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MARKETING IN SMALL FIRMS: THE CASE OF SLOVENIA

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ABSTRACT: *The purpose of this paper is to obtain a better understanding of how marketing is understood and practised by Slovenian small companies. Semi-structured, in-depth interviews were conducted with 25 small firm owners/managers. The main findings of our exploratory study suggest that the marketing style of Slovenian small firms is presumably similar to that of their Western counterparts. Marketing tends to be narrowly understood as tactics/methods (most often as being synonymous with advertising), with no person particularly responsible for it. Marketing plans often exist only in the heads of the owners/managers and usually have a short-term focus with very broadly defined objectives.*

Keywords: *small firms marketing, marketing planning, qualitative study*

JEL Classification: M31

1. INTRODUCTION

Small firms³ are vitally important for modern economies due to their contributions to employment and innovations. However, the economic crisis poses serious challenges to European small firms which are struggling to return to their pre-crisis levels of value added and employment (Wymenga et al., 2012). High failure rates and a poor performance level continue to characterise the small business sector (e.g. Jøcumsen, 2004). According to the European Commission, 50 percent of firms do not survive the first five years of their lives (Wymenga et al., 2011). These high failure rates of small firms are largely attributed to weaknesses in marketing (Simpson & Taylor, 2002; McCartan-Quinn & Carson, 2003). A better understanding of small firms' marketing is therefore needed and can help small firms improve their performance.

Existing studies have examined small firm marketing in Western, developed economies, particularly in the United States and the United Kingdom. These studies (e.g. Carson et al., 1995; Gilmore, Carson & Grant, 2001) have revealed that marketing in small firms differs significantly from the sophisticated, planned and structured procedures recommended by standard marketing books. Yet, much less is known about small firms' marketing in

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3 In this paper, the term »small firm« is used to describe firms with fewer than 50 employees.

Central and South-East Europe (e.g. Rojšek & Košir, 2006; Dragnić, 2009). Transitional economies are particularly relevant to examine marketing-related issues since a market orientation is still a relatively new concept (e.g. Menguc & Auh, 2006).

This study focuses on Slovenia. Similar to other European countries, firms with fewer than 50 employees account for more than 98 percent of all firms in Slovenia (Slovenia in Figures 2011). Hence, the vast majority of marketing activities is performed by small firms. Notwithstanding this, our understanding of marketing in Slovenian small firms is quite limited. Researchers have rarely examined it thoroughly and comprehensively and have primarily been interested in specific topics such as the level of market orientation and its impact on business performance (e.g. Rojšek & Konič, 2003; Bodlaj & Rojšek, 2010; Bodlaj, 2012). Although these studies are very valuable, they do not provide a deeper insight into the characteristics of the marketing undertaken by Slovenian small firms. The purpose of this paper is to fill this void in the literature and to provide a better understanding of how marketing is understood and practised by Slovenian small firms. A qualitative cross-sectoral study was undertaken based on in-depth interviews with 25 owners/managers.

The rest of the paper is organised in four sections. First, we provide a literature review on small firms' marketing. Then we explain the research methodology, with the main findings of the research being presented in the third section. We conclude with a discussion along with the contributions of the presented empirical study to the existing literature, the research limitation and suggestions for future research.

2. LITERATURE REVIEW

2.1. Research on small firm marketing in Western economies

Standard marketing literature has generally focused on established large firms. It suggests a structured, sequential and disciplined approach which is incompatible with the entrepreneurial nature of small firms (e.g. Carson et al., 1995) and is therefore not easily transferrable to such firms (Simpson, Taylor & Padmore, 2011). Critics point out that the traditional marketing theory and education are over-reliant on the established rules of thumb and encourage formula-based thinking (e.g. Morris, Shindehutte & LaForge, 2002).

Small firms are not just little big businesses (e.g. Hill, 2001a). Although not all small firms are identical, they do share inherent characteristics which lead to a unique marketing style which does not conform to formal marketing approaches (Carson et al., 1995; Gilmore et al., 2001; McCartan-Quinn & Carson, 2003; Blankson, Motwani & Levenburg, 2006). Small firms' marketing is heavily influenced by constraints, the inherent characteristics of the owner/manager, the norms of the industry in which the firm operates, and by the stage of the business life-cycle (Carson & Gilmore, 2000; O'Donnell, 2011). Small firms

face three broad types of constraints: limited resources, a lack of specialist expertise, and a limited impact on the market place (Carson & Cromie, 1990). Due to limitations on finance, marketing knowledge and time, marketing activity in small firms is inevitably restricted in its scope and intensity (Carson et al., 1995). Resource constraints increase smaller firms' vulnerability to environmental uncertainty (Didonet et al., 2012). Since they cannot afford expensive marketing programmes, small firms have to be innovative in their marketing activity (Gilmore, 2011). They have fewer orders and customers, hence their impact on the market place is limited (Carson & Cromie, 1990). Further, marketing in small firms often evolves throughout the business life-cycle, ranging from initial marketing activity to integrated marketing (Carson, 1990).

Perhaps the most important factor influencing the marketing style in small firms is the omnipresence of the owner/manager (Carson et al., 1995) and his/her attitude, experience and expertise/competence (McCartan-Quinn & Carson 2003; Fillis, 2010). Typically, small firm owners/managers are change-focused individuals who always seek new opportunities and are risk-takers, highly motivated, ambitious, task-oriented and generalists rather than experts in any particular area and involved in all business activities, including marketing (Carson et al., 1995). These characteristics of the owner/manager coupled with the limited resources lead to a distinctive marketing style which can be described as informal, unstructured, pragmatic, haphazard, spontaneous, simple, reactive to competitor activity and customer demand, and reliant on intuitive ideas and common sense (Carson et al., 1995; Carson & Gilmore, 2000; Gilmore et al., 2001).

Marketing is not as well developed or influential in smaller firms as it is in large firms (Walsh & Lipinski, 2009). Particularly in the early stages of development, small firms are often product-oriented, driven by new ideas and intuitive market feel rather than being customer-oriented, or driven by a rigorous analysis of customers' needs (Stokes, 2000; Parrott, Azam Roomi & Holliman, 2010). Owners/managers may be biased toward their own ideas, ignore negative market information and resist obtaining in-depth information due to their prior commitment to the venture idea (Hills, Hultman & Miles, 2008). Small firms practise marketing according to their capabilities and circumstances. They do engage in marketing even if the form this marketing takes is not fully understood (O'Dwyer, Gilmore & Carson, 2009). Owners/managers may have negative attitudes to marketing, perceive it as a cost, view distribution and selling as uncontrollable problems and believe that each case is so specific that no general rules can be applied (Carson & Cromie 1990). Marketing is frequently underutilised and misunderstood (Hogarth-Scott, Watson & Wilson, 1996). Owners/managers of small firms tend to view marketing narrowly, often as a synonym for either selling or advertising (e.g. Stokes, 2000; Crane, 2010; Reijonen, 2010).

Marketing in small firms is focused on tactical issues and short-term objectives. In many small firms, marketing planning activity may be limited to sales planning, whereas a broader scope of marketing planning is seldom found (Carson et al., 1995). Marketing planning is often reactive, informal and plans are rarely written down (O'Donnell, 2011). In contrast to this prevalent observation in the existing literature, Hill (2001b) finds that small firms

engaged in fairly sophisticated, yet mainly operationally focused marketing planning. In addition, Blackburn, Hart and Wainwright (2013) find that those entrepreneurs who describe themselves as “twenty-first century entrepreneurs”, “innovative”, “using the latest technologies” and “risk takers”, as well as older firms are more likely to have a business plan. On the contrary, Simpson et al. (2006) suggest that younger firms are more likely to have active business plans. However, it is necessary to bear in mind that the mere existence of a business plan does not tell us anything about the quality of the marketing plan. Moreover, the marketing plan is often the weakest part of the small business plan.

Which are the main distinguishing traits of small firms’ marketing mix? Small firms offer narrow product ranges with an emphasis on quality and customer service. Products are frequently customised to a limited extent (O’Donnell, 2011). Small firms usually employ some form of cost-plus pricing, while also bearing competitors’ pricing and the current practice within the industry in mind (Gilmore, 2011). The owner/manager’s intuition and experience are also influential. Prices often vary for different customers. Small firms prefer direct distribution channels with an emphasis on the reliability of delivery. The use of paid promotional activity is limited. Small firms are heavily reliant on repeat business and positive word-of-mouth as a means of acquiring new customers. Information about customers is gathered via close links with customers and staff. Owners/managers believe they know their customers extremely well and therefore small firms rarely engage in formal marketing research. Information about competitors is gathered mainly informally and passively, from a variety of sources and also directly from competitors (O’Donnell, 2011).

2.2. Research on small firm marketing in Central and Eastern Europe

Over the past 20 years, several researchers have examined various marketing issues in the context of Central and Eastern Europe (CEE). These studies were primarily concerned with the development of marketing in transitional economies (e.g. Hooley, 1993; Marinov et al., 1993; Shipley & Fonfara, 1993; Ennew, Wright & Kirnag, 1996; Hooley et al., 1996), appropriate marketing strategies for Western companies operating in CEE markets (e.g. Nowak, 1996; Czinkota, Gaisbauer & Springer, 1997; Fallon & Jones, 2004) and the development of marketing capabilities and their impact on firm performance (e.g. Hooley et al., 1999; Fahy et al., 2000). A list of additional studies on marketing research topics in CEE is provided by Schuh (2010). However, only a very few studies have examined marketing in small firms in CEE.

Martin and Grbac (1998) find that Croatian firms of all sizes increased their marketing activities after economic privatisation, but smaller firms (with fewer than 250 employees) have been able to better adapt to the changing environment than larger firms. Still, Crvelin and Bakula (2006) observe that inappropriate marketing is usually identified as the main reason for the weaknesses and failure of Croatian SMEs. According to researchers, the owners of Croatian SMEs usually possess limited knowledge in the area of practical marketing planning and act in a highly intuitive manner. Similarly, Dragnić (2009) finds

a prevalent non-systematic, i.e. 'ad hoc' approach to marketing in the analysed Croatian firms from the Splitsko-Dalmatinska county. Marketing activities were implemented, but usually without being well planned and managed.

Kloudova, Medway and Byrom (2004) examined how marketing practice altered in Czech firms during the 1999–2003 period. Despite progress, the majority of small firms examined in 2003 still lacked an independent marketing department and had not clearly established marketing strategies. Most notably, the share of firms that did not have clearly established marketing strategies was significantly bigger among small firms than medium and large firms. In a more recent study, Mitrega (2009) compared the relationship-building practices of small firms in Poland and the Czech Republic. The author finds that the Czech small firms developed better relationship marketing competencies and seemed to be more oriented to long-term benefits than the Polish small firms.

To summarise, these studies suggest that the main characteristics of small firm marketing in CEE countries tend to be similar to their Western counterparts, particularly in terms of an unstructured, informal and simple approach to marketing. In the following section we examine small firm marketing in selected Slovenian small firms.

3. RESEARCH METHODOLOGY

In order to achieve a better insight into the specific characteristics of Slovenian small firms' marketing, a qualitative cross-sectoral study was undertaken. Semi-structured, in-depth interviews were conducted with 25 small firm owners/managers. In-depth interviews have frequently been used in prior research on small firms' marketing (e.g. Carson & Cromie, 1990; Blankson et al., 2006; O'Donnell, 2011; Resnick et al., 2011).

In-depth interviews are particularly appropriate where the topic is complex and the objective is to understand the underlying reasons for behaviour and attitudes. Such interviews can be effectively employed in special problem situations, such as those requiring interviews with professional people (Malhotra, 2004). Managers are more willing to participate in an interview than to complete a questionnaire (Bregar, Ograjenšek & Bavdaž, 2005). Through in-depth interviews, the participants can fully express their viewpoints, while the researcher can ask probing questions as a means of follow-up (Turner, 2010). In-depth interviews can therefore offer deeper insights (Malhotra, 2004).

A moderator's outline was applied to ensure consistency in the topics covered in all the interviews. We used the outline developed by Carson and Cromie (1990) and supplemented it with additional questions in order to obtain answers to the following main research questions: (1) How is marketing understood by the owner/manager? (2) Who is responsible for marketing within the firm? (3) What is the importance of marketing as a business activity for the firm's performance? (4) How do the interviewed firms describe their market and which important changes have they recognised in recent years? (5) How do the interviewed firms gather information about their market? (6) What are the main

characteristics of their marketing mix? (7) What is the importance of existing customers relative to new ones? (8) Do the interviewed firms plan their marketing activities?

We employed heterogeneity sampling, which yields important shared patterns that cut across cases (Patton, 2002), thereby enabling a more holistic understanding of the phenomenon (Suri, 2011). Firms participating in our study operated in a wide range of industries (see Table 1): manufacturing, construction, wholesaling and retailing, transportation, restaurants, publishing, business consultancy, photocopying and other specialised office-support activities, and sports activities.

One-third of the interviewed firms operate in manufacturing, whereas the majority operate in various service sectors. The average number of employees is 9.4. The majority of firms employ fewer than 10 employees (i.e. micro firms). On average, the companies were 16 years old at the time of the interview, and less than one-third of the firms were younger than 10 years. With only a few exceptions, the firms were established in 1991 or later. About half of the firms operate entirely or predominantly in business markets, and about one-third of them operate entirely or predominantly in consumer markets. The rest operate in both markets with no emphasis on either market. The Slovenian market is the most important market for the firms in the study. Moreover, more than half the firms only operate in the Slovenian market.

The interviews were conducted face-to-face and were tape recorded when possible. Following Carson and Cromie's study approach (1990), the respondents were encouraged to provide additional information, but no attempt was made to lead them into making statements if they had very little to say on an issue. All interviews were transcribed and coded for the purposes of analysis.

Table 1: *Profile of firms participating in the empirical study*

	Industry *	No. of employees	Year established
1	Advertising agencies (M)	1	2009
2	Business and other management consultancy (M)	5	2005
3	Artistic creation (R)	1	2005
4	Accounting and business consultancy (M)	1	1991
5	Manufacture of other builders' carpentry and joinery (C)	48	1991
6	Specialised construction activities (F)	14	1991
7	Sale of chemical products (G)	9	1992
8	Joinery installation (F)	3	2000
9	Education (P)	2	1996
10	Restaurant (I)	4	2009

11	Manufacture of other parts and accessories for motor vehicles (C)	7	1988
12	Construction of buildings (F)	40	1985
13	Renting of construction machinery (N)	3	1990
14	Sports facilities (R)	2	2005
15	Manufacture of plastic packing goods (C)	16	1985
16	Retail sale of textiles (G)	6	1993
17	Book publishing (J)	7	1996
18	Manufacture of prepared feeds (C)	20	2003
19	Manufacture of plastic plates, sheets, tubes and profiles (C)	6	1980
20	Retail sale of bread, cakes and sugar confectionary in specialised stores (G)	4	1991
21	Wholesale of sanitary equipment (G)	12	1996
22	Accounting and consultancy (M) and retail sale of computers (G)	9	1991
23	Photocopying (N)	3	2010
24	Transportation support activities (H)	10	2002
25	Manufacture of jewellery (C)	3	1987

Note: * Industry code in brackets according to the Standard Classification of Activities 2008

4. RESULTS

4.1. The understanding of marketing

Ten respondents view marketing as “advertising” or “informing customers about the products and the firm’s existence”. In addition to advertising, some of these respondents also mention “sales promotions”, “brand recognition”, “graphic image and websites” or “the firm’s presence in the media”. Only one respondent in the sample equates marketing with selling. In contrast to these narrow understandings of marketing, it is relatively encouraging that eight respondents understand marketing in a broader sense, namely as “activities of customer retention and acquisition”, “interaction with customers, informing them about the product and developing a long-term relationship which will bring benefits for both sides”, “a successful product launch and to remain in the market for as long as possible with costs as low as possible”. All of these statements involve a long-term perspective. In some other cases, a broader understanding of marketing is evident by viewing it as a process of activities which exceeds mere advertising or selling. For example:

“The marketing scope is broad and far exceeds advertising and marketing communications. It is a process from creation of the idea to selling. When we take a broader view of marketing, we can see that every process in the firm is related to marketing”. Another respondent went further by suggesting that *“this is a customer need satisfaction and the process from*

informing to implementing and satisfying a certain customer need". This statement puts customers' needs in the centre of the firm's operations.

However, a broader understanding of marketing does not necessarily mean a strategic approach to marketing, as is evident from the following statement: *"In a broad sense, marketing is not only selling. It begins with planning, searching for customers, customer segmentation, service design to the sales and after-sales services at the end. Of course, it is also advertising, branding etc. Yet I implement the marketing function in a much narrower sense because I don't have enough abilities"*.

The remaining respondents in the sample argued that either "the firm does not have marketing" or they did not provide a clear answer to this topic.

4.2. Responsibility for marketing within the firm

As expected, all business activities are intertwined and therefore the marketing function as a separate unit does not exist in any of the firms under study. In one firm which has "no marketing", according to the manager's view "they do not use formal approaches to marketing because it is simply not worthwhile". Most often, an owner/manager is responsible for marketing, either alone or with the help of employee(s). Some respondents mentioned that there is "no person particularly responsible for marketing". The reasons for that are the "small size of the company", the manager's preference "to maintain control over all activities" or "the irrelevance of marketing for the firm". An interesting point is that in all of those firms where "no person is particularly responsible for marketing", the owners/managers understand marketing simply as being synonymous with advertising.

