and may help buyers to increase their purchasing performance.

In the study they have used a single key informant. The study was a cross-sectional and descriptive sample of the manufacturing industry. Different levels of supplier development and performance requires a longitudinal study, or field experiment.

### Selection of Variables:

The variables have been identified from the factors those affects supplier selection process and supplier engagement.

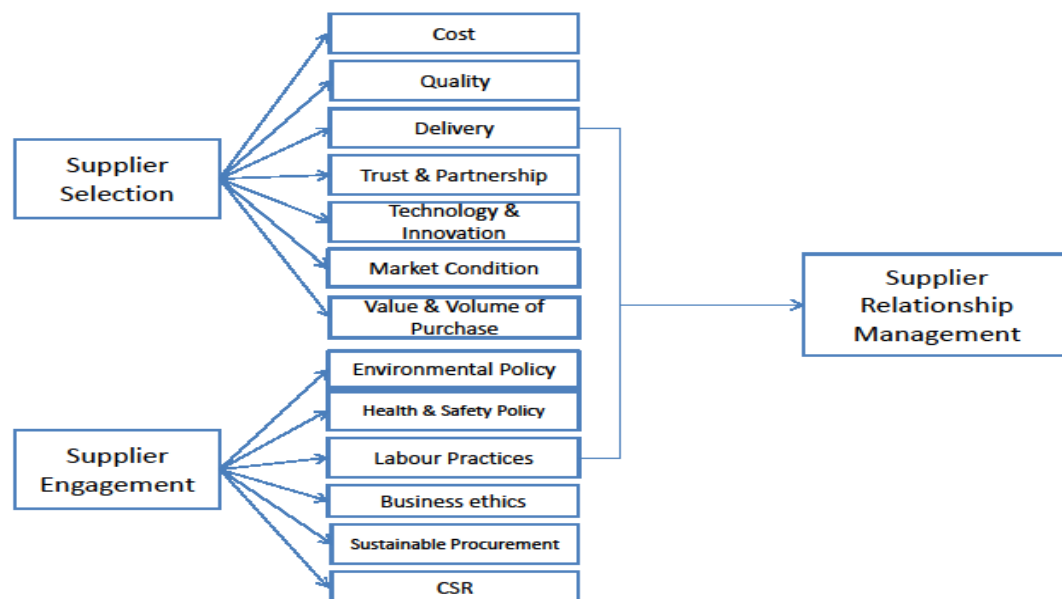
Table. 1 Variable

Dependent Variables	Independent Variables
Supplier Engagement	Cost, Quality
Supplier selection	Company Policy, Ethics, Rules and Regulations
Buyer–Supplier Relationship	Trust, Partnership
	Technology, Innovation
	Human Rights
	Health & Safety Policy

On the basis of these variables we have develop the below model. This model explains the assessment factors essential for supplier engagement affects the supplier selection process and ultimately have impact on supplier relationship management.

Fig.1 Model.

### Model for Supplier Engagement & Supplier Selection



### Objectives:

1. To identify the Assessment factors which will help to boost the supplier engagement and action required to maintain the supplier relationship with right selection of supplier in this changing business environment.

*Identifying the factors for supplier engagement and analyzing them to develop supplier is very important for buyer-supplier relationship. In this changing business environment, the initial criteria to assess the supplier have been followed to choose a supplier who can deliver the best of its capability.*

2. To investigate the factors those affects the supplier selection and the relationship in between supplier and organization.

*There are some important factors need to be consider while studying supplier engagement. On the acceptance of the assessment measures the factors for supplier selection are considered. Physical factors like cost, quality and delivery are important while selecting the supplier on the other hand emotional factors like trust, commitment and partnership also important in supplier engagement. For better supplier engagement there has to be a blend of physical and emotional factors need to be taken into account.*

### **Hypothesis**

H1.Emotional and Physical factors play important role in supplier selection and building up relationship between buyer and supplier in chemicals industry.

H2.Assessment factors plays important role in engaging the supplier and ultimately have a impact on supplier selection.

### **Methodology**

#### **Research Design:**

The research is Descriptive type of research. The survey has been done at industry level that means from companies.

#### **Sample size:**

We have done deliberate sampling for this study. We have taken a sample size of 26 chemical companies from various sectors like Agro, Pharma, Dyes etc. to evaluate the result.

#### **Questionnaire:**

The questionnaire has been prepared on the basis of variables identified, Dependent and independent. Based on our qualitative study, we have firmed up our hypothesis and have created a questionnaire. This questionnaire has 5 points rating scale. The questions would be constructed around the hypothesis of the study.

#### **Data Collection Analysis:**

The data has been collected using Questionnaires, one to one interview with the people from Chemical industry. The data has analyzed using Excel and charts.