In contrast, three respondents replied that all employees are involved in marketing, although it is the owner/manager who plays the central role. It is apparent that marketing activities form part of the day-to-day activities and are viewed more as being supplementary to other activities. For example, some respondents mentioned that a person responsible for either selling or finance or even a "multi-tasking person" is occupied with marketing as well. It seems that everyone could do marketing. Only two respondents admitted that it would be better if there was a person who is more competent in marketing. Yet, one of these two firms cannot afford to hire a marketing specialist due to its low business performance, whereas the other firm considered itself too small to employ a full-time marketer.

4.3. The importance of marketing as a business activity for firm performance

A prevalent view in the interviewed firms is that marketing is important for business performance, but together with other business functions. The respondents most frequently argued that all business functions should work "in harmony". For example, *"I do not think that marketing is the only paramount thing. Everything has to be somewhat balanced."* Only in a few cases did respondents assign less importance to marketing. For example, one

respondent who views marketing as a synonym for advertising replied: *“I do not think we should invest in marketing if the same effect is achievable with a quality service”*.

4.4. Market description and important market changes

As mentioned, the Slovenian market is the most important market for the firms under study. Moreover, almost half of the interviewed firms focus on a very narrowly defined local market, i.e. a regional market or even towns with surrounding areas. All of these firms come from service industries. Among the important changes in their markets, the respondents most frequently mentioned *economic crisis, increased competition and changes in buying behaviour*. The economic crisis poses a serious threat particularly in construction and the manufacturing of wood products, but also in other industries, both manufacturing and service (e.g. restaurants, education). In general, demand has dropped and the pressure on prices has increased. However, the economic crisis may have a bigger negative impact on larger companies. For example, one respondent mentioned that *“the economic crisis has spared smaller firms a little because they have been able to better adapt to market changes and lowered their prices less than large firms”*. Another respondent mentioned that they have become more selective: *“We do not work for everyone anymore”*.

The increased competition has added to the pressure on prices. Nine respondents explicitly stated that the competition is strong. In most cases, competition is perceived positively because *“it forces the firm to become better and to offer something that the market really needs”* and *“the customers have a greater selection”*. The perceived advantages of larger competitors lie in their established brands, bigger marketing budget, and lower prices along with their ability to longer endure price pressures. Nevertheless, the interviewed firms are not afraid of their competitors. This is illustrated by the following statements: *“We are not concerned about our competitors at all”* or *“There are not many competitors that would threaten us”*.

This attitude to competitors (even larger ones) stems from the respondents' belief that smaller firms possess important advantages, such as greater flexibility, quicker response, willingness and capability to better meet customer needs even at the individual level, better quality, a higher level of specialisation, and personal contact. Interestingly, only one firm which operates in business markets regularly monitors its competitors through a database of identified and potential competitors.

The respondents also mentioned important changes in buying behaviour. Customers are more demanding, better informed, have higher expectations, they want a quick response, their wants are more specific, they look for benefits and are more price-sensitive. The initial description of their customers was often very general, for example *“individual”* or *“business”* customers. Yet, further discussion revealed that the respondents could provide a typical customer profile or even state a couple of segments, for example, on the basis of age, sex, purchase occasion or benefit sought. Less than half of the respondents were able to explicitly state the number of their customers. Among those who could provide an exact number, the majority of firms operates in business markets.

The most important reasons that customers buy the firm's product or service are flexibility in responding to customer inquiries, quality, fast response, personal contact and a holistic approach to the customer (i.e. a total solution for customer problems; supplementary services).

4.5. Gathering market information

The sources of market information most frequently mentioned were communication with customers, the Internet (for spotting trends and obtaining information about competitors), business partners, fair trades, and field observation. Interestingly, competitors are not only monitored, but they can also be a source of information through conversations or cooperation. Only three respondents mentioned that their firm conducts customer satisfaction surveys, although in one case this is at best only occasionally and simple, namely a short questionnaire on Facebook. The other firms do not rely on any formal market research. It is considered too costly and unnecessary. For example, *"As long as the demand is sufficient it does not make any sense to increase sales on the basis of market analyses and surveys because I would be incapable of meeting the increased demand"*.

4.6. Main characteristics of the marketing mix

4.6.1. Main sources of ideas for new products

Customers are the main source of ideas for new products. Half the respondents explicitly mention customers. New products or improvements to existing products are frequently a response to customer needs or wants. Other sources of ideas quite often mentioned are competitors, literature/magazines, trade fairs or conferences, and the Internet. Most respondents stated more than one source of ideas, yet the acquisition of ideas tends to be spontaneous. For example, *"I have never believed in long research work and analysis. It takes too long and such data are not necessarily the best. You have to respond fast to market needs and wants..."*.

4.6.2. Distribution

The prevalent marketing channel is direct and based on the following main reasons: the firm operates in a service sector or business market; a product is customised; the firm wants to offer greater variety to its customers whereas the intermediary only stocks minimum quantities of a standard offering. The respondents also mentioned that it is difficult to become a supplier to larger intermediaries.

4.6.3. Marketing communication

Altogether, the respondents mention a wide range of tools of marketing communications, including advertising (e.g. a website; local print, radio, TV advertising, web ads; social

media), public relations (e.g. sponsorship of local events, donations, events), sales promotions (e.g. prize contests), or personal selling and direct marketing (e.g. e-mail). Yet the most frequently mentioned were a website, ads (print, radio and TV) which are almost always local, and word-of-mouth (WOM). The latter was explicitly mentioned by seven respondents: *“Satisfied customers are the best promotion”*.

The interviewed firms used a set of marketing communication tools in order to reach their target audience. But it seems the market communication tends to be more experimental and based on the firm's past experience. For example, one respondent mentioned: *“If it works, repeat it, otherwise abandon it”*. Some respondents mentioned that certain tools are more effective than others but they did not provide information on how the firm measures the effectiveness of marketing communication. No firm explicitly mentioned their objectives of marketing communications. However, we assume that the main objective is to obtain a short-term effect on sales. For example, *“Some ways of promotion were found just to be an expense which marginally impacted sales”*.

4.6.4. Prices

In almost all cases, costs are the most important factor when setting the price. The interviewed firms use a cost-plus method. However, they also take additional factors into consideration, in particular competitors' prices and price elasticity. In this vein, the respondents mentioned “how much the customer is willing to pay”, “purchasing power”, “price sensitivity” and “supply and demand”. The interviewed firms tend not to compete on price, but on product quality or a problem solution that is not offered by competitors. For example, one respondent replied *“From the very beginning, I decided that I will not compete through lower prices”*. Some also mentioned that the pricing depends on who the customer is. For example, a loyal customer may be offered better prices. In one case, a respondent said, *“To be honest, I roughly assess how much I may charge someone”*. As already mentioned, due to the economic crisis and increasing competition, the pressure on prices is high. One respondent mentioned that *“the customers like to get a bargain, hence in some cases we set a higher price and then we give a discount”*. The latter suggests that, at least in some cases, the psychological aspects of pricing are apparent.

4.7. The importance of existing customers relative to new customers

Most respondents claimed that both existing and new customers are important, yet the focus is more often on the existing customers. The respondents believe the existing customers are cheaper to serve because the firm knows these customers and has developed long-term relationships with them. Repeated purchases tend to be viewed as confirmation that the firm is meeting customer wants. For example, *“If they are satisfied, they come back”*. Existing customers are also viewed as an efficient way to acquire new customers through word-of-mouth. In addition, in some cases the focus is on the existing customers primarily because the market is saturated and the firm sees little opportunity to expand its market.

On the other hand, five respondents mentioned new customers as being more important than existing customers. These firms offer products which are purchased occasionally or even only once in a lifetime. However, even in these cases firms recognise the importance of existing customers because they can purchase products for their friends or they share their experiences with others.

Firms try to maintain contacts with customers after the purchase. The respondents most frequently mentioned that they inform their customers about new products and product improvements or sales promotions via a website, telephone, e-mail, social media or personal interface; they invite customers to events or offer them a cost-free service. Some respondents mentioned they ask customers about their satisfaction and they encourage customers to provide feedback about the product. They can also talk about problems and solutions.

One firm's effort to retain its customers is evidenced by this statement: *"For our most loyal customers we are prepared to do even the smallest work with no profit. We take care that these customers will be served timely, even under the highest time pressure. We give them special terms, good prices relative to our competitors"*.

4.8. Marketing planning

In most firms, plans only exist in the heads of their owner or manager. Their objectives are usually short-term or broadly defined without any explicit time frame, for example "international recognition", "a wider range of products", "constant improvement of distribution" etc. Firms find it difficult or even impossible to set long-term objectives due to changes in the external environment which force firms to constantly trace new opportunities and to respond fast. *"You should have a rough picture in your head of what you want. But it is more important that you stick to the presence and monitor the events because a certain event can significantly change the present and future operations"*.

The opposite attitude to formal planning is reflected in the following statement: *"Our plans are written. The banks and other institutions require written plans, but mostly we prepare them for ourselves. I think it is good that you write the plan down and that you monitor its implementation. Then you can control yourself whether you are going in the right direction. Of course, the plan should not be rigid and highly formalised. It should enable the firm to respond fast to market changes"*.

5. DISCUSSION

Based on the in-depth interviews with 25 owners/managers of Slovenian small firms we can summarise the main findings on marketing in the selected firms under study. Marketing tends to be narrowly understood as tactics/methods (most often as a synonym for advertising), whereas a broader understanding of marketing is harder to

find. However, even a broader understanding of marketing does not necessarily mean that these firms adopt a more sophisticated approach to marketing. Since all business activities are intertwined, the marketing function as a separate unit does not exist. Most often, the owner/manager is responsible for marketing, either alone or with some help of other employee(s). Marketing is viewed as important for business performance, but along and in harmony with other business functions. The interviewed managers believe that small firms have important advantages over their larger competitors. In particular, they are more flexible and faster in responding to customer inquiries (even at the individual level), and offer a better quality product or service. Gathering market information as well as the acquisition of ideas for new products tends to be informal and spontaneous, largely based on communication with customers. The prevalent form of distribution is direct. With regard to market communications, the emphasis is on the use of less expensive tools and word-of-mouth. Costs are the most important factor when setting the price, yet competitive prices and price elasticity are also frequently taken into account. Although all customers are viewed as valuable, more efforts tend to be directed to retaining existing customers who are perceived as very important for acquiring new customers. Plans most frequently exist only in the heads of the owners/managers.

It is worth mentioning that not all of the interviewed firms are identical regarding their approach to marketing, a finding which is line with the existing literature (e.g. McCartan-Quinn & Carson, 2003). For example, the firms differ in their understanding of marketing and attitudes to marketing planning. Yet, in general, marketing in the interviewed Slovenian firms can be described as informal, unstructured, pragmatic, reactive, and limited in its scope and intensity. This is also in line with the Western literature (e.g. Gilmore et al., 2001) as well with the main marketing style characteristics reported by some previous studies on small firm marketing in CEE (e.g. Crvelin & Bakula, 2006; Dragnić, 2009). More specifically, the following similarities in marketing practices among the analysed small firms in Slovenia and some other CEE countries can be found: the prevalent lack of an independent marketing department (e.g. Kloudova et al., 2004; Dragnić, 2009); the central role of the owner/manager who is strongly involved in all aspects of marketing activities; informal gathering of market information, most often via close links with customers (e.g. Dragnić, 2009); the lack of planned and properly managed marketing activities, which are often implemented in an *ad hoc* manner (e.g. Dragnić, 2009) and the general lack of formal marketing planning (e.g. Crvelin & Bakula, 2006; Dragnić, 2009). In fact, we found more similarities than differences. There is a difference with regard to the presence of a marketing department: while the minority of the analysed small firms from Croatia (Dragnić, 2009) and the Czech Republic (Kloudova et al., 2004) reported having a marketing department or an employee in charge of marketing, the marketing function as a separate unit does not exist in any of the analysed Slovenian small firms.

The question is whether this style of marketing is appropriate and can lead small firms to success. Can small firms achieve a better performance by adopting a more sophisticated approach to marketing? The literature points out that the underlying marketing principles are universal and equally important to all firms regardless of their size (e.g. Siu & Kirby, 1998; Hill, 2001a). Small firms have to adapt their marketing by choosing those marketing

methods most suited to their circumstances, not by making conceptual changes to marketing theories (Carson, 1990). It is suggested that the marketing processes within small firms are between the two extremes of standard, highly structured and formalised marketing theory and the intuitive, social network approach to marketing (Chaston & Mangles, 2002; Chaston, 2014). Some degree of marketing planning is required to increase the survival chances of a small firm (Parrott et al., 2010). The real benefit of planning is the process of learning which enables a small firm to better understand its current and future operations (Chaston & Mangles, 2002; Chaston, 2014).

Based on our findings and marketing theory, we advise Slovenian small firms to adopt a more sophisticated approach to marketing. In this vein, firms are advised to prepare a written marketing plan utilising the classic four-phase task of asking: “Where are we now?”, “Where do we want to be in one (or three) years?”, “How will we get there?” and “How will we know whether our objectives were met?”. In contrast to the current broadly defined objectives, clear and measurable objectives should be set. Firms are recommended not to determine only financial objectives, but also marketing objectives, which relate to customer satisfaction, customer retention etc., and societal objectives, which relate to the firm’s social responsibility. Improvements are encouraged in the area of marketing communication, which is currently quite experimental and based on the firm’s past experience. Although the analysed firms also take other factors into consideration, costs appeared to be the most important factor when setting the price. According to the theory, setting the price should begin with an assessment of the perceived value for the customer. Finally, the investigated Slovenian small firms seem to be quite confident about their strengths over their competitors, even the larger ones. Since technological development enables large firms to implement one-to-one marketing (particularly through lean manufacturing and gathering numerous customer data), market niches have also become increasingly more attractive to large firms. Hence, small firms are advised to carefully monitor their marketing environment, coordinate all marketing activities and constantly provide added value for their target market(s).

The main limitation of our study relates to the exploratory nature of the study based on a small sample. Our findings should, therefore, not be regarded as conclusive and no generalisations concerning small firms in Slovenia can be made. Nevertheless, our study may provide a starting point for future research on small firms’ marketing in Slovenia. The presented study offers a better understanding of how marketing is understood and practised by the selected Slovenian small firms. By focusing on a South-East European post-transitional country, this study contributes to the existing literature on small firms’ marketing which has largely focused on Western, developed countries.

Following the important research questions in entrepreneurial marketing (Hills & Hultman, 2011), we suggest that future research address the role marketing plays in the internationalisation process of young and small firms; how the best marketing practices in small firms differ from their large mature counterparts, and how marketing develops within the firm over time and with firm growth. In addition, given the significant impact of the omnipresence of the owner/manager, we suggest that future research also take the

owners/managers' characteristics into account. It would be particularly useful to examine whether the owner's/manager's marketing or non-marketing education impacts the firm's marketing practice. Finally, our study has focused on the selected Slovenian small firms. In future research, it would be interesting to simultaneously explore small firm marketing in various CEE countries, which would enable us to make more comprehensive and valid comparisons of the small firm marketing practices of small firms across different CEE countries.

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EXPLORING RELATIONSHIP BETWEEN BRAND EQUITY AND CUSTOMER LOYALTY ON PHARMACEUTICAL MARKET

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ABSTRACT: *By maintaining continuous satisfaction and high level of the brand's equity the customers express the intention of long-term buying of product and their choice spreads on other products in the organization's portfolio. By developing a brand which represents value to the customers, the customers' satisfaction will grow reinforcing relationship between satisfaction and brand development. Purpose of this paper is to obtain insight about the relationship between elements of brand equity and customer loyalty among self-medication products. The research results show that elements of brand equity do increase customer brand loyalty. But not all elements do contribute in the same manner.*

Keywords: *customer loyalty, brand equity, brand awareness, perceived quality, trust, pharmaceutical market*

JEL Classification: M31

1. INTRODUCTION

It is recognized that pharmaceutical industry is quite competitive. Due to that fact one of the possibilities is to offer customers more value with their products and services. If an organization is to manage its presence on the market as well as to continuously grow it is needed to carefully manage value they provide to the customers. This value can be provided through organizations' brands. Moreover, creating value for customers is possible through enhancing customer satisfaction. So, for a customer to be satisfied an organization has to offer more value for customers (Day, 1998) and more value than competitors (Brannback, 1997). Consequently, enhanced customer satisfaction will create customer loyalty (Oliver, 1999).

But value an organization provides to the customers can be enhanced through brand equity. As brand equity enhances value both through individual-level outcomes and market-level outcomes (Raggio & Leone, 2007). At individual-level it enhances word of mouth, attitudinal loyalty and commitment. While at market-level it enhances behavioral loyalty, sales volume and lowers cost in different organizational resources. Therefore, brand equity is related to customer satisfaction and consequently it boosts customer loyalty.

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Purpose of this paper is to obtain insight about the relationship between elements of brand equity and customer loyalty among self-medication products. The aim of this paper is to provide more information how customer loyalty in the pharmaceutical market can be managed. Paper consists of theoretical background related to customer loyalty and brand equity, empirical research with data analysis and also it offers implications for managers in the pharmaceutical organizations.

2. THEORETICAL BACKGROUND

2.1. CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

The success of the organization in highly competitive surroundings is determined by its ability to create value for the customers. In the very beginning of that process of creating value is creating and developing customer's satisfaction and then their maintaining through the customers' lifetime. By creating satisfaction, the value (Wang & Lo, 2003) is developed and given to the customers. Exactly this value represents the reason why customers decide to use a certain product/service of a certain organization.

Satisfaction is considered in two ways. It can be considered as the result of one transaction (Fornell, 1992, Oliver & Linda, 1981, Westbrook & Oliver, 1991, Shiv & Huber, 2000) whereby the customer's expectancy which precedes the interaction is compared with the gained product characteristics, its use or experience. In other considered way gained product characteristics, expectancy, past situations experience (Anderson, Fornell & Lehmann, 1994, Storbacka, Strandvik & Grönroos, 1994, Johnson, Anderson & Fornell, 1995) are compared to the past satisfaction. In other words we can say that the satisfaction reached during all these interactions with the organization is compared. Elements influencing satisfaction are connected to the product, that is, its functional characteristics such as: perceived quality (Zeithaml, 1988), product value (Zeithaml, 1988, Oliver, 1996), price (Anderson, Fornell & Lehmann, 1994), time (Wang & Lo, 2003), perceived product performance (Andeassen, 1994). Emotional connection, that is, experience (Anderson, Fornell & Lehmann, 1994), expectancy (Johnson, Anderson & Fornell, 1995) and experience (Johnson, Anderson & Fornell, 1995) with the product also influence satisfaction.

The organizations have realized that it is necessary to manage customers' satisfaction and make long-term connections to them. This is possible in the way to build the customer loyalty. Satisfied customers do not automatically become loyal. In order to develop customer loyalty organizations should encourage their satisfaction because it is satisfaction (Fornell, 1992, Diller, 2000, Hill & Alexander, 2003), providing higher value (Reichheld, 2001) which encourages the feeling of satisfaction, as well as developing and intensifying the connections with customers' (Fornell, 1992, Meyer & Blümelhuber, 2000) acts like encouragement for developing their loyalty. The organization should focus on keeping loyal customers (Brink, 2004) and introduce the system for managing them.

The customer loyalty is characterized by establishing and maintaining the connections with the customers, the repeated buying of the products and/or services, a higher value

of buying, purchasing the complete product range, tolerance for higher prices, recommendation to others and immunity to attractiveness of the competition (O'Brien & Jones, 1996, Griffin, 1997, Oliver, 1999, Meyer & Blümelhuber, 2000). It is considered that if the customers constantly buy a certain brand regardless of the superior characteristics of the competition, price and benefits the brand, value really exists (Rickardsson, Stark & Stierna, 2005). A strong loyalty which can turn into loyalty to the brand enables an easier bearing of changes and possible negativities connected to the brand (Keller & Lehmann, 2003).

2.2. BRAND EQUITY

The concept of brand equity is not unambiguously defined, but it can be defined as:

- assets or liabilities connected to the brand name and brand symbol which are added to the product or service (Aaker & Joachimshaler, 2000)
- perceived quality of the palpable and impalpable brand components (Kamakura & Russel, 1991 in Lassar, Mitall & Sharma, 1995)
- the customers' perception of the overall superiority of the product marked by a certain brand in comparison to other brands (Lassar, Mitall & Sharma, 1995)
- the difference between the overall tendency to the brand of a certain producer and its tendency based on objective measurement (Park & Srinivasan, 1994)
- added value for the organization, dealers or customers to whom the brand enriches the product (Farquhar, 1990)
- financial result as a reflection of the management capability to support the brand's strength through tactical and strategic actions for ensuring higher current and future profit and for lowering the risk (Schocker & Srivastava, 1991 in Lassar, Mitall & Sharma).

The brand equity consists of the brand's strength and of the brand value. The brand's strength is a group of associations and behaviour of the brand's customers, members of the channel and the organization that owns the brand and that enables the brand to have sustainable and differentiated competitive advantages (Lassar, Mitall & Sharma, 1995). The brand value is derived from the brand assets which consists of the brand reputation, its image, perceived quality, idea, closeness and liking to the customers (Kapferer, 1998), the brand's loyalty, the associations made by the brand and other corresponding assets connected to the brand (patents, trade mark, relations in the distribution channel) (Pappu, Quester & Cooksey, 2005), and it is based on reputation and goodwill (Czinkota, 2000).

The brand equity is, according to Aaker (in Keller, 1993), whose approach uses also Chen (2001), connected to the level of recognizing the brand, the quality noticed, the associations connected to the brand and elements of the brand's asset. The customer loyalty to the brand is seen as the core of its value.

Developing the awareness of a brand is one of the elements of developing its equity and the basic presumption of developing customer loyalty. The importance of the brand's awareness is seen in its influence onto making a decision on purchase because a higher awareness means a higher probability that the brand will be included in the group of brands

taken into consideration at the purchase, and the awareness of the brand can influence the creating of associations to the brand which create the image of the brand (Keller, 1998).

The habit of most customers is to buy or use well-known brands because they trust them, and thereby their loyalty is also increased. Well-known brands enable the customer to feel safer in using the product and increase the possibility of the brand to be accepted and chosen (Rickardsson, Stark & Stierna, 2005). In highly competitive surroundings offering the exclusive value of a product is one of the possibilities to feel an organization different from competition (Virvilaite & Jucaityte, 2008). This can be achieved by creating the brand equity which as a consequence creates product value for the customer.

Perceived quality is the next element in the range of influences on the development of the brand equity and is defined as the customer's judgment on the general quality or superiority of the product (Kirmani & Zeithaml, 1993). The brand equity is positively connected to the loyalty to the brand and customers do not trust to brands whose quality is changeable (Lassar, Mittal & Sharma, 1995). Yet, it happens very often that the perceived quality is not the real product quality but the customer's subjective evaluation of the product (Zeithaml, 1998). So, the quality often represents the image created in the customer's mind. When customers do not have enough knowledge or information to estimate them by quality then the price is imposed as its important indicator which is in the positive relation to the perceived quality (Lilien, Kotler & Moorthy, 1992).

Developed brand equity brings many benefits to the organization. These benefits include increase of probability of choosing the brand which leads to customer loyalty to the certain brand (Pitta & Katsanis, 1995) as well as the possibility of spreading the brand on other product categories (Rajh, 1995). Furthermore, the market value increases the readiness of the customers to pay premium prices (Barwise, 1993), efficiency of the marketing communication (Keller, 1993), inflexibility of the customers to the price increase (Simon & Sullivan, 1993), and decreases the organization's vulnerability considering the marketing activities made by the competition (Smith & Park, 1992). Generally speaking one can say that the brand equity represents a source of sustainable competitive advantage (Bharadwaj, Varadarajan & Fahy, 1993).

Furthermore, different elements of brand equity such as brand awareness, perceived quality and trust (Washburn, Till & Priluck, 2004) together can enhance value customer can perceive the brand is giving and consequently influence customer loyalty formation. So, it is proposed that: *H1: Elements of brand equity influence customer loyalty creation.*

3. EMPIRICAL RESEARCH

3.1. Methodology and research instrument

In order to test proposed hypothesis a research was conducted where elements of brand equity, that is brand awareness, perceived quality and trust were explored in relationship with customer loyalty. On pharmaceutical market research concentrated just on sort of available products, self-medication products.

The research instrument consisted of two parts. First part consisted of 5 degrees Likert scales by which the opinions of the respondents were questioned related to the products for self-medication in the category of pain killers. Second part consisted of questions related to the mostly used and bought brands as well as brands they remember. These questions tested the brand recognition in category of pain killers.

For the operationalization of variables, several scales from the literature were used. In exploring brand awareness and perceived quality insights from Washburn, Till and Priluck (2004) were used. For trust insights from Lassar, Mittal and Sharma (1995) and from customer loyalty insights from Chitty, Ward and Chua (2007) as well as Homburg and Giering (2001) were applied. They were all modified and adapted to the research context of pharmaceutical market.

Self-medication products are a wide category consisting of several groups like, pain-killers, cold and temperature relievers, products for sore throat, products for solving cough and vitamins and minerals. Hence, this research focused just on one category that is the category of pain-killers.

In the conducted field research students of the Faculty of Economics in Rijeka, Croatia were answering the questionnaires during May 2008. A total of 275 questionnaires were collected. Analysis was done by SPSS ver. 21 and MS Excel using several univariate and multivariate statistical methods.

3.2. Results and hypotheses testing

By questioning the remembering and purchasing certain brands the following results were achieved as shown in the Table 1.

Table 1. *Most recognized and most often bought brands*

Brands that you remember		Brands that you most often buy	
Brand	Percentage of answers	Brand	Percentage of answers
Neofen	17.02%	Neofen	26.63%
Lekadol	14.88%	Lekadol	17.16%
Voltaren	13.74%	Voltaren	9.47%
Andol	10.87%		
Kafetin	9.17%		

Source: the authors' research

The given data point at the fact that the highest percentage of respondents (17.02%) remember Neofen and that the highest percentage of respondents (26.63%) also most often buy it. As one of the characteristics of strong brands by Aaker is connected to the level of recognizing the brand (Chen, 2001), the further analysis was based only on the answers of the respondents who mentioned the before mentioned brands. This is done in order to focus and explore just the consumers that buy and have noted these brands (Neofen, Lekadol and Voltaren) as their first brand. Hence, retaining 121 cases for further analysis.

To determine the underlying structure among variables in the research, exploratory factor analysis was conducted. Hence, common factor analysis with oblimin rotation and Kaiser Normalization was used. After analysis was performed, the KMO measure of sampling adequacy was at an acceptable level (0.779), and the Bartlett test of sphericity was significant. Analysis exposed three underlying factors. Results of the exploratory factor analysis, as well as the results of construct reliability testing, are presented in Table 2.

Table 2. *Factor and reliability analysis with construct descriptives*

Items	Factor loadings		
	Brand awareness	Customer loyalty	Perceived quality
I can't remember others expect my favourite brand	0.502		
Favourite brand appearance	0.848		
Favourite brand logo	0.822		
Favourite brand can be easily recognized	0.848		
Quickly remember packaging of favourite brand	0.820		
Quickly remember commercial for favourite brand	0.661		
Use other products from the same producer		0.625	
Continue to use the same brand		0.565	
Recommend brand to others		0.884	
With using product I get quality I expect			0.616
Product is reliable			0.810
% explained variance	37.193	13.925	6.310
Eigenvalues	4.476	1.923	1.124
Mean	3.89	3.621	3.671
Cronbach alpha	0.875	0.705	0.702

Note: Rotation converged in 5 iterations.

Source: the authors' research

Analysis shows that brand awareness, perceived quality and customer loyalty can be used for further analysis. Cronbach alphas are above accepted level of 0.7 (Hair et al, 2006) that is used as adequate value of reliability of research instrument for exploratory research. Also, percentage of variance explained is 57.42% indicated that more than half of variance in explored phenomenon is explained by these factors. Furthermore, analysis included also element of trust that is researched with just one item "I buy brands of certain producer because I trust them".

To explore relationship between brand equity elements and customer loyalty a multiple regression method is applied. In this analysis customer loyalty is used as a dependent variable, whereas brand awareness, perceived quality and trust are used as independent variables. Enter method was used for entering independent variables into regression model. Results are presented in Table 3.

Table 3. Results of multiple regression analysis

Independent variables	Coefficients		
	B	beta	t-value
Constant	1.627 (0.500)		3.252**
Brand awareness	0.218 (0.105)	0.267	2.088*
Perceived quality	0.347 (0.131)	0.323	2.650**
Trust	0.006 (0.101)	0.008	0.056
R ²		0.216**	
R ² (adj)		0.178	
F		5.775**	

Note: N=67, **p<0.01, *p<0.05, Standard errors are given in parenthesis.

Source: the authors' research

Conducted analysis show that brand awareness ($\beta=0.267$) as well as perceived quality ($\beta=0.323$) can serve as brand equity elements that can positively influence customer loyalty. Furthermore, perceived quality has greater influence than brand awareness. The analysis also shows that trust is not an important predictor in this proposed modal as its influence is minor. F-value is statistically significant at 0.1% level. But, relatively small R² can be noticed.

According to the conducted analysis this we can conclude that the research results point at the connection of brand equity elements, such as brand awareness and perceived quality, as predictors of customer loyalty. Trust is found not to be an important element of brand equity that influences customer loyalty in Croatian pharmaceutical market. Therefore, as two of three explored brand equity elements influence customer loyalty formation the hypothesis can be confirmed.

4. CONCLUSION

The organizations keep on focusing their activities on creating value for the customers. This value creating is realized through giving satisfaction and finally through developing customer loyalty to the brand. Satisfied customers show signs of loyalty through the process of value exchange with the organization and they are shown in future purchase intentions. As loyalty expressed through future intentions of purchasing contributes to the business result of the organization it can be concluded that developing brands with strong brand equity is important for the sustainability and progress of doing business of each organization.

Research also has several practical implications that can be used by marketing and brand managers. Therefore, for enhancing customer loyalty an organization can work on brand awareness among its customers. It is important to enhance brand awareness as its perception and recognition among present and potential customers is contributing to the customer loyalty and consequently better business results. Also, brand awareness adds to the respect of brand in high competitive pharmaceutical market. This can be done through several marketing communication methods that will make certain brand more visible on the market such as advertisements in point of sales or in magazines. Perceived quality of a brand has to be maintained and nurtured as its quality and effectiveness in category of pain killers is important for customers. Moreover, trust seems not important element in enhancing customer loyalty but this has to be taken with constraints as if a customer doesn't trust the brand in a way it is efficient in solving problems he won't be prepared to buy it again. Therefore, as customer loyalty creates positive business results it can be seen that enhancing brand equity elements will consequently also contribute to these positive business results.

The basic limitation can be found in applying the research results on the younger population. Also, maybe some elements of brand equity were not adequately explored, such as trust, and therefore having limited implications. Furthermore, limitation is seen in conducting research only in Croatia. It is considered that the future researches should be done on other age groups in order to get insight in the validity of the hypotheses for the different groups as well. It is also considered that it would be meaningful to make a research on other self-medication product groups and confirm if there are differences among the self-medication product categories in order to get a complete view about the brand development in the self-medication products market. Also, it is possible to extend research to other neighbouring countries, like Bosnia and Herzegovina or Slovenia and to explore if pharmaceutical market is different in those countries.

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THE ORIGINS AND CONSEQUENCES OF CONSUMER ANIMOSITY IN SLOVENIA: A QUALITATIVE STUDY

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ABSTRACT: *This study investigates the sources underlying consumer animosity in Slovenia and the effects of country-specific negative attitudes on foreign purchase behavior. The empirical data were collected via 82 semi-structured, face-to-face, in-depth interviews using maximum variation sampling. Transcripts of the interviews were then content analyzed in a two-stage approach applying within-case and cross-case evaluation. The top hostility-evoking countries identified included Hungary, Croatia, Italy and the US. The most important sources of animosity related to the dimensions of the people, politics and personal experience. Consumer animosity was found to influence purchase behavior in selected product categories. Based on these results, theoretical and managerial implications are offered.*

Keywords: *consumer animosity, purchase behavior, country of origin*

JEL Classification: M31, M39

1. INTRODUCTION

The consumer animosity construct was introduced in the marketing literature in the late 1990s to offer insights into consumer attitudes to buying foreign products (Klein, Ettenson & Morris, 1998; Klein & Ettenson, 1999). Consumer animosity relates to individuals' negative feelings and attitudes toward a specific foreign country that are often developed by various triggers, such as traumatic historical events, economic disputes (Klein et al., 1998), or basic differences in cultural norms and values (Riefler & Diamantopoulos, 2007). The consumer animosity models posit that the antipathy toward a country and its people will translate into a refusal to buy products and services originating from this country, irrespective of judgments on product quality.

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Apprehension regarding buying products that originate from a particular country can be detrimental to the business interests of international companies. Therefore, the concept of consumer animosity has quickly gained the attention of marketing scholars and practitioners (Cai et al., 2012). Over the past 15 years, many studies have investigated the antecedents and consequences of consumer animosity and tested its scale validity. The initial two-dimensional consumer animosity model proposed by Klein et al. (1998) captured war-related and economic animosity but was later extended to other domains. Several new dimensions and drivers of animosity were proposed, e.g. people animosity and political/government animosity (Nes, Yelkur & Silkoset, 2012), implicit animosity (Cai et al., 2012), perceived threat, antithetical political attitudes, and negative personal experiences (Hoffmann, Mai & Smirnova, 2011).

Hoffmann et al. (2011) suggested managers would benefit if a universally applicable animosity scale were developed that allows a cross-national comparison of animosity levels to facilitate decisions regarding new market entries. However, alternative conceptualizations based on studies conducted in various country and product settings lent support to the conjecture that the domain of the construct was more context-specific than universal. The contextual nature of animosity precludes precise generalizations across markets; thus each country market must be analyzed to understand which nations are animosity targets, what are the underlying reasons for that animosity, and for which product groups animosity factors into the buying process. Only after this insight is obtained it makes sense to measure the level of animosity and its influence on purchase behavior in that particular market. Hence, in animosity studies the emic approach should be adopted and quantitative research should be preceded by a qualitative study in the same research setting.

In this study we explore consumer animosity in Slovenia. Since consumer animosity has not yet been investigated in this setting, we conducted a comprehensive qualitative study to gain in-depth insights into the studied phenomenon in this particular context. A large majority of extant studies engage in quantitative research where it is the researchers themselves who predetermine the animosity targets and the reasons for animosity. Recently, however, there have been several calls to address consumer animosity in a different manner. Riefler and Diamantopoulos (2007) and Nes et al. (2012) stressed the need to conduct exploratory research to determine the actual domain, animosity targets and reasons for animosity. To date, only a handful of studies have employed qualitative methods such as ethnography (Amine, 2008), in-depth interviews (Podoshen & Hunt, 2009), experiments (Hong & Kang, 2006), scenario-based research (Fong, Lee & Du, 2014) and case studies (Amine, Chao & Arnold, 2005).

To acquire a deeper understanding of consumer animosity in the Slovenian context, 82 in-depth interviews were conducted with individuals residing in various geographical regions in the country. The key research questions addressed in this study included: (1) Which of the animosity dimensions identified in previous research apply to the Slovenian context; (2) Which countries are animosity targets and what is the intensity of the animosity sentiment toward these countries; and (3) What is the role of animosity in consumer foreign product purchase behavior and which product and service categories are affected?