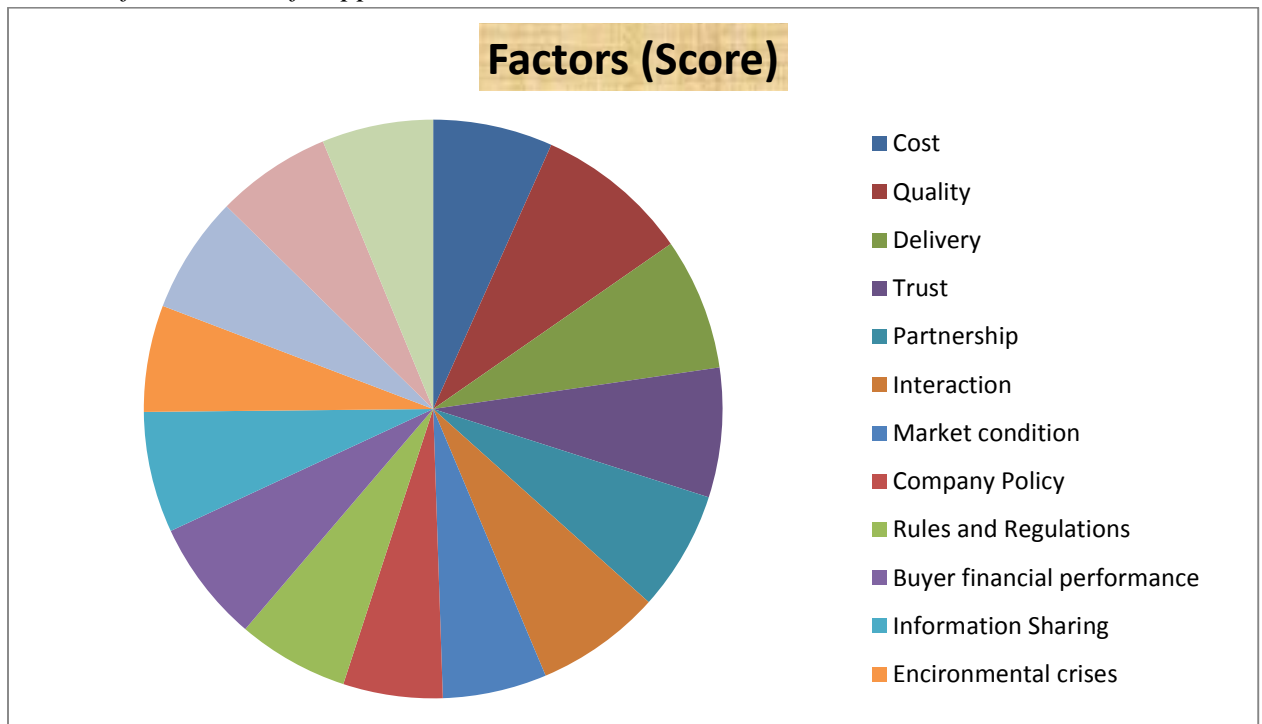
### **Findings**

Buyer always looks into various factors while selecting the supplier. We have categorized data for both physical and emotional factors which are very important while selecting the supplier. Surprisingly the analysis says ie. Fig .1 that both emotional and physical is equally important. Emotional factors like trust, partnership and interaction is as important as quality of the material, timely delivery, Information Sharing, technology & innovation. All these parameters can be fulfill when the selected supplier has sustainable procurement system in their company, when they follows proper health and safety policies, there are no ethical issues in the company , when they have audits & training programs for and quality improvement. Thus it confirms H1. Hence it proves that emotional and physical factors play important role in supplier selection and building up relationship between buyer and supplier in chemicals industry.

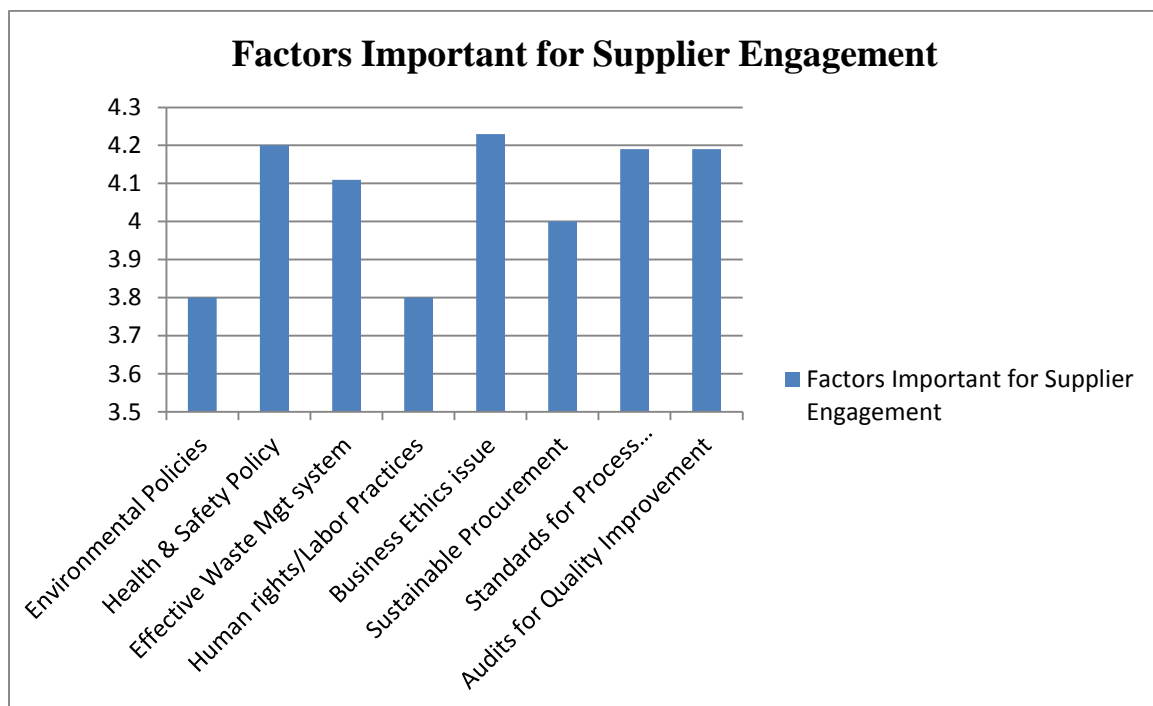
The analysis in the Table 2. Indicates that the assessment parameters like Effective Waste Management system, Business Ethics issue (Like Anti-Corruption), Standards for Process improvement, Audits for Quality Improvement and CSR are the major factors to assess the supplier on the basis of these parameters a buyer can judge the ability and strength of

the supplier. This helps to a buyer to select a right supplier. Thus it confirms H2. Hence it proves that assessment factors plays important role in engaging the supplier and ultimately has impact on supplier selection.

*Fig. 2 Score for Factors of Supplier Selection.*



*Fig. 2. Factors important for Supplier Engagement.*





## Conclusion

The above analysis concludes that the factors which are important for supplier engagement are the foundation for judging a supplier's strengths. As it directly corresponds to the actual productivity a buyer can get from their suppliers. If supplier can fulfill the assessment criteria at the beginning of engagement then the factors which we consider for selection can be easily delivered by the supplier. This ultimately turns into a good supplier management. Ecovadis is a company which gives rating for the suppliers on the basis of certain criteria which leads to the sustainable supply chain management. Thus based on the confirmation of H1 & H2 the model of supplier selection and supplier engagement is validated.

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## **Restructuring Of Municipalities and its Impact on Human Resources Staffing, Training & Development Strategies, An Applied study In Greater Irbid Municipality, Jordan**

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**Abstract:** The purpose of this paper is to identify restructuring of municipalities and its Impact on human resources staffing ,training & development strategies, An Applied study In Greater Irbid Municipality. The importance of the study comes from the importance of municipalities, and the staffing process (recruiting, selection. appointment) & training and development in raising the efficiency of workers. Greater Irbid Municipality was chosen for this study, the sample was (85) persons distributed for (municipality president, member of the municipal council, department managers and regions managers) (78) returned, (3) disposed, (75) analyzed (88%). The study applied certain statistical techniques such as Cronbaeh Alpha, Simple Regression, Anova, Percentage, Mean and standard deviation.

The study showed the following results:

- 1- The trends of samples are positive with high degree toward restructuring, staffing process(recruitment, selection, appointment), training & development
- 2- There is a statistically significant impact of restructuring on human resources staffing strategies(recruitment, selection, appointment) with weak Pearson correlation.
- 3- There is a statistically significant impact of restructuring of municipalities on training with moderate Pearson correlation
- 4- There is a statistically significant impact of restructuring of municipalities on development with weak Pearson correlation

**Keywords New:** *Restructuring of Municipalities, Human Resources, Staffing, Training , Development, Strategies*

### **Introduction**

The restructure of municipalities in Jordan began in 1994 when village councils were cancelled, and the adjacent municipalities were merged into to one municipality. This was done because there are some financial, human, administrative obstacles and problems facing municipalities. Before the restructure, the number of municipalities was "328" including small, medium, and large municipalities. The government adopted a project in which adjacent and homogenous municipalities merged into a greater one. The decision for merging was taken after extensive studies were done, in addition to what the government took from experiences of neighboring countries. Thus the number to municipalities reduced to 99 only (Ministry of Municipalities, 2001).