In the next section, we provide a review of the country-of-origin and consumer animosity literature. We then report on the methods used to address the aforementioned research questions and discuss the techniques utilized to analyze the large set of primary qualitative data. Following this, we present the findings and discuss the main results. Finally, we elaborate on the theoretical and managerial implications and note the limitations of our study along with suggestions for future research.

2. CONSUMER ANIMOSITY

Consumer animosity describes the negative attitudes held by certain individuals toward a specific foreign country. The construct was first conceptualized by Klein et al. (1998) who defined it as “the remnants of antipathy related to previous or ongoing military, political, or economic events” (p. 90). Theoretical and empirical extension of the concept in the years that followed led to an expanded conceptualization. Nes et al. (2012) define consumer animosity as “strong hostility toward a country due to that country’s previous or ongoing military, economic, or political actions, or the perception of that country’s people as being hostile with unsympathetic mentality” (p. 755).

The pioneer study carried out by Klein et al. (1998) paved the way for later researchers who studied the impact of anger, dislike, or even hatred toward a specific foreign entity on foreign purchase behavior. Animosity was studied in North America (e.g. Klein, 2002; Little, Little & Cox, 2009), Europe (e.g. Amine, 2008; Jiménez & San Martín, 2010; Riefler & Diamantopoulos, 2007), the Middle East (e.g. Bahae & Pisani, 2009a; Mostafa, 2010) and Asia (e.g. Ang et al., 2004; Huang, Phau & Lin, 2010a). The majority of studies followed the original approach set out by Klein et al. (1998) and focused on animosity on the country level, i.e. between two countries (e.g. Klein & Ettenson, 1999; Nakos & Hajidimitriou, 2007; Nes, Yelkur & Silkoset, 2012; Nijssen & Douglas, 2004; Russell & Russell, 2006; Shin, 2001). However, some other studies focused on the animosity of a specific subgroup toward a foreign country (Shah & Halim, 2011; Rose, Rose & Shoham, 2009; Podoshen & Hunt, 2009), animosity between two subgroups belonging to different countries (Guido et al., 2010), or animosity between subgroups within a single country (Shimp, Dunn & Klein, 2004; Hinck, 2005; Shoham et al., 2006).

A number of authors chose to omit specific product categories from their inquiries either because they examined the consequences of consumer animosity on products in general (Hinck, 2005; Leong et al., 2008; Shin, 2001) or because their focus was not purchase behavior (e.g. Little et al., 2009; Matic & Puh, 2011; Shah & Halim, 2011). Other researchers applied consumer animosity to specific groups of products that ranged from durables (Klein et al., 1998; Nijssen & Douglas, 2004; Shimp et al., 2004) to fast-moving consumer goods (Guido et al., 2010; Shoham et al., 2006), apparel (Ettenson & Klein, 2005), luxury goods (Amine, 2008) and cultural products (Russell, Russell & Neijens, 2011). Some studies investigated whether animosity holds consequences for the consumption of services like tourism, restaurant services and car repairs (Guido et al., 2010; Shoham et al., 2006), travel to the animosity country (Amine, 2008), and electricity, Internet and wireless cell phone services (Shimp et al., 2004).

2.1 Typology of consumer animosity

Jung et al. (2002) argue that animosity is a dynamic concept that stems from various sources and is constantly updated through different events and experiences. To better conceptualize how animosity is formed and then internalized, Jung et al. (2002) and Ang et al. (2004) developed a typology that categorizes animosity within a grid depending on its sources and its locus. Based on the sources of animosity, the authors distinguished between stable and situational animosity. According to the locus of manifestation, they then defined national and personal animosity.

Situational animosity is driven by a specific event, whereas **stable animosity** accumulates over a longer period of time due to historical events between countries, for example, military or economic hostilities. Over time, situational animosity may evolve into stable animosity characterized by a long-lasting and deeply-rooted general antagonistic emotion toward a particular country. This evolution can transpire without an individual actually having had any personal experience with the animosity target. Stable animosity can be passed from one generation to another via formal (e.g. history texts) or informal (e.g. word-of-mouth) channels (Jung et al., 2002). Little et al. (2009) showed that American animosity toward Vietnam stemming from the Vietnam War was passed from one generation to another. The existence of situational animosity was confirmed by Ettenson and Klein's (2005) longitudinal study in which Australian consumers' animosity toward France was measured at two points in time, namely during France's engagement in nuclear testing in the South Pacific (the first measurement) and one year after that situation had come to an end (the second measurement). The results confirm the notion that animosity is a dynamic concept since the level of animosity was lower in the second study. Similarly, Maher, Clark and Maher (2010) found that Americans' feelings of animosity toward Japan have gradually decreased since World War II and have been replaced by admiration.

At the macro level, **national animosity** refers to the perception of how much one's country was affected and suffered due to the actions of another country (Jung et al., 2002). Most existing studies focus on national animosity (e.g. Hinck, 2005; Nijssen & Douglas, 2004; Shimp et al., 2004; Shoham et al., 2006). At the micro level, **personal animosity** refers to one's resentment toward another country stemming from negative experiences with that country or its people (Jung et al., 2002) or from personal feelings of dislike toward the target country (Hoffmann, Mai & Smirnova, 2011). For example, Podoshen and Hunt's (2009) qualitative study revealed that American Jews who survived the Holocaust still harbor personal animosity toward Germany. One of the early studies focusing on the personal aspect of animosity was Ang et al.'s (2004) research into personal animosity of five other Asian nations toward Japan and the U.S.. Riefler and Diamantopoulos (2007) believed this type of animosity was so essential that they called for further studies in this area.

2.2 The sources underlying animosity

Animosity toward another country can vary in strength ranging from instances when it is relatively benign (e.g. minor territorial disputes between two neighboring countries), to

others where the feelings of antipathy are more serious (e.g. previous military events or recent specific economic or diplomatic disputes).

The existing literature on animosity suggests that the sources of animosity can be many and diverse. The original authors of consumer animosity (Klein et al., 1998) distinguished only between general, war- and economic-related animosity. They studied **war-related** animosity by focusing on a past historical military event, i.e., the Nanjing massacre in 1937 during the Second Sino-Japanese War. Subsequent studies investigated both historical and more recent war-related events. For example, Shin (2001), Klein (2002), and Nijssen and Douglas (2004) investigated World War II actions and their repercussions. Podoshen and Hunt (2009) concluded that the Holocaust still persists in the collective memory of many Jewish consumers living in the U.S., resulting in their animosity toward Germany and their refusal to purchase German-made cars. Some studies focused on other war events such as the U.S. Civil War (Shimp et al., 2004), the Vietnam War (Little et al., 2009), and the Second Intifada of the Palestinians (Shoham et al., 2006).

Klein et al. (1998) suggest that **economic-related** animosity is based on the perception that a foreign animosity country is an unfair and unreliable trading partner, and it exerts excessive influence in the home country. Several subsequent studies have conceptualized economic-related animosity in a similar manner (Bahae & Pisani, 2009b; Klein, 2002; Mostafa, 2010; Nijssen & Douglas, 2004; Russell & Russell, 2006; Shoham et al., 2006). Other authors have studied different sources of economic animosity. For example, Ang et al. (2004) investigated animosity in five Asian countries in the context of the 1997 Asian crisis. Funk et al. (2010) studied American animosity toward India, partially explained by the perception that India is taking jobs away from Americans.

However, the reasons for animosity do not merely stem from war and economic events. Animosity may be rooted in issues related to politics, religion, or culture. **Political** reasons for animosity can encompass events such as the Australian-French diplomatic incident during French nuclear testing in the South Pacific (Ettenson & Klein, 2005), France's opposition to American foreign policies (Russell & Russell, 2006), territorial disputes between Taiwan and Japan (Huang, Phau & Lin, 2010a; 2010b) and strained relations between Iran and the U.S. (Bahae & Pisani, 2009a; 2009b; Funk et al., 2010).

Nes et al. (2012) extended the political dimension of animosity further to include internal political issues such as authoritarian government, government regulation and policies, imposed censorship on the people, lack of freedom, and violation of human rights. Maher and Mady (2010) examined the **religious** animosity of Kuwaitis toward Denmark ignited by the depiction of the prophet Mohammad in a Danish newspaper. Russell et al. (2011) based their research on **cultural** animosity on France's ideological resistance to the U.S. which was reflected in the anti-consumption of American movies. Amine (2008), on the other hand, focused on a **non-specific** source of animosity between France and the U.S., which she describes as a basic "continuing rivalry between France and America" (p. 414). Similarly, Nakos and Hajidimitriou (2007) did not indicate any specific contemporary source of animosity between Greece and Turkey, but instead focused their study on the ancient hatreds between these two nations.

2.3 Behavioral consequences of animosity

The animosity model posits that negative feelings and attitudes toward a certain country or ethnic group may lead to refusal to buy products and services from the hostility-evoking countries, regardless of their product quality or judgment (Klein et al., 1998). Several other researchers have subsequently explored animosity effects related to various behavioral outcomes.

Klein et al. (1998) discovered a direct negative impact of animosity on the **willingness to buy** products from the offending country, which then further predicted product ownership. The negative relationship between consumer animosity and the willingness to buy was later confirmed in many other studies (e.g. Ettenson & Klein, 2005; Funk et al., 2010; Hinck, 2005; Leong et al., 2008; Maher & Mady, 2010; Mostafa, 2010; Nakos & Hajidimitriou, 2007; Rose et al., 2009; Shin, 2001; Shoham et al., 2006). Nijssen and Douglas (2004) discovered that war animosity had a positive direct impact on the reluctance to buy foreign products, whereas the influence of economic animosity was not as significant. Similarly, Nakos and Hajidimitriou (2007) found that economic animosity did not influence the willingness of Greek consumers to buy Turkish products. The authors justified these results by suggesting that Turkey is a less developed country than Greece, and thus Greeks do not perceive Turkey as a major economic threat.

Some researchers also measured how willingness to buy translates into actual **product ownership**. Klein et al. (1998), Shin (2001), Klein (2002) and Mostafa (2010) found a positive relationship between willingness to buy and foreign product ownership, whereas Klein (2002) found a positive relationship between preferences for a Japanese product (an animosity country) over a South Korean product (a neutral country) and the ownership of a Japanese car. In their empirical study, Shoham et al. (2006) found a positive relationship between willingness to buy and **purchase behavior change**.

Other direct consequences of consumer animosity examined in the existing literature included **intention to buy** (Bahae & Pisani, 2009a; Guido et al., 2010; Hoffmann et al., 2011; Huang et al., 2010a), **preferences for products from an animosity country** (Klein, 2002), **preferences for products/services from one's in-group** (Russell et al., 2011; Shimp et al., 2004), **boycott participation** (Ettenson & Klein, 2005; Hoffmann et al., 2011), **change in purchase behavior** (Guido et al., 2010), **past consumption of movies from an animosity country** (Russell et al., 2011), **willingness to pay a price premium** (Shimp et al., 2004), **consumer trust in foreign firms** (Jiménez & San Martín, 2010), and **country-of-origin image** (Hoffmann et al., 2011).

While the original animosity model (Klein et al., 1998) predicted that quality judgments exert no influence on the relationship between animosity and purchase behavior, some subsequent studies found mediating effects. Shoham et al. (2006) were the first to find an inverse relationship between **product quality judgments** and animosity, with the finding being later confirmed in other studies (Guido et al., 2010; Huang et al., 2010a; Mostafa, 2010; Urbonavicius et al., 2010). Shoham et al. (2006) argued that the inverse relationship

between animosity and product judgments may be the result of the situational and recent nature of animosity, which in turn leads to product denigration. Further, they posited that it is difficult for Jewish Israelis to be angry with Arab Israelis without denigrating products and services that represent the Arab culture and their habits. Rose et al. (2009) found an inverse relationship in the context of Arab Israeli animosity toward the United Kingdom. However, this relationship was not significant in the context of Jewish Israeli animosity toward the United Kingdom. When product judgment mediated the relationship between animosity and willingness/intention to buy, the effect of product judgment on willingness/intention to buy was found to be positive (Guido et al., 2010; Huang et al., 2010a; Mostafa, 2010; Rose et al., 2009; Shoham et al., 2006).

3. RESEARCH METHODOLOGY, DATA COLLECTION, AND ANALYTICAL TECHNIQUES

To uncover the sources underlying consumer animosity in the local Slovenian context, examine the hostility-evoking countries, and explore its effects on foreign product purchase, we conducted 82 semi-structured, face-to-face, in-depth interviews. Prior to the main data collection, we carried out a pre-test by conducting 14 interviews that were later excluded from the main analysis. The interviewees in the pre-test were between 17 and 75 years old, and six of them were female. The interviewees were generally reluctant to speak about countries they disliked and tended to provide vague answers. This exploratory study allowed us to develop procedures and design a detailed interview protocol document to be used in our research.

The interviews for the main study were conducted in five Slovenian regions, each of which has been historically, geographically and socially linked to different foreign countries and events: Central Slovenia, Northeastern (NE) Slovenia, Tri-border area, Southeastern (SE) Slovenia, Western (W) Slovenia. We utilized the maximum variation (heterogeneity) type of sampling (Miles & Huberman, 1994; Patton, 2002) by selecting the interviewees carefully to match the various demographic requirements. Characteristics of the sample are summarized in Table 1.

The respondents were contacted through our personal networks as well as in cooperation with various Slovenian companies. Strict confidentiality was assured to all participants, and each was given a code name for the purpose of analysis. Prior to the interview, each respondent was informed about the purpose of our research and how the collected data would be used. All interviewees gave their consent to record their conversations. The average duration of an interview was just under 22 minutes.

Table 1: *Demographic characteristics of the interviewees by region*

Demographic Characteristics		Number of Interviewees					
		Total	Central Slovenia	Northeastern Slovenia	Tri-border area	Southeastern Slovenia	Western Slovenia
Number of interviews		82	20	15	13	16	18
Average age		44.1	44.7	38.3	40.9	47.6	47.5
Gender	Female	54	13	10	9	8	14
	Male	28	7	5	4	8	4
Education	Elementary education or less	4	1	0	2	1	0
	Secondary education	26	6	4	4	7	5
	University education or more	52	13	11	7	8	13
Work Status	Student	10	1	3	1	3	2
	Employed or self-employed	60	17	11	11	8	13
	Retired	12	2	1	1	5	3
Income	Below average	3	0	0	1	1	1
	Average	64	16	12	11	11	14
	Above average	15	4	3	1	4	3

The first part of the interview consisted of questions on animosity countries and their origins. Given that the interviewees in the pre-test were generally unwilling to talk about the countries they disliked, we avoided asking direct questions about feelings of hostility, hatred, and animosity at the beginning of an interview in the main study. Instead, we asked respondents to name the countries “they are not very fond of” or “they find less appealing”. In the second part of the interview, we asked the interviewees about their purchase behavior (e.g. whether they paid attention to the origin of the products they buy, which information cues were important to them when buying fast-moving consumer goods and durable products). Finally, we presented each interviewee with a hypothetical situation of choosing between equal refrigerators which differed only in their country of origin. The respondents had to choose from among three countries of origin: Slovenia, a “neutral” country (not mentioned during the interview) and the country identified by each respondent as their animosity target. Hence, the two countries of origin were always adapted to the content of the conversation with the interviewee. While the choice of the refrigerator in our hypothetical scenario may not have been entirely realistic with respect

to whether or not the specific country in reality offered any refrigerator brands in the Slovenian market, these responses helped us assess the possible link between consumer animosity and willingness to buy or own a product from the hostility-evoking country. If we had used a durable product that is applicable to the actual situation in each market, we would have needed to pre-select the animosity countries, an approach believed to represent a major limitation in previous studies (Riefler & Dimantopoulos, 2007).

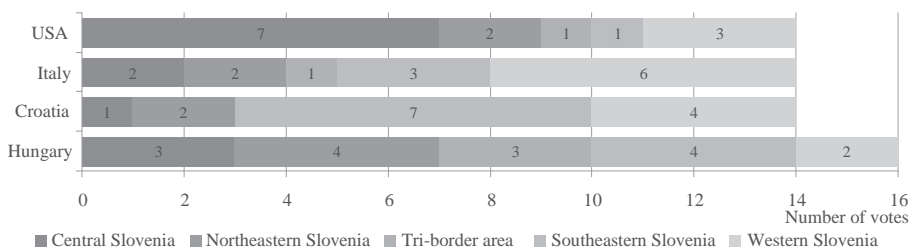
The first step in the data analysis was data reduction (Berg, 2001) where we manually transformed the raw data into coded data. We prepared a worksheet containing categories of information obtained during the interviews, including animosity countries, reasons for animosity, effects of animosity on purchase behavior, purchase behavior for the product categories of food, textiles/shoes, cosmetics/cleaning products and durables and, finally, the refrigerator scenario. To reduce subjectivity in the data analysis, two researchers independently listened to the audio recordings and analyzed the data, with their work subsequently being compared and any inconsistencies in the researchers' interpretations resolved. Only when a satisfactory agreement on the interpretation of data had been achieved were the data entered as concise summaries and partly as direct quotations. When writing up the summaries, the researchers were careful to use as much of the original interviewees' terminology as possible.

Following Miles and Huberman's (1994) two-stage approach, the next step in the data analysis was a content analysis of the research notes. The primary unit of analysis was the individual person, i.e. one interviewee. The analysis was conducted in two steps: first, we performed a within-case analysis, followed by a cross-case analysis.

4. DATA ANALYSIS

The interviewees specified a total of 48 animosity countries and distributed 196 votes among them. We limit our discussion herein to the top four animosity countries identified by our interviewees: Hungary (16 votes), Croatia, Italy and the US (14 votes each). Figure 1 shows substantial differences in the distribution of votes to the animosity countries among the five regions of Slovenia where the interviews took place. The exception was Hungary, where the number of votes remained somewhat stable across the different regions (see Fig. 1).

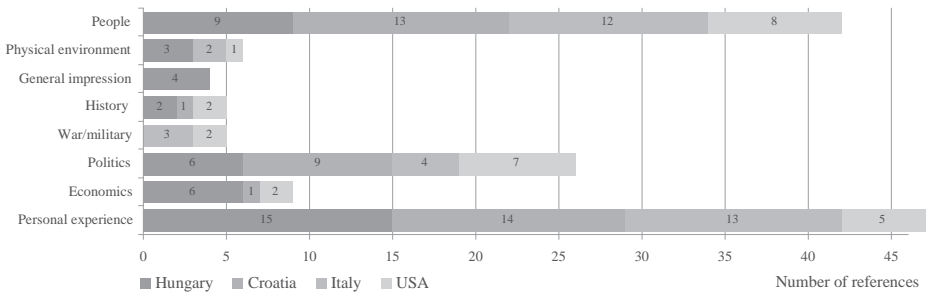
Figure 1: *Distribution of votes by region for the top four animosity countries*



4.1 Sources of consumer animosity

When classifying our data according to sources underlying consumer animosity, we adopted the categories previously used in the literature, i.e. the war/military and economics dimensions (e.g. Klein et al., 1998; Mostafa, 2010; Nijssen & Douglas, 2004), the politics and people dimensions (e.g. Nes et al., 2012; Riefler & Diamantopoulos, 2007) and negative personal experiences (Hoffmann et al., 2011). In addition, the data analysis pointed to three additional dimensions, i.e., physical environment, general impression, and history. The references per animosity category/dimension and country are shown in Figure 2.

Figure 2: Sources of animosity toward selected countries per number of references



Based on the number of references, personal experience (combined with at least one other reason) was the main driver of animosity toward Hungary, Croatia and Italy. The second most important reason was the people category. The responses regarding the people dimension were also quite diverse, and for classification purposes we thus introduced the three sub-dimensions (see Table 2) originally proposed by Oberecker, Riefler and Diamantopoulos (2008) for the affinity construct. We found the same categorization to be applicable to the animosity construct. The third most frequently mentioned reason was politics and, in the case of Hungary, economics. On the other hand, personal experience was not the most frequently mentioned driver in the case of the U.S., which is not surprising given that this country is physically much further away than the other three (neighboring) countries. Consequently, the interviewees' opinions of the U.S. are mainly shaped by the influence of the mass media and to some extent by stereotypes. The most frequently mentioned reason for disliking the U.S. was the people category, followed by the (foreign) politics category. The sources of animosity are summarized in Table 2.

Table 2: Sources of consumer animosity toward identified target countries

Category	Hungary	Croatia	Italy	USA
	Introverted people, unpredictable, bad manners, they overcharge for their goods/services, unusual mentality, temperament and behavior, more and more (gypsy) immigrants from Hungary in the rest of the EU	Selfish, arrogant, envious, self-sufficient, greedy, unpleasant, dishonest, unfriendly, inhospitable people; bad character, feeling of superiority compared to others; disregard others; immigrants do not learn Slovenian; inappropriate behavior and attitude toward Slovenians	Arrogant, cunning, inaccurate, sloppy, lazy, inadaptabile, nervous, impatient, unreliable, unappealing, silly, whiny people; strange gypsy nation; wild, southern temperament; aggressive drivers; inappropriate behavior; corny and overly feminine men	Arrogant, careless, sloppy, self-sufficient, insincere, foolish, stupid people; feeling of superiority compared to others; character of the people; hypocrites
People	Young people passive (legacy of socialism) and incapable of adapting to a new and/or changed system	The further south you travel, the lazier are the people	-	Lavish, consumerism, instant culture, unrealistic portrayal of life, unattractive lifestyle
	Lifestyle in general	Hard to communicate with them; they expect Slovenians to adapt to them	Hard to communicate with them; they expect Slovenians to adapt to them	The English language dominates; everybody has to adapt to them
	Language	Hard to communicate with them, do not speak foreign languages, unattractive language, the way they speak	Hard to communicate with them; they expect Slovenians to adapt to them	The English language dominates; everybody has to adapt to them
Physical environment	Untidy and dirty country, untidy nature	-	Dirtyness, lack of hygiene	Concrete; many people, feeling of claustrophobia

General impression	Unappealing, strange vibrations, gypsy country, old-fashioned, unsafe, bad, grey and black	-	-	-
History	Iron Curtain	Always treated Slovenians as servants	-	No history; imperialistic past
War/military	-	-	World War II (fascism, mobilization, bombing, hunger) and occupation	War industry; actively create conflicts and wars; a killing machine
Politics	Politically unstable system; current domestic political situation getting worse; corruption and bribery of civil servants	Corruption, bribery of police officers, constant problems with all neighbors, border issues, gained territory at our expense; take care of themselves only	Berlusconi and right-wing politics, loose immigration policy, socio-political role of Italy, twisting of historical facts, political opportunism	Aggressive politics, superpower, consider the rest of the world inferior (not concerned about others), support Israel; their means do not justify the ends
Economics	Low-quality goods, low economic development, low living standard, inadequate services and choice in restaurants	Higher prices compared to other countries	-	Concerned for their own capital only, exploit and hinder the development of others, unequal criteria for different nations
Personal experience	Traveled there and did not like it; Hungarians wanted to mislead her	Traveled there; negative previous experience; bad memories of performing military service there	Traveled there; unpleasant previous experience	Traveled there, contact with people

Personal experiences result from events that occurred while visiting or living in a country, the respondents' feelings and memories that were forged during that time and from contacts with people from this country (the latter is particularly relevant for the U.S.). For example, Viktor (age 74, SE Slovenia) does not think about the period he spent in Croatia fondly; even after more than half a century, his resentment is still overwhelming:

I served in the army in Croatia for two years, and there I realized what sort of nation they [Croats] are. We often say for ourselves [Slovenians] that we are envious of each other. The Croats don't say this about themselves, but I know that they are far worse than we are. They have their own way ... they are dishonest people. [...] I don't go to Croatia, even though we live close to the border. Other people shop in Samobor [a city in Croatia], but I never visit Croatia [...] God forbid if I'd have to live there.

Negative sentiments toward **people** may stem from their mentality and behavior. Sara (age 48, NE Slovenia) stated:

The Italians are one of a kind. For me, a prototype of an Italian is the poor guy they've been lately constantly talking about [in the news] ... the captain of the Costa Concordia. To me, all Italians are like him, even though I'm aware that not all are like that. [...] They are unreliable, charlatans ... like this captain. I mean, one look at him is enough to say that you'll not cruise anywhere with him. Also, the Italians don't strike me as real men. An Italian is the kind of man that is too corny. And also the people ... on the outside everything looks nice, but there's nothing on the inside.

Negative sentiments toward people are also driven by the culture and lifestyle in general. This component of the people category is most obvious in the case of the U.S. We presume that the reason lies in the greater cultural dissimilarity between Slovenia and the U.S. compared to the other three animosity countries. Flora (age 26, Tri-border area) emphasized the cultural differences:

Maybe I have this image of consumerism and instant culture that is in dissonance with my life philosophy. Also generally, I feel very European. Maybe because of that I don't feel a connection ... and I have already been to the USA, but ...

Patricija (age 49, Central Slovenia), on the other hand, was concerned:

[...] because I believe they negatively influence our youth who are fascinated by the American lifestyle and adopt many unhealthy habits. I think they bring a lot of bad things because they paint an unrealistic picture of life in their movies and literature. They always have their happy endings, but it's not like that in real life. And our adolescents take that literally.

Language, the third component of the people category, may be a bridge to communication, but it may also be a barrier. In the former case, it is a window to the world and can be a source of affinity. In the latter case, it hinders communication and encourages people

animosity. One of the sources of animosity toward Hungary is undoubtedly the language itself, which seems so odd and unfamiliar to some of our interviewees. Olivija (age 49, SE Slovenia) expressed her feelings of antipathy in this way:

[...] mostly because of the language. I don't know how to express myself ... for example, if I see them speak on TV, I immediately switch the channel. [...] You see, Hungarian is kind of weird.

As far as the other three animosity countries are concerned, communication is not hindered because of the unfamiliar language but because of the attitudes of inhabitants who expect that others will adapt to them. Valentin (age 30, SE Slovenia) said:

I find it irritating because they [Croats] always claim they don't understand us [Slovenians]. But when they come to Slovenia they always expect that everybody will speak and understand Croatian. I think it's quite funny because the languages are pretty similar. If we understand them, why can't they understand us? And that's really stupid.

Simona (age 33, W Slovenia) had similar thoughts:

We Slovenians have to adjust everywhere, don't you think? Nobody adapts to us. If an Italian comes to Slovenia, we have to speak Italian with them. This is ridiculous. I don't know ... I just don't get that.

Politics was the second for the U.S. and the third for the other three animosity countries the most important driver of animosity. The recent changes in Hungary's domestic politics did not go unnoticed among our interviewees. At the time of collecting our data, the Hungarian government led by center-right Prime Minister Viktor Orban had adopted a new constitution and passed several laws and controversial measures, all of which were the subject of severe criticism by the local opposition and the international public (BBC News, 2012). These events also triggered quite a few negative reactions from our interviewees, leading to situational animosity according to the typology by Jung et al. (2002). For example, this is how Rudolf (36, Central Slovenia) expressed his views:

Well, up until recently, I had quite a good opinion of Hungarians. But since this Orban guy has come, their president or whatever he is, and started messing with their politics ... I have a couple of friends in Hungary and they say the situation is getting worse by the day.

Ingrid (age 25, NE Slovenia) shares a similar opinion:

Especially now, it [Hungary] has an even more negative connotation, ever since they elected a majority government that has the power to change the constitution on their own, violate the rights of citizens, disregard minorities [...] the Slovenian minority and also other minorities in the country or the opposition for that matter [...] because this domestic politics issue is such a serious matter.

Contrary to the recent situation in Hungary, negative perceptions of American politics seemed to be of a more durable nature. America, as a strong economy and political/military superpower, and its foreign policy have been a source of divided opinions around the world, and Slovenians, as citizens of the international arena, are no exception. Rudolf's (age 36, Central Slovenia) comment offers an insight into how he perceives American politics:

They meddle in everything. They were lucky because their country wasn't torn apart in World War II. Their economy was at a peak at that time, mainly because of their demand for that [war goods] ... and they exploited that. They have had an upper hand ever since. The only ones that could probably kick their asses are the Chinese or Indians. And it actually serves them right. Because they [Americans] have been actively attempting to make sure that there is always a situation going on somewhere in the world and this obstructs others from developing in the desired direction. Instead, they have to deal with Americans and this annoys me ... I can't stand them [Americans]. They are in search of conflicts ... or to put it otherwise ... I'd rather say they *create* conflicts.

Rivalry between neighboring countries can also be a source of animosity (Klein et al., 1998). In the case of Croatia and Italy, this can be clearly observed through traditional political disputes that have become intertwined with historical events. For example, Simon (age 64, W Slovenia) commented:

I also don't like their [Croatian] politics regarding the maritime border. Because the Croats have so much sea, and here they are fussing about these measly two kilometers and causing us trouble. It is a question what will happen with this arbitration, probably nothing good. [...] Actually, we also lost Trieste and other territory [after World War II] because of Croatia. Croats have forgotten this.

Natalia's (age 84, W Slovenia) memories of World War II are still very vivid. She described the **war** period as:

Terrible. Bombing. We used to live in Solkan, where Nova Gorica is today. And they [Italians] were determined to tear that bridge down. You know, where that fine bridge is. And they kept shooting. A railroad is there, and our house was very close to it. And they completely ... we would come to the house and there were no more windows, the other time the door was blown out. You know, when the bombs were falling and everything was ... We moved up into the hills, to a village. We had to hide. A peasant gave us one room and my mother helped her with the farm. [...] Times were tough. Oh, and the Italians ... they didn't give us anything. We were starving, we had to steal. We got ten decagrams of bread per person a day.

Interestingly, Natalia does not feel anger toward the Italians and their involvement in World War II. The 1975 Treaty of Osimo enabled her to receive remuneration in the form of a monthly pension and, by virtue of this act, she feels that her lost equity has been restored:

I like it [Italy] only because they give me money. As long as they give me money, I have nothing against it. But when they stop ... You see, for three years I worked there, I get 320 euros and I've been receiving that for more than 30 years. How could I not like them?

Natalia's reflection is in line with the finding of Podoshen and Hunt (2009) who suggested that many Jewish Americans felt their equity was restored when Germany paid reparation money to Israel.

The cross-case analysis of our interviews leads us to believe that animosity toward Italy is present in Slovenia in a stable form. Jung et al. (2002) suggest that a person need not have had any personal experience for animosity to become stable. Animosity can be transmitted to younger generations via formal or informal channels, such as the personal experience of others and stories that are told to new generations. Such storytelling causes older animosity to become part of the collective memory, which then lingers in the minds of many people (Podoshen & Hunt, 2009). Indeed, Viktorija (age 30, W Slovenia) explained:

I resent its [Italy's] socio-political role in the sense ... for example, during my childhood I used to hear many stories about the Italian occupation and how they oppressed Slovenians. I also resent the fact that they haven't admitted their role to this day and that they totally ignore these historical facts. This is something I unconditionally disapprove of.

The economic dimension of animosity was found to be most important in the case of Hungary. The main reason for it seems to be related to Hungary's state of development. As a consequence, some interviewees suggested that the offering of goods and services in Hungary is limited. During her trip to Hungary, Patricija (49, Central Slovenia) was not at all satisfied because:

[...] their service was inadequate. Their confectionery wasn't real confectionary. They served drinks in dirty cups. I imagine you can't even get normal food, but just their traditional specialties ... It was so unappealing to see them roast those chickens outside. There was a foul odor right across the street.

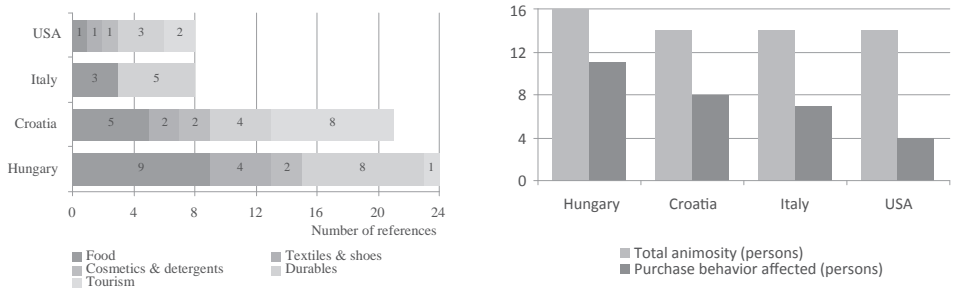
Economic reasons for animosity toward the U.S. were mentioned only twice; however, they were different than those expressed for Hungary. An illustration is provided by Kristijan (age 55, Central Slovenia):

I dislike America because they are interested in their capital only. They don't care about others. In these crisis situations, the rich should give up some of their wealth and give it to the poor." [*Did they do that?*] "No, they didn't." [*What did they do?*] "They stuffed everything into their own pockets... exploitation. Each person should get something so that an individual can survive.

4.2 Resistance to purchasing products from animosity targets and product categories

Our analysis of qualitative data suggests that country of origin plays a somewhat prominent role in consumer purchase behavior. Specifically, our respondents exhibited resistance to buy products from countries identified as hostility-evoking countries in at least half of the cases when interviewees expressed animosity toward Hungary, Croatia and Italy (see Figure 3).

Figure 3: *Effect of animosity on purchase behavior by person and product category*



The respondents were asked to list product categories for which country of origin may represent a factor in their purchase decisions. Feelings of animosity toward Hungary were manifested mainly in the food and durables product category. Animosity toward Croatia was mostly reflected in respondents' unwillingness to travel to that country. In fact, the majority of interviewees whose animosity country was Croatia did not consider it as a desired holiday destination. Animosity toward Italy chiefly resulted in the avoidance of purchasing durable goods from that country, in some cases even food products. In contrast, consumer animosity toward the U.S did not seem strongly manifested in consumer purchase intentions. While the respondents expressed some resistance to buying U.S. products in the durable goods category, the U.S. origin seemed irrelevant in other categories.

In contrast, the explicitly stated reasons for refraining to purchase products from the animosity countries varied greatly, ranging from the respondents' dissatisfaction with product or service quality from that country to outright boycotting products from that country irrespective of the product characteristics. We identified quite a few examples of intense feelings of hostility that led to consumer boycotts. An interesting case was Rudolf (age 36, Central Slovenia), whose disapproval of Hungary's domestic political situation was so strong that it resulted in his boycott of all Hungarian products, regardless of their quality:

There aren't really a lot of Hungarian products here [in Slovenia]. But in any case, Hungarian salami is always good. However, I don't buy Pick salami anymore ... Lately I've been boycotting Hungarian products. I know that the actions of just one person have hardly any effect. But I don't think they [Hungarians] deserve to be supported in that way.

Similarly, Valentin (age 30, SE Slovenia) strictly avoids Croatian products. With regard to Croatian food, he said:

I wouldn't buy Croatian. Why would I support their economy if we have a poor relationship with them?

When asked whether he perceives Croatian products to be low in quality, Valentin responded:

No, I don't think so. For example, since Kolinska [a Slovenian company] has been acquired by the Croats I don't buy Cockta [a soft drink brand] anymore. I also don't drink Coca-Cola. You see, Coca-Cola for the Slovenian market is bottled in Croatia. I'd rather buy Pepsi, which is bottled in Rogaška [in Slovenia]. As far as chocolates are concerned I don't mind eating Kraš [a Croatian brand] chocolates as long as I receive them as a gift. But I personally would never buy them.