Among the reasons behind, the government taking the restructure decision was an administrative , reflected in the failure of municipal councils to achieve their goal in serving citizens, in addition to big number of municipalities, which amounted to 328, increased the number of common service council "58" councils. There were financial reasons represented in insufficient financial sources, weakness in collections, huge expenditures, random employee appointment whose number amounted to (16) thousand in year 2000, and more than 2000 employees in the common service council, the majority of whom was unqualified, untrained, and their level of education was less than secondary

level, some of them were appointed without considering qualifications or required specializations. And others were newly inexperienced graduates with lack necessary experience. (Temporary Municipality law (No.70, 2002, and law No.21, 2003). This study aims to know the impact of municipalities restructure on human resources staffing, training & development Strategies in Jordan.

### **Study Problem and Questions**

Municipalities in Jordan in general, and in particular Irbid Greater Municipality are facing several financial, administrative, materialistic and human problems. The major problems suffered municipalities before were restructure were the lack and weakness of administrative , professional employees, insufficient attention for training and development of employees, the lack of qualifications and competencies, increase the number of staff allocated in the budget vacancies, which reflected negatively on the services to the citizens. The

problem of the study is represented in answers to the following questions:

Does the restructure of municipalities in Jordan affect the strategies of staffing, training and human resources development?

This question is subdivided into the following questions:

- 1- Does the restructure have an impact on the recruitment process?
- 2- Does the restructure have an impact on the selection process?
- 3- Does the restructure have an impact on the appointments process?
- 4- Does the restructure have an impact on the human recourses training process?
- 5- Does the restructure have an impact on the human recourses development process?

### **Hypotheses of the study**

No impact with statistical indication of municipalities restructure on human resources staffing, training and developing strategies in Jordan. This hypothesis have the following sub-hypotheses:

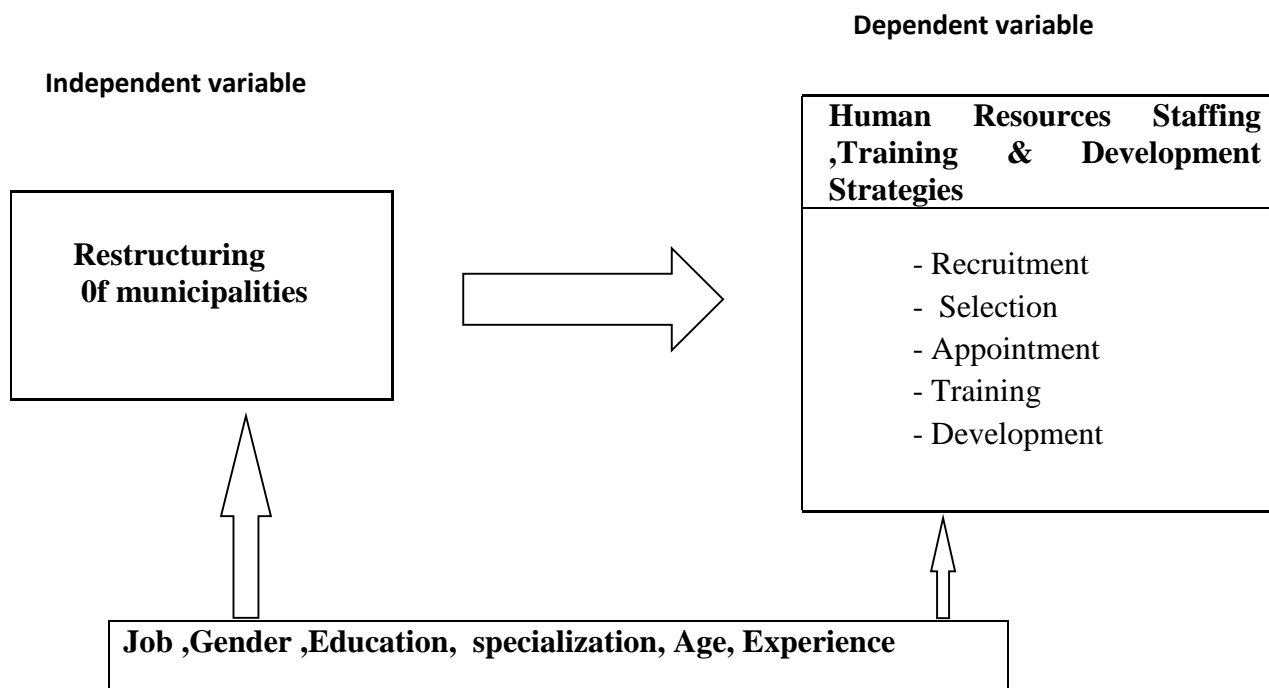
- 1- No impact with statistical indication of municipalities restructure on the process of recruitment.
- 2- No impact with statistical indication of municipalities restructure on the process of selection.
- 3- No impact with statistical indication of municipalities restructure on the process of appointment
- 4- No impact with statistical indication of municipalities restructure on the process of training.
- 5- No impact with statistical indication of municipalities restructure on the process of development.

### **Important of study**

The important of the study comes from the role of municipalities in providing services to the community, As well as the importance of staffing, training and human resource development in improving the efficiency of employees, also this study will provide heads of municipalities and government to develop the fields of staffing, training, and

development municipalities. As will this study tributaries of knowledge to researchers and libraries.

*Figure 1: Study model*



### Procedural Definitions:

**Strategy:** It is the tendency of the organization in the long run which realizes the competitive ability of the organization, through preparing resources which meet the needs of the markets, and the achievement of expectations of enterprise owners. (Johnson, Sholes, 2002)

**Restructure:** It is the process concerned with official relations among the constituents of the organization that implies: strategy groups, plans, programs, and policies prescribed by the management to reduce costs, and improve operation proficiency, in addition to improve the competitive ability of the organization through reducing employees number, and the number of administrative units to achieve the goal of the organization. (Kieselbach et al,2009).

**Municipality:** A national institution which is independent financially and administratively , provides various services to citizens. It updates, cancels, and determines its boundaries, functions and authorities in compliance with items of the law. (Jordanian Law of municipalities, 2014)

**Staffing:** One of the primary jobs of the human resources department , recruiting employees to the organization with the quantity, quality number, in the light of the needs planned for by the organization. (Ahumood Al-khresha, 201, p-20)

**Recruitment:** that is concerned with finding qualified applicants to choose the best from them to fill a specific job. (Humood Al-khresha, 201, p-20)

**Selection:** It is the process of choosing qualifications persons who have the necessary and appropriate for certain positions in the organization (Ahmood Al-khresha, 2010, p-20)

**Appointments:** Appointing the person chosen for the required job that fits that person's potentials. (Ahmood Al-khresha, 2010,20)

**Training:** Training is those efforts that aim to provide the employee with information , knowledge , and development of his skills, knowledge and expertise, including increasing the efficiency in the performance (Sakarnieh, 2012).

**Development:** Acquire the knowledge, skills and behaviors of employees that improves the ability of employees for the purpose of meeting the challenges facing the current business and future. (Sakarnieh, 2012)

**Strategic Staffing:** Is a process for defining and addressing staffing implications of strategic and operational plans. Staffing includes all managed movement into around, and out of an organisation (e.g., recruitment, hiring, promotion, etc.). Strategic Staffing also takes into consideration other human resource (HR) activities such as employee development and classification.( Anfuso,1995)

## **Literature Review**

### **A. Restructuring**

#### *The concept of Restructuring*

Restructuring can be defined as an organizational change that is much more significant than a common place change, and affects at least a whole organizational sector, or an entire company rather than focusing on peripheral changes in work practices. ( Kieselbach et al,2009)

#### *Forms of restructuring*

Relocation: The activity stays within the same company, but is relocated to another location within the same country.

Off shoring/delocalization: The activity is outsourced outside the country's borders.

Outsourcing: The activity is subcontracted to another company within the same country.

Bankruptcy / closure: An industrial site is closed or a company goes bankrupt for economic reasons not directly connected to relocation or outsourcing.

Merger / acquisition. Two companies merge or a company is undertaking acquisitions which then involve an internal restructuring programmed.

Internal restructuring: The company undertakes a job-cutting plan or other forms of restructuring that are not linked to a type as defined above.

Business expansion: A company extends its business activities, hiring new workforce..( Kieselbach et al,2009).

### **B. Local management (Municipality):**

#### **The concept of Local management**

The concept of local management as an administrative organization appeared at the beginning of the 19<sup>th</sup>. This concept have several definitions. (Mawhood, 1983) defined it as a body of citizens with a moral identity which runs services needed by the community.



It was also defined as one of the administration methods by which area of the country are divided into local units monitored by a council that represents general administration of that unit. These councils have financially and administratively autonomous. (Al-Maani, Abu Faris, 2005)

In Jordan, the creation of such municipal councils goes back to 1880. Since then, the number of them kept growing till it ended with (328) municipalities, by the end of the 20<sup>th</sup> c, they adopted the ottoman law of municipalities till (1925) when the first municipal law was issued in the Emirate of East Jordan in (1926). In 1955 the municipal law No.29 was issued. That law defined the municipality to be a national body that is financially and administratively autonomous. It has the authority to modernize, nullify, and recruit, within its boundaries in compliance with the prescribed laws.

**Classification of municipalities:** The municipalities were classified into four categories. (Abu Faris , Al-Maani, 2006)

First class: municipalities of governorate centers and any the municipality whose population exceeds one hundred thousand people.

Second class: municipalities of district centers and other municipalities whose population is between 15,000-100,000 persons.

Third class: municipalities of region centers whose population is between 5,000- 15,000 persons.

Fourth class: other municipalities.

**Reasons for the restructuring of municipalities:**

Most of the municipal councils suffer from difficult financial conditions due to weak financial revenues and the heavy burdens these councils shoulder. Such a thing is reflected the low level of service given to citizens. Till the end of 2000, municipality's debts amounted "94" Million Jordanian dinars. Ninety municipalities were at brink of bankruptcy, because of low collections and incompetent administration.

In July 2001, the actual implementation of margin municipalities started and the number of municipalities in Jordan amounted to 99, excluding Amman Greater municipality. The program of merging principalities aims at:

- Employing technical machinery and equipment in a way to save money.
- Facilitating the training and the qualifying of municipality employees.
- Controlling construction growth in all neighboring municipalities.
- Preparing organizational plans in a more comprehensive way for all neighboring municipalities.
- Increasing municipal capacity to deliver better services to citizens
- Preserving agricultural land by not using it exploited for housing purpose

**C. Training and Development of Human Resources Management**

**The concept of training and development**

Training is a learning process during which individuals acquire skills and knowledge which help them to achieve their targets. And also the training should be associated with the nature of acts and consistent with the policies and the plans of the organization. Training performing is identified a planned efforts that aims to facilitate the learning process of the personnel (knowledge, skills, and behaviors) which is related to their works.

Although training and development are two identical concepts in terms of the methods used to get the education, but they are different in terms of time.

Training is more targeted to our present day as it focuses on the current jobs for individuals and immediately. As for development, it focuses generally on the future jobs in the organization, as well as is interested in education more than training for the worker on a limited work. (Denisi, Griffin, 2001, 45).

### **The important of training & Development**

Training process within organizations has a great importance in the development of staff working and prepares them for integration into the labor market. The organization which wants to be distinguished from other institutions in the same field, it has to provide the skilled staff; capable of dealing with the new technology, and that cannot be achieved except through systematic training programs based on scientific basis in order to give the staff the required skills. Training is an activity planned by a scientific method for achieving the future goals; and which aims to make changes in the trainees in terms of information , skills, experiences, attitudes and performance scores, working methods, behaviors and commitment to the values of the organization in which the trainees work.

The training also is one of the significant ways and means by which the organization resorts for learning, developing and improving the competencies and skills and experiences of their “human resources” which are one of the most important source of “wealth” owned by the organization, as the investment in these human resources is one of the most important investments within organizations and companies. Training became a contemporary necessity for organizations as represent the tremendous technological developments in our world today. The training is the lifeline now for these organizations and those companies; it is an important tool and for development and prosperity of the human resources and then societies as well as to achieve high productivity rates for these organizations to enables them to achieve high profitability returns. There are many studies and researches that showed that the training plays a major role the social and cultural growth in societies, and the training is the basis for all learning and development of the human resource.

The successful organizations that seeking for training and developing the personnel to achieve their targets in the growth and development, the personnel are the means for the organization to achieve its targets, therefore it is necessary to develop the skills and abilities of personnel continuously, the new employee who recently enrolled in the organization may not has some skills and experience to perform job duties efficiently. Hence the importance of training appears in acquiring the new worker the skills that make him able to perform the anticipated duties in a satisfactory manner.