While consumer animosity toward the U.S. did not seem to have much of an effect on the interviewees' willingness to buy American products, two interviewees expressed a different stance. Daniel (age 48, SE Slovenia) told us that not only does he have no desire to ever travel to America, but that he also boycotts all American products because he disagrees with American foreign policy:

Actually, there are not a lot of American products available here, not as many as Chinese. In principle, I would not buy them [American products], especially if I had an alternative.

Similarly, David (age 38, Central Slovenia) explained he would never purchase an American refrigerator:

[...] because I have this strange negative association when I think about American refrigerators. [*Why?*] I don't know, I don't know, maybe because of American movies. I am not too fond of those big refrigerators. That is not my style. I find it wasteful. I don't believe they are energy efficient. [*What if it had the same characteristics as the other refrigerators?*] Look, maybe it says that they are the same, but I simply don't believe it.

Moreover, the perception that Croats discriminate against Slovenians also deterred some of the respondents from spending their vacations in Croatia. An illustrative example comes from Tea (age 51, W Slovenia) who feels that Slovenians are treated differently (i.e. with less respect) than other tourists and she has been boycotting Croatia for ten years:

I'd rather give my money to the Greeks, I'd rather give my money to the Spanish, but my money won't go to Croatia.

However, the most frequently stated reason for avoiding products from the animosity country in our sample was the issue of perceived **low product/service quality**. For example,

when discussing Hungary as the animosity country, all but one interviewee who refrained from purchasing Hungarian **food**, associate that choice with low quality. The interviewees frequently emphasized their unwillingness to buy Hungarian meat products. The fact that meat and like products are perishable goods made the interviewees especially careful when buying them. The majority prefer to buy domestic (Slovenian) meat products, suggesting that it is consumer ethnocentrism⁵ (Shimp & Sharma, 1987) rather than animosity that plays a role in their consumer buying intentions. While consumer animosity seemed to exert less of an influence on interviewees' purchase behavior for Italian food, we identified three interviewees who avoided buying Italian food because of its low quality. For example, Sara's (age 48, NE Slovenia) dislike of Italians resulted in her avoidance of all Italian food products:

I don't buy Italian olive oil. Ever since that affair when it was discovered that they poured something in it ... They are so unreliable, so sloppy. Italians are ... and also Italian products ... I don't buy them. If I had to choose between two products of the same quality, I wouldn't buy the Italian one because I always have this idea that they are kind of cheating.

In addition, our data analysis suggests that the quality concerns may prevail over emotional (animosity) or normative (ethnocentrism) issues not only in the aforementioned (fresh) food product category, but also in the case of **durables** as revealed by the findings of our hypothetical scenario. Namely, when the interviewees were faced with the choice between different refrigerators that differed only in their country of origin, they seemed to avoid purchasing Hungarian durables as they associated them with low quality. Similarly, Martin (age 35, W Slovenia) explained that the Italian and Croatian refrigerators would be his second to last and last choices:

The Italian one would at least be pretty. Otherwise, it would be produced in the same careless manner as the Croatian one.

Despite the fact that Italy is (unlike Hungary and Croatia) an established global producer of durable goods (e.g. Italian brands like Candy and Zanussi in household appliances or Fiat and Lancia in automobiles are widely recognized among consumers worldwide), in our research consumer animosity toward Italy was manifested in the avoidance of purchasing Italian durable goods. All the interviewees who refrained from purchasing Italian durable goods perceived them to be low in quality. For example, Rudolf (age 36, Central Slovenia) shared the following opinion about Italian cars:

For instance, I'd never drive an Italian car. I'd never buy an Alfa Romeo brand. A friend of mine once said to me that, if I ever lost my job, I should retrain as a mechanic because Alfas need constant repair. I wouldn't buy a Fiat. It seems to me that every time they assemble one of these cars, they do it more quickly. They say: "let's finish it five minutes faster than the previous one." And everything is so slapdash, hurried and cheap. I don't trust them.

⁵ Consumer ethnocentrism has been defined as "the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign made products" (Shimp & Sharma, 1987, p. 280).

Further, the issue of **service quality concerns** seemed strongly expressed among the respondents who identified Croatia as the animosity target. Even though Croatia is the number one tourist destination for Slovenians⁶, several interviewees who had expressed feelings of some antipathy towards the country also avoided it as their travel destination. For instance, Patricija (age 49, Central Slovenia) is aware of Croatia's natural beauty, but at the same time she pointed out her dissatisfaction with the quality of services Croatsians provide:

I've been to Croatia many times. I'd still go there, but much further south, to Dalmatia. The seaside is beautiful in Dalmatia, but the offer [of product and services] is still quite limited, even though they've shown some progress in the last couple of years. However, a beautiful seaside and fresh air are not enough ... They have to do more. Their people, also, have to contribute something in order to make the atmosphere more pleasant ... especially considering today's competition. So, Dalmatia yes, but I certainly wouldn't go to Istria. I also don't like Zagreb because the people are quite arrogant and they have a negative attitude to Slovenians.

5. DISCUSSION

The intensity of antipathy feelings among the interviewees varied among the respondents and across the hostility-evoking countries analyzed. Even though Hungary emerged as the most frequently mentioned animosity target, the feelings of animosity that surfaced did not seem as powerful as in relation to the other three countries. The interviewees were sparing with their words, and their thoughts were often vague, short, and scant which is not unusual when delving into implicit and negative emotions in a face-to-face interview context. We detected much more overtly expressed animosity in the case of Croatia, Italy and the U.S., as evident from the collection of interviewees' quotes on these countries presented in the previous section of this paper.

Our first research objective addressed the composition of the consumer animosity construct. We found that the animosity dimensions that emerged were not entirely consistent with previous conceptualizations. For example, the "people" dimension appeared to be multifaceted, consisting of several sub-dimensions. We categorized these into three groups: people & mentality, lifestyle, and language. In addition, the "economic" dimension seemed more complex than previously thought. When an animosity target was a highly developed country (e.g. the U.S. in our case), then the original conceptualization by Klein et al. (1998) referring to trade and power relationships between the two countries applied. However, when the animosity target was a less-developed country, then economic-based animosity was activated by a general impression of under-development, a perception of low quality products and services (e.g. Hungary), or overpricing with respect to quality (e.g. Croatia). Hence, animosity seems closely intertwined with the negative quality evaluations.

⁶ Among all European countries, more than one out of two Slovenian tourists selected Croatia as their holiday destination in 2010, resulting in almost 5.9 million overnight stays by Slovenians in Croatia (Official Travel Guide by the Slovenian Tourist Board, 2011).

Our findings indicate that the animosity dimensions are not consistent across the hostility-evoking countries identified in this study. Overall, contrary to previous studies (e.g. Klein, 2002; Russell & Russell, 2006), the economic dimension did not emerge as an important driver of animosity in our dataset; personal experiences and people dimensions seemed to generate much stronger animosity sentiments in Slovenian consumers. The applicability of individual dimensions/sources underlying consumer animosity depends on the particular (national) context, confirming that a contextual approach is called for in animosity research (Riefler & Diamantopoulos, 2007).

Our second research objective pertained to the identification of possible hostility-evoking countries in the eyes of Slovenian consumers. The top animosity countries included three neighboring countries (Hungary, Croatia and Italy), and the U.S. The other country neighboring on Slovenia, i.e. Austria, ranked much lower on our list of animosity countries (15 to 20th place out of 48 countries). This study was part of a broader investigation of consumer behavior in Slovenia (Geč & Perviz, 2012) which shows that all four of Slovenia's neighboring countries are also Slovenians' top affinity countries. The prominence of both affinity and animosity constructs seems to be enhanced by geographical proximity as well as the frequency and strength of bilateral interactions among nations.

Cultural (dis)similarity does not appear to play any important role in the arousal of antipathy sentiments among our sample of consumers in Slovenia. Our interviewees held negative sentiments regarding both culturally similar and culturally dissimilar countries. Croatia ranked as one of the top animosity countries, even though Slovenia and Croatia are culturally similar according to Hofstede's dimensions (Hofstede, Hofstede & Minkov, 2010). This finding is in line with Riefler and Diamantopoulos's results (2007). They discovered that despite the cultural similarity between Austria and Germany, the latter ranked second as an animosity target among Austrian respondents.

In our qualitative inquiry, we found evidence of situational as well as stable animosity. Situational animosity was detected particularly in the case of Hungary and was prompted by its internal political situation at the time of the data collection. Our findings are consistent with Jung et al. (2002) who argue that animosity is a shifting concept that arises from different sources and is continuously being updated through different events and experiences. On the other hand, we also detected a more stable component of animosity toward Hungary, especially because of its perceived low economic development and the interviewees' unfamiliarity with the Hungarian people and their culture (e.g. different customs and an unusual language).

Animosity toward the other three countries – Croatia, Italy and the U.S., appeared to have a relatively stable nature. Feelings of antipathy toward Croatia and Italy were fueled by occasional political/diplomatic incidents. In the case of Croatia, consumer animosity appeared quite powerful and stemmed mainly from negative personal experiences with nationals from that country, a negative perception of the people, and the unsettled political issues. Animosity toward Croatia was especially obvious from the respondents located in Southeastern and Western Slovenia, where Croatia received the most animosity votes.

Similarly, feelings of antipathy toward Italy seemed quite intense. Stable animosity toward Italy, especially in Western Slovenia, was further perpetuated by storytelling passed from one generation to another. The interviewees did not resent Italy's role in World War II *per se*, as much as they resented Italy's attitude to the role this country played in that war. The interviewees expressed their anger because they perceived that Italy continuously still denies and twists the actual historical facts. However, relative to other sources of animosity identified in our study, World War II events did not appear as a dominant reason for animosity in our sample. While it is difficult to compare findings from our qualitative inquiry with the results of existing quantitative surveys, this finding is not consistent with those in previous studies (e.g. Klein et al., 1998; Nijssen & Douglas, 2004; Shin, 2001) which revealed strong war-related animosity in their samples of respondents. The time distance from World War II, coupled with the fact that both Italy and Slovenia are now EU members, may have contributed to a dispersal of history-related reasons for consumer animosity.

Feelings of animosity toward the U.S. appeared relatively potent, particularly considering the absence of the interviewees' personal experience with the country or its people. The animosity largely stemmed from the interviewees' negative perception of American ("wasteful") lifestyles depicted in pop-culture products (e.g. movies, TV shows) and their apparent disapproval of American foreign policy which they considered as aggressive and enduring.

With respect to our third research objective related to behavioral manifestations of animosity and the purchase situations (e.g. product categories), we identified various cases where the respondents explicitly expressed resistance to purchase products from their hostility-evoking countries, but stated different reasons for doing so in relation to food products, durable consumer goods and (travel) services. Comparisons of data across the four animosity countries and consumer behavioral manifestations reveal Croatia was the country where consumer animosity strongly translated into an apparent resistance to purchase Croatian products. This finding was most obvious in tourism and travel-related services which are closely tied to providers of these services. The interviewees' descriptions were relatively emotional, suggesting that their animosity appeared on a personal level. Intense personal negative experiences while traveling seemed closely intertwined with the feelings of antipathy, leading to the overall avoidance of Croatia as a tourist destination. Our findings are consistent with those of Shoham et al. (2006) who found that, compared to products, services are much more difficult to disentangle from those people who produce them. Consequently, consumer animosity is more personal and may also lead to the denigration of the service quality. A similar situation was observed in the case of Italy where the feelings of animosity were somewhat intense and seemed to translate into consumer resistance to purchase Italian durables, in some cases even food products. The majority of our interviewees expressed resistance to buying Italian durables, which they associated with low quality. In fact, the interviewees frequently labeled the Italians as "lazy", "sloppy" and "unreliable" and tended to suggest that the Italians' casual stance (e.g. *la dolce vita*) prevents them from producing high quality durable goods.

On the other hand, we observed a different pattern of results in the other two animosity countries, i.e., Hungary and the U.S. An inverse relationship appeared between the inten-

sity of the interviewees' reasons for animosity and the intensity of their manifestation in purchase behavior. For example, while feelings of antipathy were not so strongly expressed in the case of Hungary, consumer resistance to purchase Hungarian products was quite powerful, mostly due to the perceived low quality of products in both food and durable categories (e.g. refrigerators, clothes, shoes). This may be attributed to the argument raised by Pharr (2005) that country-specific beliefs or cognitions are influenced by both the level of economic development (exogenous antecedent) and animosity (endogenous antecedent).

Contrary to Hungary, the feelings of animosity toward the U.S. were strongly expressed; however, they seemed to have hardly affected purchase behavior, perhaps because the interviewees did not have any issues with the quality of U.S. products. While animosity toward Slovenian neighboring countries seemed almost exclusively based on personal negative experience, animosity toward the U.S. was mainly based on the influence of media and pop-culture products. Consequently, animosity toward the U.S. was less personal and its purchase behavior manifestations thus less intense. This result echoes Shoham et al. (2006) who argue that closer contact between people makes animosity more personal, while anger toward a physically distant entity likely results in a more abstract form of animosity.

6. CONCLUSIONS, RESEARCH IMPLICATIONS AND LIMITATIONS

Our qualitative analysis of consumer animosity in the Slovenian context offers insightful implications. In our study, animosity manifestations in purchase behavior ranged from product boycotts⁷ to the avoidance of products from the hostility-evoking country, most commonly rationalized by poor product quality evaluations. Indeed, our analysis suggests that economic-related animosity of a target country is closely intertwined with product/service quality perceptions. This finding questions the premise of the original model (Klein et al., 1998) positing that animosity translates into an aversion to buying goods from a particular country, regardless of product quality evaluations. While the cause and effect cannot be established from our qualitative data, our results seem more consistent with Shoham et al.'s (2006) and Hoffmann et al.'s (2011) animosity models where product-quality judgments and country-of-origin image (respectively) are the consequences of consumer animosity. In discussing their results, Shoham et al. (2006) apply the principle of cognitive consistency, whereby consumers achieve an internal balance (harmony) by adjusting their judgments about imports from a country to their feelings of antipathy toward that same country.

In this study, the relationship between an animosity target and resistance to buying a foreign product does not seem related to the economic development of the animosity-

7 Major reasons for consumer boycotts of products from the animosity-evoking foreign country that emerged from our study included disagreements with the animosity country's internal politics (e.g. Hungary), poor relationships with the neighboring country (e.g. Croatia) or disagreements with a country's international politics and/or its people's lifestyles (the U.S.).

evoking foreign country. While the quality of U.S. (a developed country) products was not questioned by our respondents, the issue of poor quality emerged in the cases of animosity countries with a perceived lower level of economic development (Hungary and Croatia) as well as with a developed country like Italy. Hence, it seems that quality evaluations and consumer animosity are closely associated; however, more research is needed to understand the true nature of this relationship.

Clearly, animosity is not the sole factor that deters consumers from purchasing products from an animosity-evoking foreign country. The nature of consumers' purchasing decisions is complex and the ultimate choice depends on numerous factors, including product category, consideration set, consumer knowledge and involvement as well as the intensity of emotions regarding the country in question. It is evident that consumer animosity merely provides information about what a consumer may not choose at a certain moment. That is, if the intensity of antipathy towards the country is particularly strong, consumers will eschew products from that country. However, consumers' purchase decisions can be influenced by conflicting attitudes at the same time. For instance, consumer affinity⁸ (Oberecker et al., 2008) provides information about a consumer's preferred foreign alternative, whereas consumer ethnocentrism (Shimp & Sharma, 1987) results in preferences for domestic products and services. Therefore, future research should investigate various rational, affective and normative rationales simultaneously to better understand how consumers resolve their purchasing dilemmas related to the country of origin issue (Herz & Diamantopoulos, 2013; Vida & Dmitrović, 2009).

The animosity of local consumers toward a host country marketer may be an important factor international managers should consider when making decisions to enter a new market (Klein, 2002). Cultural differences between nations, such as language, religion, customs and habits, and also politics, can represent potential sources of conflict. Sometimes such conflicts can culminate in feelings of anger, contempt, or even hatred. International marketing managers should be aware that there may be segments of people who harbor animosity toward a specific entity. In the Slovenian context, our qualitative inquiry suggests such negative feelings are rooted in various categories (predominantly related to people, personal experience and politics) and seem to exert a profound impact on consumers' purchase decisions ranging from product boycotts to simply avoiding products from hostility-evoking countries. Managers must be prepared to address these issues and devise marketing strategies that mitigate the negative consequences of consumer animosity.

Our analysis of three out of four countries that evoked hostility among our respondents (e.g. Croatia, Hungary and Italy) showed that the impact of consumer animosity on purchase behavior is intertwined with product quality judgments. In such cases, marketing managers can downplay the negative consequences of consumer animosity by emphasizing the quality of their products, superiority of the design, reliability, attractiveness, etc.

8 Consumer affinity captures favorable sentiments toward a specific foreign country which affect behavioral consequences, such as intentions to consume products from the affinity country (Oberecker et al., 2008, p. 25).

However, segments of consumers with intense feelings of animosity should be addressed in a different manner because traditional approaches such as price promotions and advertising efforts will most likely remain ineffective. Instead, it is important for foreign companies to deemphasize the origin of their products (Amine et al., 2005). They can create an impression that their products have a local origin by using brand names and advertisements featuring local country themes or engage in local-foreign co-branding strategies. Product endorsements by local celebrities and opinion leaders can also help foreign companies bypass the negative behavioral effects of consumer animosity. Indeed, a recent empirical study (Fong, Lee & Du, 2014) demonstrates that a proper selection of entry modes into the hostile host market (e.g. an acquisition joint venture) and relevant post-entry branding strategies (e.g. local and local-foreign co-branding) that are associated with a more salient host country identity can actually reduce consumer animosity.