On the other hand, training is required for the purpose of workers preparation to occupy these posts with the highest level of difficulty and responsibility that require higher levels of skills and capabilities, the importance of training appears in the development and evolvment of the worker's abilities to occupy the posts and positions with the highest level, that they will be promoted to it, the importance of training is not limited in the development of the workers' abilities through such information and arts associated with the job performance but extended to include the improvement and development the behaviors of the workers at the work and his dealing with the organization, colleagues, presidents, subordinates and all the people in the organization. (Denisi, Griffin, 2001,66)

### **Relevant studies**

(A) Study Al magarbah, (2012) The impact of merger in municipalities performance, a field study on the municipalities of the Hashemite Kingdom of Jordan. This study aimed to investigate the impact of merging municipalities on the performance of the application on the municipalities of the Kingdom of Jordan process, The study population consisted of all municipal managers(250), included municipal managers which were merged, the study reached the following results, the process of merging municipalities affected the development of employees efficiency, and improved financial aspects and increased the quality of services provided to citizens, there are differences in attitudes among respondents about the performance of municipalities due to gender, marital status, age and educational qualification.

(B) Study Hebdon,Jalette(2008)The restructuring of municipal services: a Canada – United States comparison.

This study examine how cities and towns provide services in the united States, and Canada, study of the selection of the most effective form of service delivery is particularly instructive at the local level of government, because that is where change occurred first and where most research has been focused. Research shows that Canadians have more coordinated market economy, greater faith in government, and more communitarian values. Thus we hypothesize that Canadian municipalities will offer more services overall, but fewer through the private sector than their American counterparts. Canadian municipalities provided more services than their American counterparts. Contrary to expectations, however, Canadian local governments had higher rates of privatized services and greater numbers of privatization plans.

(C) Study Abu faris & Almaane(2006 )Impact of merging municipalities in Jordan on administrative and financial efficiency, from the viewpoint of the heads of councils "field study".

This study aimed to identify the impact of the merging municipalities in Jordan, on the administrative and financial efficiency, from the viewpoint of the heads of councils. The study population consisted of the heads of the Jordanian municipal councils (99) president, The study results showed there is a significant relationship between the merging of municipalities, administrative and financial efficiency , And there is no statistically significant differences for the process of merging the municipalities on the administrative and financial efficiency due to the variable municipal class differences.

(D) Study Al maitah(2005)The impact of the restructuring on the performance of municipal services, "An Empirical Study on the municipalities of the southern governorates centers" Karak, Tafi'leh, Ma'an.

This study aimed to identify the reality of local management in Jordan, and analyze the impact of the restructuring on the of municipality performance in the municipalities of the southern governorates centers, and the impact of each of the "gender, age, experience, job title, educational level" on the restructuring of municipalities and performance of services,

To achieve the study objectives, the questionnaire distributed to the sample's "600" employees, the study reached the following result.

1. The restructuring led to the creation of highly improved in the field of financial and legislative reform, and moderately in the field of administrative side.
2. The performance of service came highly in organizational services, environmental services, medium degree in service roads.
3. There is a statistically significant effect between independent variables and the dependent variable.

#### **(E) characteristics of the study:**

This study is characterized by being the only in Jordan and in the world for the knowledge & the researcher, which dealt with the restructuring of municipalities and its impact on staffing and ,training ,development strategies of human resources, also its dealt with a number of concepts( restructuring of municipalities, staffing, training and development strategies. Irbid Municipality was chosen of the study being one of the major municipalities in Jordan, and used several studies to achieve the goals and results of the study.

### **Results and Discussion**

Two types of data have been adopted in this study, namely; secondary data, represented in the published literature in books, journals, previous studies and periodical journal related to the study .Primary data, which are the questionnaires. These questionnaires were distributed on Greater Irbid Municipality in north area of Jordan. The final sample size was (85) questionnaires for (municipality president, Member of the municipal council ,department managers and regions managers).

The questionnaire consisted of two parts, the first aimed at collecting identification data about the subject, such as:( job ,gender ,education, specialization, age, experience). The second part aimed at measuring the study variables, which consisted of one independent variables (Restructuring of municipalities) and five dependent variables (recruitment, selection, appointment, training, development).

The second part were formulated in a form that enables easy measuring, since 5- point Likert scale was adopted: to a very strongly agree(5), agree(4), no certain(3), not agree(2), strongly not agree(1).

To discuss the reliability of the questionnaire results and the coherence between its questions, it was submitted to selected management teaching staff members in universities and selected experts in the field of to get their feedback and responses. The questionnaire was also subject to reliability analysis to measure Alpha Cornbach coefficient, which was found to be (0.895).

Thus, the conclusions of questionnaire are considered reliable to the realization of the study objectives.

To achieve the objectives of the study and test its hypothesis, the analytical descriptive causal approach was used in order to show how restructuring of municipalities impact on human resources staffing ,training & development strategies. Simple regression model and One-Way ANOVA with regression were used to test the hypotheses.

The questionnaire's answers were transformed into a worksheet using SPSS. the results were as follows:

### **Characteristics of Respondents**

Sample characteristics include five major items in this study: (1) job, (2) gender.(3) education, (4) specialization, (5) age (6) experience. Table 1 shows the results

obtained after analyzing identification variables. The frequency percentage for each variable is listed according to the survey categories in the table.

### **Reliability Test:**

A Cranach Alpha test was used to ascertain instrument reliability. The value was = 0.895 for the questionnaire. All values are accepted since they are more than 0.60. Table (1) reveals Cranach's' Alpha test for each items in the questionnaire.

*Table (1) Reliability analysis of the study scales*

<b>Variables</b>	<b>Cranach's alpha value</b>
restructuring	0.872
recruitment	0.673
selection	0.617
recruitment	0.733
training	0.832
development	0.879

The result showed alpha for each variable is greater than accepted percent 0.60, which is a reasonable value indicating the tool consistency that enhanced its use for the study.

### **Analysis and discussion**

Frequency and percentages were computed for the sample's characteristics.

*Table (2) Sample's Distribution According to Demographic Information*

<b>Category</b>	<b>Frequency</b>	<b>Percentage%</b>
<b>Job</b>		
president	1	1.3
Member of the municipal council	25	33.3
regional manager	20	26.7
department managers	29	38.7
Total	75	100.0
Total	75	100.0
<b>Gender</b>		
Male	59	78.7
Female	16	21.3
Total	75	100.0

Category	Frequency	Percentage%
<b>Education</b>		
High studies	15	20.0
Bachelor	35	46.7
Diploma	12	16.0
High school	13	17.3
Total	75	100.0
<b>specialization</b>		
Engineering	26	34.7
Management science	19	25.3
Humanities	3	4.0
Space science	7	9.3
others	20	26.7
Total	75	100.0
<b>Age</b>		
Less than 30 years	3	4.0
30-40 years	20	26.7
41-50 years	27	36.0
Above 50 years	25	33.3
Total	75	100.0
<b>Experience</b>		
Less than 5 years	17	22.7
5-10 years	18	24.0
Above 10 years	40	53.3
Total	75	100.0

The table above indicates that the highest percentage of the sample is working as department managers, whereas 21% of the sample has a diploma or less, 46.7% of the



sample has bachelor degree. The above table also shows that there are more males (78.7%) than females, the table shows that 34.7% of the sample is specialized in engineering, whereas 36% of the sample is between 41-50 years old . Finally, it is found that the highest percentage of the sample (53.3%) has above 10 years' experience.

### Analysis of the questionnaire paragraphs

Mean and standard deviation are used to describe attitudes toward following questions:

*Table (3) Mean and standard deviation of the restructuring variable*

paragraphs	Mean	Std. Deviation
1. The restructure greatly helped in the municipality artistic, administrative and financial capabilities.	3.7333	.75933
2. The restructure greatly helped in the increment of municipality revenues.	3.8800	.73448
3. The restructure greatly helped in the reduction of municipality expenditures.	3.3867	.91376
4. The restructure contributed to the reduction of municipality debts.	3.6267	.88185
5. The restructure leads to improving services given to citizens.	3.8667	.79412
6. The restructure made the administrative body more effective.	3.7067	.86639
Grand Mean	3.7000	.64666

Examining the above table, it can be seen that there is a positive attitude from participants towards the above variable. This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (2) with a mean of (3.88)

*Table (4) Mean and standard deviation of the attraction variable*

paragraphs	Mean	Std. Deviation
7. The restructure made recruitment better.	3.6667	.74132
8. The municipality tends to hire employees of its region.	3.8267	.70468
9. The municipality announces about its needs for employees through different means of publicity.	3.7467	.75504
10. The restructure helped in hiring professionals to the municipality.	3.4933	.84427
11. The municipality offers tempting way to recruit professionals and experienced.	3.1467	.96833
Grand Mean	3.5760	.53217

Examining the above table, it can be seen that there is a positive attitude from participants towards the above variable. This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (8) with a mean of (3.8267)

*Table (5) Mean and standard deviation of the selection variable*

paragraphs	Mean	Std. Deviation
12. The municipality Investigating justice when conducting the selection process.	3.1467	.71079
13. The municipality take into consideration geographical distribution.	3.4000	.73521
14. The selection process is based on the compatibility of qualification to job description.	3.4933	.68524

15. Interviews and exams are conducted by the municipality to ensure competence of employees.	3.5600	.68260
16- Some steps in the process of selection are done informally.	3.6400	.76476
17. In selecting employees, the municipality takes into consideration Recommendations of officials in charge.	3.4933	.76004
Grand Mean	3.4556	.42389

Examining the above table, it can be seen that there is a positive attitude from participants towards the above variable. This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (16) with a mean of (3.64)

*Table (6)Mean and standard deviation of the recruitment variable*

paragraphs	Mean	Std. Deviation
18. Outside recommendation plays an important role in appointments.	3.6533	.79684
19. The number of employees in the municipality exceeds the number of jobs.	3.7600	1.03767
20. Some employees are assigned jobs that do not fit their qualifications.	3.6800	.85677
21. The municipality adopts the principle of the suitable person for the suitable job.	3.0800	.67303
22. The restructure decreased relative hiring.	2.8133	.76571
23. All employees hired after the restructure occupy the jobs assigned for them.	3.1867	.95427
24. After the restructure, the municipality endeavors to achieve excellence in human resources.	3.1067	.62759
Grand Mean	3.3257	.51270

Examining the above table, it can be seen that there is a positive attitude from participants towards the above variable except paragraph (22). This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (19) with a mean of (3.76)

*Table (7)Mean and standard deviation of the training variable*

paragraphs	Mean	Std. Deviation
25. After the staffing process, the municipality works for qualifying and training the employees.	3.8400	.54624
26. The needs for training are related to the needs of individuals and job need.	3.6267	.63189
27. The municipality cares for constant training of employees.	3.6667	.75933
28. The performance of employees showed great progress after the restructure	3.7333	.55345
29. Fairness of training opportunities given to individuals was after restructure	3.2400	.71357
30. planning for training was taken care of after the restructure.	3.6000	.78843
Grand Mean	3.6178	.49530

Examining the table, it can be seen that there is a positive attitude from participants towards the above variable. This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (25) with a mean of (3.84)

*Table (8)Mean and standard deviation of the development variable*

paragraphs	Mean	Std. Deviation
31. Training met my job needs after the restructure.	3.4267	.73839
32. My job knowledge developed after the restructure.	3.3467	.68760
33. The goal of developing the employees is the major concern of the municipalities.	3.3733	.63189
34. The municipality gets its employees in decision making pertained to their specialization.	3.6133	.75146
35. The municipality works on correct planning regarding jobs.	3.5067	.74204
36. The municipality prepares and develops employees to occupy better positions in the future.	3.3067	.75289
Grand Mean	3.4289	.56763

Examining the table, it can be seen that there is a positive attitude from participants towards the above variable. This appeared through the mean of the paragraphs which scored higher than 3.00 referring to the paragraph as a good indicator. The most influential paragraph of the variable was (34) with a mean of (3.61)

### **Hypotheses Testing**

The hypotheses of the study will be as follows:

There is a statistically significant impact of restructure on human resources Staffing, training and development strategies.

### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.443 <sup>a</sup>	.196	.185	.31747

a. Predictors: (Constant), ind

### **ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.795	1	1.795	17.807	.000 <sup>b</sup>
1	Residual	7.357	73	.101		
	Total	9.152	74			

### **Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.581	.214		12.045	.000
	ind	.241	.057	.443	4.220	.000

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there is a statistically significant impact of restructuring on human resources staffing, training

and development strategies with moderate Pearson correlation 0.443

**The sub-hypotheses of the study will be:**

There is a statistically significant impact of restructuring on recruiting

**Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.255 <sup>a</sup>	.065	.052	.51809

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.363	1	1.363	5.076	.027 <sup>b</sup>
1	Residual	19.594	73	.268		
	Total	20.957	74			

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.800	.350		8.005	.000
1	ind	.210	.093	.255	2.253	.027

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there is a statistically significant impact of restructuring on recruiting with weak Pearson correlation 0.255

There is a statistically significant impact of restructuring on selection.

**Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.257 <sup>a</sup>	.066	.053	.41239

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.881	1	.881	5.182	.026 <sup>b</sup>
	Residual	12.415	73	.170		
	Total	13.296	74			

#### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.831	.278		10.169	.000
	ind	.169	.074	.257	2.276	.026

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there is a statistically significant impact of restructuring on selection with weak Pearson correlation 0.257

There is a statistically significant impact of restructuring on appointment

#### Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.245 <sup>a</sup>	.060	.047	.50042

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.171	1	1.171	4.675	.034 <sup>b</sup>
	Residual	18.281	73	.250		
	Total	19.451	74			

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	2.606		7.714	.000
	ind	.195	.245	2.162	.034

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there is a statistically significant impact of restructuring on recruitment with weak Pearson correlation 0.245

There is a statistically significant impact of restructuring on training.

#### Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.552 <sup>a</sup>	.305	.296	.41567

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.541	1	5.541	32.070	.000 <sup>b</sup>
	Residual	12.613	73	.173		
	Total	18.154	74			

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	2.052		7.313	.000
	ind	.423	.552	5.663	.000

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there



is a statistically significant impact of restructuring on training with moderate Pearson correlation 0.552.