While in our study we identified some situational animosity (e.g. internal politics and territorial disputes in Hungary and Croatia, respectively), other instances of expressed animosity seemed to be more durable in nature. In order to gain further insights into the overall dynamics of consumer animosity, longitudinal research should be undertaken. For example, it would be fruitful to understand whether the levels of political animosity toward Hungary will alter at future points in time. Similarly, it would be interesting to observe whether levels of political animosity toward Croatia will decline now that Croatia has joined the European Union and whether that new political reality will arouse feelings of solidarity and commonality of destiny between the two neighboring countries, Slovenia and Croatia.

While the large number of in-depth interviews with individuals residing in various geographical areas in Slovenia offers deep insights into how consumers feel and think about foreign countries and their products in the local context, some limitations are inherent in our research approach. First, in our interviews, research questions related to both consumer animosity sources and their behavioral manifestations were discussed with the same respondents during a single interview, suggesting that the issue of the respondents' priming and demand effects may have been a problem (Berg, 2001). While we recognized this issue a-priori and made attempts to mitigate it through appropriate wording of our questions and the probing techniques, it is quite likely that the problem persisted. Second, despite the many advantages of personal interviews, this data collection technique (similar to consumer surveys) requires participants to express, on a conscious level, the type of emotions that are implicit, inaccessible to introspection and may even operate automatically (Cai et al., 2012). Further, this data collection method is prone to elicit socially desirable responses (Steenkamp, de Jong & Baumgartner, 2010), which may be particularly problematic when discussing hostile feelings⁹. Hence, we suggest that future qualitative inquiries apply a multi-stage qualitative design combining expressive projective techniques (that help uncover hidden or unconscious content), an experimental approach along with semi-structured interviews (Cai et al., 2012; Herz & Diamantopolous, 2013; Zaltman, 1997) to triangulate our findings.

⁹ The authors wish to thank the anonymous reviewer for his/her constructive remarks regarding these limitations.

Clearly, the qualitative methodological approach also suffers from generalization and external validity limitations. We suggest that future research engage in quantitative research that enables the drawing of valid inferences when delving into the sources and consequences of consumer animosity. Our results indicate that additional clarity is needed regarding whether consumer animosity has a direct negative effect on foreign purchase behavior or whether is mediated and/or moderated by other constructs (e.g. product quality judgments, brand loyalty, etc.). Moreover, we found that Croatia and Italy received the most animosity votes from the Slovenian regions that share a border with these two countries. Future studies may wish to delve into the role of geographical proximity to the hostility evoking target and its effects on behavioral consequences.

Finally, in this study we identified various product categories that are potentially affected by consumer animosity, including food, consumer durables and services. Given the context specific nature of consumer animosity, its sources and effects (with respect to hostility-evoking countries), future quantitative surveys should address the issue of product specificity (Leong et al., 2008; Russell, Russell & Neijens, 2011). Given that services represent an ever growing sector in many economies, research investigating the effects of consumer animosity on a diverse set of services may represent a fruitful research venue.

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A RESOURCE-BASED VIEW OF ENTREPRENEURIAL CREATIVITY AND ITS IMPLICATIONS TO ENTREPRENEURSHIP EDUCATION

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ABSTRACT: *For entrepreneurs creative problem solving and innovation are key capabilities that can be built through experience and entrepreneurial learning. Unfortunately entrepreneurial education has received increased criticism over the past decade suggesting that entrepreneurship courses do not sufficiently emphasize development of creative capabilities. Although several scholars and educators emphasize the need for nurturing creativity in entrepreneurial education it remains unclear how to efficiently stimulate the creativity pertinent to entrepreneurial contexts. The aim of our study is to show how the logics of RBV theory can be used to explain the creative behaviours of entrepreneurs in which EC is manifested in resource construction. The contribution of this paper is that it initiates the analysis of EC from a resource-based view and provides a foundation for building the corresponding pedagogy for nurturing creativity specific to the entrepreneurial process to effectively introduce EC training in EE.*

Keywords: *entrepreneurial creativity, resource-based view, entrepreneurship education*

JEL Classification: L26

1. INTRODUCTION

Over the past decade the stream of research on entrepreneurial education (EE) has received increased attention in the entrepreneurship literature due to criticism, such as: (a) methods taught seldom support what entrepreneurs actually need to know and do (Collins et al., 2004), (b) entrepreneurship education programs do not improve students' cognitive entrepreneurial skills (Huber et al., 2012), and (c) entrepreneurship courses do not sufficiently emphasize developing right-brain creative capabilities (Kirby, 2004, Gibb, 2011a, Daniel Yar et al., 2008). Accordingly, we have witnessed a reassessment of educational methods and approaches used in EE at higher educational institutions (Gibb, 2002, Kuratko, 2005). As (Boyle, 2007) explains there have been multiple calls for educators at

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all levels to recognize the challenges and opportunities in today's economy and make the necessary changes to educational programs to ensure that students develop "21st century" skills and abilities including: capabilities in problem solving, innovation and creativity, self-direction and initiative, flexibility and adaptability, critical thinking, and communication and collaboration skills.

The importance of developing students' creativity in entrepreneurial education (EE) has been explored by several scholars (Ko and Butler, 2007, Lourenço and Jayawarna, 2011, Gibb, 2011a). Ko and Butler (2007) draw from their empirical research about entrepreneurial creativity and suggest that in order to increase the capacity of entrepreneurial creativity in EE, students should perform the task of connecting the stored information in memory to identify opportunity. Gibb (2011a), one of the key scholars in EE, advocates the education of enterprising individuals who have the capacity to innovate, create, cope with uncertainty and complexity, and think of new ways of doing things. Lourenço (2011) argues that it is an imperative of entrepreneurial education to develop creative thinking for those who lack this particular enterprising skill, which is in line with some of the leading thinkers in the area of creativity in education (Winograd, 2008, Seelig, 2012a, Kelly, 2013). At the policy making level, the European Commission (2008, 2012) suggested educating the entrepreneurial mind-set to help "young people to be creative in whatever they undertake." The aforementioned studies emphasize the need for nurturing creativity in EE, but the question of how to efficiently stimulate the creativity pertinent to entrepreneurial contexts yet remains unanswered.

The biggest shortcoming of current entrepreneurial pedagogies with creativity training elements is that they usually focus on a certain entrepreneurial context like business opportunities ideation (Luoto et al., 2009), opportunity discovery (e.g. DeTienne and Chandler, 2004), or the understanding of entrepreneurship (e.g. Carayannis et al., 2003). Creativity and entrepreneurship are closely connected, as the ability to think creatively supports decisions in uncertain business situations (Lourenço and Jayawarna, 2011). Creativity is present in every phase of the entrepreneurial process. As Shackle (1970) already stressed the process of business planning cannot be directed at the knowledge of what is to come, but towards our imagination of how events are likely to unfold. Accordingly, creativity and imagination become crucial elements of the entrepreneurial process that are characterized by limited resources and high levels of uncertainty. As the literature suggests entrepreneurs are not only creative in coming up with new ideas for unique and useful products or services –in the opportunity exploitation phase –they also need to identify an untapped market niche to promote them, develop creative ways to produce and deliver them to the market, and have the unnoticed means to obtain the resources to do all the above (Amabile, 1997, Shane and Cable, 2002, Shepherd et al., 2000, Foss, 2011).

Given the complexity of the entrepreneurial process and the diversity of contexts in which an entrepreneur needs to be creative, it is no surprise that several authors suggest the concept of entrepreneurial creativity (EC) to note the unique, context specific creative abilities of entrepreneurs. Entrepreneurial creativity was defined by Amabile (1997, p.20) as "the generation and implementation of novel, appropriate ideas to establish a new business or

new program to deliver products or services.” Entrepreneur-like creativity, or alternatively, entrepreneurial creativity is not a special ability inherent to entrepreneurs, but rather the emergence of an ability in human beings under the given contexts (entrepreneurial contexts in this case), which are conducive to it (Watson, 2013a). In this sense, EC can be seen as the creative ability acquired and developed in entrepreneurial processes, and characterized by some conditions and contexts that the non-entrepreneur would not have the chance to experience.

For entrepreneurs creative problem solving and innovation are key capabilities (Sarasvathy and Venkataraman, 2011) and many educators are starting to introduce creativity training in their existing curricula. Due to lack of appropriate tools to nurture creativity, that is specific to the entrepreneurial context, they mostly resort to methods and techniques aimed to increase general creativity, like for example symbolic card methods to stimulate intuitive and innovative thinking (Carayannis et al., 2003), creativity SEEC method (the skills of Securing, Expanding, Exposing, and Challenging) to generate creative business ideas in entrepreneurial classes (DeTienne and Chandler, (2004), semiotic structuration approach in a pre-incubation setting course to facilitate the generation of more innovative ideas and identification of business opportunities (Luoto et al., 2009), and creativity stimulating art forms like drama and drawing to cultivate creativity in EE suggested by Gibb (2011b). Given the context specific nature of EC suggested by Amabile (1997) it is important for educators not just to nurture general creativity in entrepreneurship students, but to also focus on developing student creativity in a real or simulated entrepreneurial contexts so that they can learn from contextualised experiences that are relevant for entrepreneurs. However, complex entrepreneurial realities are difficult to capture and replicate in the classroom, and so most educators resort to established practices of building the general creative abilities of their students (Carayannis et al., 2003, DeTienne and Chandler, 2004, Luoto et al., 2009). In this respect EE is lagging behind in introducing pedagogies that would support students in nurturing creativity pertinent to entrepreneurial contexts (Kirby, 2004). The aim of this paper is to propose a theoretical framework that comprehensively captures the way in which EC manifests itself throughout the entrepreneurial process and explains the resource-constructing behaviors of entrepreneurs in the context of limited resources.

Resources play a vital role in the development of an entrepreneurial venture (Desa and Basu, 2013), however due to resource constraints entrepreneurs need to creatively solve the resource shortage issue throughout the entrepreneurial process (Senyard et al., 2011a). This led us to a resource-based view of the firm (RBV hereinafter), which states that the competitive advantage of the firm lies primarily in the application of a bundle of valuable, tangible, or intangible resources at the firm’s disposal (Barney, 2001). We use the RBV as theoretical ground for developing arguments that explain creative process of entrepreneurs. Our proposal is based on the literature that indicates substantial creative behaviours of entrepreneurs in constructing their resources base, overcoming resource constraints, and exploiting opportunities (Shane and Venkataraman, 2000, Shane, 2012, Senyard et al., 2011b, Ames and Runco, 2005). The implication of this paper is to help build the corresponding pedagogy for nurturing creativity specific to the entrepreneurial process

and contexts in order to lead to enhanced EC of students and to effectively introduce EC training in EE.

We address two research questions:

- (a) Why do we need to nurture contextualised EC in entrepreneurial education?
- (b) How does EC manifest in the entrepreneurial process?

With this study we contribute to the current literature by initiating the analysis of EC from a resource-based view to facilitate an overall understanding of EC, and provides a foundation for the design of a corresponding pedagogy.

We begin by discussing the importance of emphasizing creativity training in EE. Then, we discuss the problems of the existing creativity training in EE. We analyse the contextualized nature of EC and introduce the RBV to explicate EC, develop a set of propositions, and discuss the role of EC in resource (re)construction. Finally, we discuss the implications for entrepreneurial education and pedagogies to cultivate EC in EE. We conclude the paper with recommendations for future research and implications for entrepreneurial educators and policy makers.

2. CREATIVITY IN ENTREPRENEURSHIP EDUCATION

Creativity can be defined as an ability that enables the production of novel (i.e. original, unexpected) and appropriate (i.e. useful, adaptive to task constraints) solutions (Sternberg, 1988, Sternberg et al., 2005, Sternberg and Lubart, 1999). Sternberg (Sternberg, 2006) identified several mainstream approaches to interpret creativity in social sciences, including personality or traits, environment or context, motivation, and cognitive ability (e.g. creative problem solving). The connection between creativity and entrepreneurship can be dated back to Schumpeter's (1942) understanding of an entrepreneur as one who combines, or recombines, vital resources to meet the market's needs, and "creatively" destroys the pre-existing economic order. This so-called "creative destruction" process centres around the continuous product and process innovation mechanisms characterized by new production units replacing out-dated ones. Contemporary empirical studies have shown abundant connections between creativity and entrepreneurs. Creativity has been widely linked with the opportunity identification ability and entrepreneurial intention (Krueger, 1998, DeTienne and Chandler, 2004). Feldman and Bolino (2000) found that individuals with a strong creativity anchor were motivated to become self-employed. Zampetakis and Moustakis (2006) also proved that individuals with positive attitudes of their own creativity are more likely to have high entrepreneurial intentions. Ko and Butler (2007) interviewed entrepreneurs in Hong Kong's high-tech industries who indicated that creativity plays a critical role in the entrepreneurial process. This study shows that entrepreneurs are creative in discovering the relation of the seemingly unrelated information, thus they are able to identify the opportunity. In conclusion, all this mounting evidence proves the existence of a strong link between creativity and an entrepreneur, thus serving to legitimate creativity training in EE.

Pedagogies that aim at building creativity are being developed and used at leading universities including: Stanford University (Winograd, 2008), Rotman School of Management in Toronto (Dunne and Martin, 2006), HPI School of Design Thinking in Potsdam, Germany (Plattner et al., 2009), Darden School of Business (Liedtka, 2011), and UC Berkeley (Sidhu et al., 2014). The need and inspiration for those pedagogical approaches came mainly from practice, and their focus is on building creative confidence in students and professionals outside of the artistic and design domains. Some of those pedagogies focus on entrepreneurship (Seelig, 2012b, Seelig, 2009) and social entrepreneurship (Perlroth, 2013) but there is a lack of theoretical understanding of questions, such as why and how creativity related pedagogies fit into entrepreneurial education, and how they can be adopted to nurture the creativity pertinent to the entrepreneurial process and corresponding contexts.

In the literature, there have been very few empirical studies evaluating the effects of creativity training in EE. Despite a lack of empirical research showing the effects of creativity training in EE, it is very common in EE practice to see most of the business schools having business plan and project competitions, or business ideas development modules (Katz, 2007). These can also be seen as a form of creativity training, as the students have to come up with ideas in analysing the current status and the presupposed future of an organization or entrepreneurial initiatives (Benson, 2004). But several scholars have criticized business plan approach, stating that it prescribes a pathway to entrepreneurship and focuses on the technical aspects of enterprising, thus putting constraints on student creativity (Luoto et al., 2009, Lautenschläger and Haase, 2011). Some investigations have even shown that plagiarism via online resources or mass media to copy and borrow ideas is quite common in business ideas development courses/projects, especially in EE (Lahm, 2007). All these criticisms raise several questions whether this approach in its current form is the best approach to stimulate EC in EE.

The review of business plan writing and other existing creativity pedagogies in entrepreneurship education shows that they mainly focus on creativity training in the opportunity discovery stage, but ignore the opportunity exploitation stage (Neck and Greene, 2011, Luoto et al., 2009). Specifically, they place too much emphasis on generating novel ideas for business and venture opportunities, and conduct a status analysis, like SWOT or breakeven, to legitimate the feasibility and viability of their business ideas (Kuehn et al., 2009). Basically, this teaching method mostly focuses on the opportunity discovery stage (see the work of Shane and Venkataraman, 2000), or similarly the opportunity ideation and conception stage (see the work of Luoto et al., 2009). However, in other entrepreneurial contexts for example in the opportunity exploitation stage, entrepreneurs are supposed to come up with creative ways of producing and delivering products to market, and unnoticed are the means of obtaining the necessary resources to make this happen (Shepherd et al., 2000, Foss, 2011, Shane, 2012). The context here can be referred to the interrelated conditions in which something or some undertakings exist or occur (Mish, 1997). In other words, the creativity for business ideas or the ideation process to discover opportunities is actually not enough in the venture creation process if we consider that entrepreneurs have to create new means and relationships by creatively re-combining resources to exploit the opportunity (Shane and Venkataraman, 2000, Shane, 2012). These behaviours

to recombine and construct resources can be seen more as coming up with novel solutions to the resources-constraints problems which entrepreneurs usually encounter (Ames and Runco, 2005, Senyard et al., 2011b). Indeed, in EE practice, we are calling for these kind of creative problem solving skills in the opportunity exploitation stage or context, and not just the ideation skill for business opportunity in the opportunity discovery stage or context alone. As Sarasvathy and Venkataraman (2011) have advocated, in EE the students are to be equipped with a set of problem solving skills which entrepreneurs employ in several phases of venture creation process.

In conclusion, EC is present in a broader entrepreneurial context, e.g. opportunity exploitation and resources construction, than the opportunity discovery and business idea ideation stage. The present practices of incorporating creativity training elements in EE, such as opportunity identification and business planning teaching, still leave much to be desired. In the case of the widely spread business plan approach (Delmar and Scott, 2003) creativity is required in different phases of the process, but is rarely systematically nurtured and stimulated among students as they go through the process of opportunity recognition to developing a business plan (Neck and Greene, 2011, Luoto et al., 2009). We believe that it is very important to nurture EC by simulating a broader context, which involves creative problem solving skills, particularly in the resources construction process, instead of just focusing on the context of business idea creation. The entrepreneurial context is an important consideration not only in solving the problems of the creativity training in EE, but also in understanding the nature of EC, and hence nurturing it. We address the role of entrepreneurship context below.