There is a statistically significant impact of restructuring on development

**Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.240 <sup>a</sup>	.057	.045	.55484

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.370	1	1.370	4.450	.038 <sup>b</sup>
1	Residual	22.473	73	.308		
	Total	23.843	74			

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.650	.375		7.076	.000
1	ind	.210	.100	.240	2.110	.038

Linear Regression is used to test above hypothesis; it is found that a calculated value of (F) is significant at (0.05) level. This means that null is rejected, which means that there is a statistically significant impact of restructuring on development with weak Pearson correlation 0.24

## Results:

The study examined the restructuring of municipalities and its impact on human resources staffing, training & development strategies, an applied study In Irbid Greater Municipality The study showed the following results:

1. The trends of samples are positive with high degree toward restructuring.
2. 1. The trends of samples are positive with high degree toward recruitment.
3. The trends of samples are positive with high degree toward selection.
4. The trends of samples are positive with high degree toward appointment. 4.
5. The trends of samples are positive with high degree toward training.
6. The trends of samples are positive with high degree toward development.
7. There is significant impact with statistically significant to the restructuring of municipalities on human resources staffing ,training & development strategies in irbid municipality with moderate Pearson correlation.
8. There is significant impact with statistically significant to the restructuring of municipalities on recruitment with weak Pearson correlation.
9. There is significant impact with statistically significant to the restructuring of municipalities on selection with weak Pearson correlation
10. There is significant impact with statistically significant to the restructuring of municipalities on appointment with weak Pearson correlation.
11. There is significant impact with statistically significant to the restructuring of municipalities on training with moderate Pearson correlation.
12. There is significant impact with statistically significant to the restructuring of municipalities on development with weak Pearson correlation.

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## **Exploring business networks and relationships in an emerging market: Local perspectives from Dutch multinational enterprises in Indonesia**

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**Abstract:** This research investigates business networks and relationships of Dutch multinational enterprises (MNEs) in the emerging market of Indonesia. Through ethnographic cases, I will explore how subsidiary relationships with local counterparts are operationalised within a fast-developing context of business networks. Indonesia is the largest economy in Southeast Asia and is a growing market for Dutch exports and investments. However, despite their long history of bilateral ties, Indonesia's relationship with its former colonial ruler remains delicate. A recent Dutch trade mission to Indonesia signalled an apparent rapprochement between the two countries. In the light of subsequent investments from Dutch firms, this is a timely study in an important emerging market.

Business practice suggests that to understand business relationships, there should be knowledge of the local context in which business relationships take place. Yet, despite this practice, few studies have examined local business networks and relationships in emerging markets, specifically in Indonesia. We know that relationships are connected with business networks and that these relationships can be connected to relationships that suppliers or customers have with third-party firms. Network theory scholars have suggested how the management of such networks of connected relationships is potentially valuable for firms and could lead to establishing a competitive advantage. Through cases of Dutch MNE subsidiaries, I build on this work by offering a local perspective of the ways in which these relationships may be connected. By examining this phenomenon, it is anticipated that a scholarly basis will be created for understanding the nature and practices of local business networks in an important emerging market. In doing so, this research seeks to make an important theoretical contribution to business network literature as there is little known about potentially important relationships, at the subsidiary level, between long-established MNEs and their local stakeholders in emerging markets.

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## **E-Mail Overload and Instant Messaging: With Different Investigative Dimensions**

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**Abstract:** While there have been extensive investigations on email overload, the main source of this business and management problem has received less attention so far. Furthermore, there are claims that using Instant Messaging (IM) reduces email overload, however, this has not been validated by academic research findings. The paper investigates how email overload is generated, and why IM is claimed to reduce this workplace problem.

Data collection, for this paper, was through the use of a quantitative mno-method, via an anonymous Survey Monkey online questionnaire. Respondents are members of an

international professional body – The International Institute of Risk & Safety Management (IIRSM) – and work in different countries, industries and organisations. The author uses a cross-sectional Case Study, with an inductive approach, to answer the research questions and understand trends and patterns, in the data collected. The newness of both phenomena – email overload and IM – makes realism a suitable philosophical stance to take.

Results provide evidence that email overload is not externally-generated. The organisation itself produces it, as more than half of all email overload comes from inside the organisation, with diagonal communication channels contributing most. Results show that using IM does help reduce such internally-generated overload. An observation made is of a potential link between email overload, IM use and industry. Results show that both email overload and IM use is consistently higher or lower in various industries.

This study helps to develop a more comprehensive understanding of the universal workplace problem, and contributes unique findings that are focused on establishing the main source of email overload. Furthermore, claims that IM reduces overload have so far come from marketing and promotional material, as well as newspaper articles – all lacking empirical evidence to substantiate such statements. This research is the first to establish whether or not these claims are true.

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### **Critical analysis of the design and development of the information system necessary for the innovation management and commercialization of research results in Kazakh Universities**

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**Abstract:** The present paper presents the plan for the design and implementation of the ICT management system for a business incubator based on the critical analysis of the Cabral paradigm and analysis of the literature related to science park business incubators and overall exploitation of research results in academia. The paper also addresses the issue of supporting startups focusing on research ideas not necessarily originating in the academic environment and yet in need of cooperation with it. Given the lack of clarity in the understanding of what is a business incubator and how best this is implemented, the present research work aims at contributing a unifying approach to the design of an information system that could support any presently foreseen business incubator underpinning business model.

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### **Regulation of Transportation Network Companies: A Case Study of Connecticut**

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**Abstract:** In the United States, most taxi companies are regulated at the city level, rather than at the state or federal government level. The state of Connecticut is unique in that taxis are regulated at the state level. In order to receive a permit to operate either a taxi company or a livery company the applicant must show proof of “public convenience and

necessity". The rationale for such regulation is that if entry restrictions were loosened the result would be excessive entry with deteriorating service levels and quality. On the other hand, some would argue that such a system unfairly benefits existing providers at the expense of potential entrants. Transportation network companies have been operating outside of this regulatory framework claiming that they are something other than taxis or livery services. They have defined themselves as technology companies providing technology to facilitate rides from independent contractors.

The rise of transportation network companies (TNCs) has been a disruptive force in the taxi and livery industries across many states and countries. The TNCs would argue that they are providing better service at better prices than traditional service providers. The taxi and livery industries tend to see TNCs as unregulated transportation service providers which put the public at risk. The purpose of this paper is to investigate the regulatory issues associated with this new disruptive innovation in the transportation industry. The question to be addressed is whether regulators can both protect the public and encourage innovation at the same time?

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## **Do Wealthy Economies report better Quality Accounting Information? International Evidence**

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**Abstract:** Based on 40 countries' capital markets, this paper examines whether wealthy economies tend to report better quality accounting information compared to their counterparts. The quality matrix is operationalized by time-series properties of earnings, value relevance of earnings and book values, accounting conservatism and earnings management, and GDP per capita is utilized to proxy country wealth. Inconsistent with the intuition-based suggestion of the prior literature, the findings reveal that country-level accounting quality is almost invariant across wealthy and poor economies. At a closer inspection, the paper finds that wealthy economies do actually have significantly better country-level financial reporting infrastructures constituting of financial-, legal- and political systems. The infrastructure, however, does not lead to better financial information quality. The work offers the implications of the findings.

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## **RURAL BANKS FINANCING SME's**

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**Abstract:** The main objective of the study is to explore how Rural Banks financing Small and Medium- scale Enterprises (SMEs) within Kumasi Metropolis of Ghana, taking cognizance of the roles and contributions of Juaben Rural Bank Limited. In the advanced countries, commercial banks are the main financiers of SMEs. However, in Ghana there are a number of macroeconomic, institutional and regulatory challenges that hinder the commercial banks from lending to SMEs. In addition, SMEs have high failure rates and for that matter commercial banks are unwilling to extend credit to players of the sector. Even where the commercial banks extend credit to SMEs the loans are secured with collateral, leading to stagnation of growth. By administering a questionnaire to ninety



(90) SME operators and ten (10) staff of Juaben Rural Bank, the study has shown that lack of collateral security, unprepared accounts, poor financial history, limited years of operation, no business plan, and no reason and not being qualified are some of the major challenges SMEs face in accessing loans from rural banks. Moreover, high default rate of the SMEs, ineffective management of SMEs and ineffective monitoring of SME loan were challenges the bank faced. In view of the findings, it was recommended that rural banks should not use collateral security as a requirement for granting credit to SMEs; Bank of Ghana should ensure the rural banks reduce their interest rate; rural banks should train SME operators on effective management of resources and monitor how credit or loans they grant to SMEs are used in the sector; SMEs should form joint ventures to increase their capital base.

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### **Adopting Regression Model for Jordan's import which affect by Some Basic Factors**

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#### **Abstract:**

Supplier engagement promotes the ethical ways of working, operating which results into appropriate selection of supplier. In the competitive world the ethics in working, producing are lacking behind. Supplier engagement includes the practices like auditing the basics like human rights, environmental policies etc which affect the human life directly. Effective supplier management will challenge and help in selecting the best supplier for long term business relationship.

Purpose: To evaluate the factors which affects the supplier engagement and their direct impact on supplier selection.

Type of research : Primary as well as secondary research.

Methodology: It is primary as well as secondary research. Exploratory study was used to find out the relationship between factors which affects the supplier engagement and their direct impact on supplier selection. Focus interview was used to study the impact involving 30 respondents.

Results: The factors considered for supplier engagement influences the supplier selection. The major factors like environment policies, human rights, CSR are important along with the factors like cost, quality, technology etc. Regular audits and certifications help to improve the engagement practices.

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### **Brand Extension**

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**Abstract:** This study is a comprehensive and integrative literature based content analysis encompassing the literature in the field of “brand extensions”, bordering the methodological, publication and citation analysis. The included literature consists of all the empirical quantitative articles spread on 24 years, i.e. from 1990 to 2014. The analyses were conducted in parts. The articles chosen for the methodological trends were all empirical quantitative articles identified, totaling to 142. On the other hand, the

publication trend and the citation analysis were conducted on all the relevant articles i.e. 192.

The result of this detailed content analysis reveals the many important trends in terms of statistical techniques used, the methods adopted for the publication, and the regions from where these studies are originated and published. One more issue which can be seen is in terms of lack of validation of the data used in the research papers studied for this analysis. There is a change identified, in the trends, in terms of authorship and number of authors also. Authors are more interested in pair or team works instead of sole authorship. The cross border teams are formed to increase the validity of the study and increase the collaborations among the regions.

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### **How the nation brand of a country is related to its FDI inflows?**

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#### **Abstract:**

This paper explores if there is any relationship between the Brand Image of a country and its FDI Inflows? More exactly if the Brand Image of a country impacts positively the FDI inflows? For this propose, we used an empirical method which employs a panel model regression applied on 10 best NBI countries since 2008 until 2014. Results will show a strong positive correlation between the two variables.

Indeed, the research of this paper shows evidence, that Nation Brand has its significant role in attracting business. Hence, Results show a significant increase in the FDI inflows for the countries which have a strong nation brand.

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### **Celebrity Endorsement Impact on Non Profit Organizations and Jordanians / Syrian Refugees in Jordan – A case studying Of Angelina Jolie's visits to Jordan**

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**Abstract:** In a world torn by natural disasters and human conflicts, Non-Profit Organizations spare no effort in deploying all available resources to create a distinct brand identity. In essence, this competitive advantage helps in achieving the goals and objectives of NPOs, generally framed into raising public awareness, soliciting donations and influencing decision makers. In this paper, qualitative and quantitative research has been conducted to measure the impact of Angelina Jolie's endorsement on the UN High Commissioner for Refugees (UNHCR) operating in Jordan, and the impact of her numerous visits to Syrian refugees residing in camps and host communities in Jordan. Empirical findings concluded that although celebrity endorsement drastically raises public awareness and increases visibility, but could not successfully nor significantly act as a sole mechanism for fundraising. Yet, it has been deducted that, in this particular case, individuals with high involvement with the NPO were more likely to donate funds and volunteer as a result to celebrity endorsement. Hence, it is recommended that UNHCR invests more time and effort in raising awareness to those less involved, to convert them into supporters and potential donors. For this case study, it has been concluded that Source Attractiveness was the most important element for respondents,

whereas UNHCR's selection model had largely relied on the four models combined; Source Credibility, Source Attractiveness, the Match-Up Hypothesis and the Meaning Transfer Model. Through this study, it has been established that the celebrity endorser in this specific case overshadowed the agency. It is therefore highly recommended to enhance UNHCR's visibility during such activities.

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### **Brand Differentiators**

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**Abstract:** This study is based on an empirical, quantitative, cross sectional research that addresses the issues like the impact of store image and price on brand dimensions in relation with different variables like quality, loyalty, and brand awareness. Further, the study is extended to measure the brand dimensions impact on brand equity. Brand equity can be defined as a brand's power derived from the goodwill and name recognition that it has earned over time, which translates into higher sales volume and higher profit margins against competing brands. Brand Equity and loyalty relationship is also tested with the help of customer satisfaction and advertising. The results are based on convenience sample of 158 respondents. Data was analysed based on Structural Equation Modelling. First, reliability and validity of the constructs were established by conducting Confirmatory Factor Analysis. Then the relationships were gauged through regression analysis. ANOVA is also used to check the difference between the means of the different variables. Multicollinearity and heteroskedasticity is checked, using correlation matrix for former and White test and Breusch-Pagan test for latter.