3. THE CONTEXTUALIZED ENTREPRENEURIAL CREATIVITY

The pioneering attempt to define EC was by Amabile (1997), who states that entrepreneurship is a particular form of innovation and entrepreneurial creativity is a successful implementation of creative novel ideas to produce a new business or a new initiative within an existing venture. In this paper we follow Amabile's (1997) definition. She explicitly stresses that the novelty does not need to be found in the product itself, but it can exist in identifying a market for the products or services, in new ways of producing and delivering the products or services, or in ways of obtaining resources to produce or deliver to the customers (Amabile, 1997). She elaborated three main components of EC as: domain knowledge, creativity skills, and task motivation. The domain knowledge involves expertise in the target work domain, creativity skills dealing with creative thinking skills, and task motivation that centers on to what extent one's desire to obtain a goal and interest in the work. The effect of domain knowledge on EC is already supported by the Gemmill's et al. (2012) empirical study which reveals that entrepreneurs produce the most ideational productivity primarily in the area of their technology and/or market specialization. Despite that, Amabile's work is not a conceptualization of EC and she did not explain the connection between general creativity and EC, however she and other authors have clearly pointed to the contextual nature of creativity (Montuori and Purser, 1995) and more specifically contextual nature of entrepreneurial creativity (Watson, 2013b).

Given the attempts of several educators to nurture creativity in EE it is important to understand the contextual nature of EC in order to nurture EC in the educational setting. Many prominent creativity scholars (e.g. Plucker and Beghetto, 2004, Runco, 2007b, Silvia et al., 2009) have revealed that creativity has a contextual nature, and that people are at their creative best in the context that they are most familiar. Also, their creativity skills are shaped from relevant experiences. It can also be assumed that when compared to general creativity, EC is characterized by some conditions and contexts, which the non-entrepreneur does not have the chance to experience. We consider the context of EC to be a very important component of EC. Actually, this domain context feature of creativity is present among all populations of different professions and backgrounds, such as the creativity of artists, architects, writers, businessmen, mathematicians, and so on (Mace, 1997, Runco, 2007a). As such, it can be inferred that as compared to general creativity, an entrepreneur's creativity derives from the entrepreneurial contexts and is subject to conditions frequently occurring to entrepreneurs.

A recent study by Watson (2013a) has further advanced our understanding of the contexts of EC. He proposed that entrepreneurs, like other human beings, continuously face different circumstances and contexts, and need to come up with creative solutions for the problems they face. In this sense, EC is a "situated creativity" or ability that any kind of person (not just entrepreneurs) will mobilize in the entrepreneurial contexts that they encounter. In other words, once situated in entrepreneurial contexts, people's general creativity will manifest in different ways and thus produce different effects than in non-entrepreneurial contexts. General creativity is present in all populations, but EC is the "situated" and contextualized creative ability acquired and developed through entrepreneurial processes and experiences (Watson, 2013a).

Thus far we have discussed that the main differences between general creativity and EC lies in the fact that EC is derived from its own context, i.e. the entrepreneurial context. We have also shown the importance of entrepreneurial contexts in the formation of EC. That said, applying creativity training to nurture general creativity does not necessarily lead to the enhancement of EC. Most entrepreneurship classes teach students basic idea generation techniques like brainstorming, or introduce creative techniques like improvisation (Stanford University, 2010), which are undoubtedly great for stimulating creativity. But since EC is highly contextual and derived from entrepreneurial contexts (Runco, 2007, Watson, 2013) nurturing EC in EE should be based on a simulated entrepreneurial context (Sidhu et al, 2014), which most of the current creativity training lacks (Gibb, 2011).

EC, as a creative ability, is not an inborn trait, but rather is an ability that develops from entrepreneurial contexts and experiences. Then there comes another question; since EC is developed in entrepreneurial contexts and experiences, does it mean that everybody could develop their EC when put in entrepreneurial contexts or when undertaking actions to become an entrepreneur? Simply put, can EC be nurtured? Drawing from existing findings by Kelly and Kelly (Kelly, 2013) and Seelig (Seelig, 2012a), the answer is affirmative. Actually, entrepreneurs are not necessarily more creative (in terms of general creativity) than non-entrepreneurs, and they are not a certain kind of person with special and extraordinary creativity. As Johannisson (2011) stated, an entrepreneurial endeavor is not a heroic achievement,

and an entrepreneur using creativity is not a radically innovative activity, for the most part. It is the everyday, human activity of socializing with people and organizing resources. In doing this, entrepreneurs eventually create a new way of life and new identity, i.e. the entrepreneur. In other words, becoming an entrepreneur is not the process of becoming a special group of brilliant people with outstanding creativity. There are definitely some brilliant entrepreneurs with extraordinary creativity who have created very successful enterprises, but there are still a bigger number of so-called ‘mundane entrepreneurs’ without a very high level of creativity who still turn out successful because they were able to creatively organize resources in the entrepreneurial process (Johannisson, 2011). That said, the nurturing of EC in people, particularly students in EE, becomes possible and promising for educators as the aim of EE has expanded from creating new venture and economic value to installing an entrepreneurial spirit and skills in one’s everyday practice (Blenker et al., 2011). In other words, EE doesn’t aim to stimulate a special creativity in students to become entrepreneurs, but rather to nurture the specific creative ability and skills to deal with problems in the entrepreneurial process, and even in their everyday practice. This line of thinking is also shared by Sarasvathy and Venkataraman (2011), who consider entrepreneurship as a method to “unleash the potential of human nature.” They also suggested that entrepreneurship can be taught as skills applicable to all populations, regardless of their backgrounds and personal endowments, e.g. creativity level (Sarasvathy and Venkataraman, 2011).

We have argued that creativity training modules in EE, like opportunity identification and business planning teaching, have not systematically integrated the nurturing of EC in a broader entrepreneurial context. In most cases creativity training in entrepreneurial education has not been systematically based in entrepreneurial contexts. Entrepreneurial creativity does not refer solely to creativity in coming up with novel ideas for products or services, but rather refers to creativity needed throughout the entrepreneurial process in which an entrepreneur needs to creatively solve resource constraints problems. We argue that EC develops from entrepreneurial experiences. Once people start to get involved in entrepreneurial undertakings they will have to employ their creativity to deal with problems in the entrepreneurial processes, and thus their EC could be shaped and formed in their entrepreneurial experiences. As such, educators can design an entrepreneurial, context-based pedagogy to nurture EC in students.

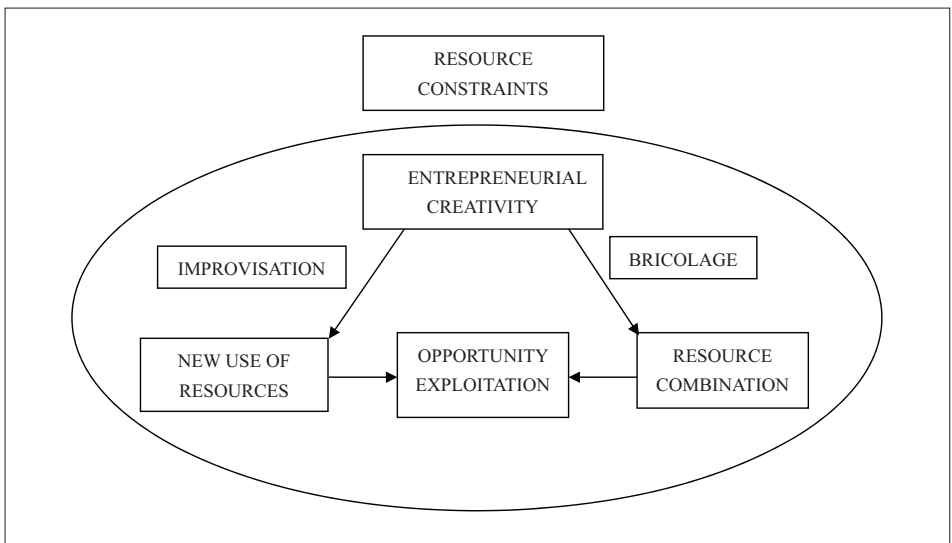
In this paper we employ the resource perspective as a theoretical lens to come to a generalized understanding of EC that is concerned with the resource-constructing behaviors of the entrepreneurs. In the next chapter, we integrate RBV perspective with entrepreneurial contexts from which EC derives and develops. We explain why EC plays an important role in the entrepreneurial process and why we should nurture EC by simulating the resource construct context.

4. THE FRAMEWORK FOR ENTREPRENEURIAL CREATIVITY

The resource-based view (RBV) was originally put forward by several scholars (like Wernerfelt, 1984, Barney, 1986, Rumelt, 1991) to differentiate a firm by the resources it pos-

esses, and it was mainly discussed in the field of strategic management. RBV has become a very important theory in strategic management to investigate the firm's competitive advantage such as 'core competence and dynamic capability (Akio, 2005). RBV scholars found out that a firm's performance is determined more by its internal resources than the external competitive environment, and hence the resources differentiating them from competitors become their competitive advantage (Alvarez and Busenitz, 2001). The pioneering work of applying RBV in the entrepreneurship field was done by Mosakowski (1998), whose empirical research showed that one's tendency to participate in the creative process will affect an entrepreneur's decision process in utilizing resources. Thus, one can expect that resource acquisition or utilization is a creative process and requires entrepreneurs to mobilize their creative ability to deal with many entrepreneurial problems in this process. Similar to Mosakowski, several studies connecting RBV and entrepreneurial resources also emphasize the role of creativity in the resources acquisition process (Shane, 2012). Some scholars like Sarasvathy (2001) and Pacheco (2012) consider entrepreneurs usually start the entrepreneurial process from the resources that they have at hand and in their control, rather than from the industry or via market analysis. Also, Johannisson (2011) considered the entrepreneurial process as a constructional and creative one of putting existing resources and practices in a new/creative relational pattern in a certain entrepreneurial context. Foss (2011) defined the exploitation of opportunities as assembling and deploying resources, such as complementary assets concerning production, sales, and marketing.

Figure 1:



Source: own

These arguments have shown that the whole entrepreneurial process involves numerous resource construction contexts, and creativity is essential in dealing with resource-related situations. As such, entrepreneurship education can nurture EC by simulating the reso-

urce construction context and expose students to specific situations in which they build their EC. Without assuming that all entrepreneurial contexts have to be connected with resource construction, we believe that based on previous literature (Foss, 2011, Alvarez and Busenitz, 2001) resource construction is a key part of the entrepreneurial process, and particularly as entrepreneurs exploit opportunities by creatively recombining and constructing resources (Shane, 2012).

The rationale behind the application of the RBV leads us to the question: what are the entrepreneurial contexts that would involve the creative behaviors of entrepreneurs in the construction of resources? In the literature, we identify two creative processes or behaviours that help to construct resources on the part of the entrepreneur, namely 'bricolage' (combing resources at hand to deal with new problems and exploit opportunities, Baker et al., 2003) and improvisation, which means (improvise new solutions different from the ones in the previous norms and practices, Moorman and Miner, 1998). We demonstrate in the following paragraphs how these two processes creatively construct an entrepreneur's resource base. Additionally, another entrepreneurial context that we could not ignore is the resources environment that EC and entrepreneurs are set in. In the literature, one important stream in researching creativity is to analyse the environment in which creativity occurs or has environmental influences (Sternberg et al., 2005). Meanwhile, Baker's study (2007) posited that the resource environment helps us to understand how entrepreneurs creatively construct resources combinations in highly constrained environments, or in the resource constraints context.

4.1. Resource constraints and creativity

Nascent entrepreneurs usually face resource constraints, like capital (Shane and Cable, 2002), advice (Batjargal and Liu, 2004) and personnel (Bratkovic et al., 2009) to exploit an opportunity. To overcome these constraints, creativity is crucial for entrepreneurs who have to come up with new ways to mobilize and activate the resources either possessed by or not under the control of the entrepreneur (Kirzner, 2009). Ciabuschi's (2012) findings suggest that entrepreneurs have to think across its business boundary to have access to unique resources, and discover the link between different resource owners to create a novel functional resources interface. Senyard (2011b) empirically concluded that innovations in sourcing, production, and promotion enable entrepreneurs to utilize limited resources to produce a desirable outcome in nascent and young firms. In a word, these seemingly detrimental resource constraints can be beneficial for entrepreneurs who tend to think creatively and out of the box, free from the constraints of organizational rules, formality, and culture (Ames and Runco, 2005).

Proposition 1: Resource constraints facilitate the emergence of entrepreneurial creativity.

4.2. Bricolage, creativity, and resource combination

An entrepreneur's bricolage is described as creatively combining the resources at hand for novel solutions and product/service from common inputs (Baker et al., 2003). This

behaviour can also be seen as the process where a successful entrepreneur “makes do” with the controllable resources at hand (see the work of Sarasvathy, 2001, 2010). In this vein, some scholars consider an entrepreneur as the individual who combines or bundles limited resources in a novel way, eventually coming up with a creative product, production method, or a market (Alvarez and Busenitz, 2001). Others believe that in order to acquire some resources not available to an entrepreneur, they have to discover the link with other entrepreneurs or between different resources owners to create a new, functional resources interface (Ciabuschi et al., 2012). Baker’s field study (2005) revealed many examples where entrepreneurs create new products or services by combining physical inputs and expertise that other firms rejected or considered useless. Then, how is creativity needed in the resources combination? Combining resources is not a simple addition of existing resources, it requires the resource owners to have a creative perspective on the synergy of the complementarities of resources (Baker, 2007). Wiklund and Shepherd’s (2009) investigation also shows that an entrepreneur’s resource combination behaviour involves the creativity to combine their resources with partner resources in novel ways to create new added values to the resources. From the above analysis, we propose:

Proposition 2: EC is associated with entrepreneurial bricolage.

Proposition 3: EC is associated with new combinations of existing resources.

4.3. Improvisation, creativity, and renew use of resources

Improvisation has been seen as an important enterprising behaviour to cope with an ambiguous and resource-constrained environment (Johannisson, 2011, Hmieleski and Corbett, 2008). Confronted with resource constraints, or new or emergent situations, entrepreneurs compose and implement novel ideas different from prior practice and norms (i.e., improvisation) (Moorman and Miner, 1998). Improvisation and bricolage differ in that in the former planning and implementation converge in time, while in the latter planning can precede implementation (Baker & Nelson, 2005). Also, improvisation usually occurs in the unexpected or turbulent environment (Moorman & Miner, 1998a). Entrepreneurs have limited resources (like time and personnel) to have strategic planning, thus improvised actions are to be taken to deal with the ever-changing entrepreneurial environment.

Then why is improvisation needed in creating the new usage of resources? What creates the new usage of resources? As the prominent RBV entrepreneurship scholars Alvarez and Busenitz (2001) put it, entrepreneurs are able to discover an “alternative use” of resources and transform them into a competitive advantage of the firm they establish. Thus, the creation of the new usage of resources can be seen as discovering an “alternative use” of the resources. We argue that improvisation has two roles in creating the new usage of resources. Firstly, when certain kinds of resources are lacking in order to exploit an opportunity, entrepreneurs have to improvise to employ other resources originally intended for other purposes. Secondly, they can improvise some solutions or redesign the produce/service

which can be independent of the resources in short (Mosakowski, 2002). In this vein, improvisation can be seen as a creative behaviour, since the improvisational creativity involved corresponds to new and unfamiliar challenges and generating novel and unplanned responses with little or no time to prepare (Fisher and Amabile, 2009). This is different from the creativity that occurs in the course of strategic planning when information, time, and other resources are abundant (Baker et al., 2003). Based on this analysis, we make the following proposition:

Proposition 4: Entrepreneurial creativity is associated with entrepreneur's improvisational behaviour.

5. IMPLICATIONS FOR ENTREPRENEURIAL PEDAGOGY

The aim of our study was to introduce RBV as a theoretical framework to explain the creative behaviours of entrepreneurs in which EC is manifested through resource construction behaviour. The contribution of this paper is the initiation of the analysis of entrepreneurial creativity from a resource-based view to facilitate an overall understanding of entrepreneurial creativity, and to provide a foundation for building the corresponding pedagogy for nurturing creativity specific to the entrepreneurial context and to effectively introduce EC training in EE

Creativity is highly contextual (Montuori and Purser, 1995) Amabile, 1997, (Watson, 2013b) and if we are to understand the EC, we need to understand the context in which it appears. Entrepreneurial context is characterized by resource constraints (Baker and Nelson, 2005) and based on our propositions, EC is framed in this study as embedded in creating new uses and combinations of resources in the form of two behaviours – improvisation and bricolage that entrepreneurs use to deal with the resource constraint throughout the process of their venture development. We argue that when an opportunity is identified, an entrepreneur has to consider if the resources available support the exploitation of this opportunity (Shane, 2012, Shane and Venkataraman, 2000), otherwise they have to give it up (see Figure 1). In light of the resource constraints environment, an entrepreneur's creativity has to focus on how to make the best use of the limited resources by creatively solving the resource challenge and thinking of a new use of those resources, and by creatively combining the available resources. The former is usually embedded in the form of an important entrepreneurial behaviour – improvisation – and the latter in bricolage.

If we aim to nurture EC in EE then we need to do it in relations to these two behaviours: bricolage and improvisation. Based on our four propositions, we are proposing to nurture EC by creating a pedagogy that embraces the RBV and uses the model presented in Figure 1 to create simulations of resource constraints that will encourage students to create new combinations of resources and generate new usage of resources in the form of two entrepreneurial behaviours respectively, i.e. bricolage and improvisation (see Figure 1). In this process, students are to unleash their creativity and exploit their creativity skills. Specifically, in light of the resource constraints environment, students have to focus on how

to make the best use of the limited resources by thinking of a new use of those resources (improvisation), and by creatively combining his/her own resources at hand or combining with another's resources (bricolage).

The basic idea is when the students have identified an entrepreneurial opportunity, they have to consider how to mobilise their own resources at hand or the ones that can be obtained from others to support the exploitation of this opportunity (Shane, 2012, Shane and Venkataraman, 2000). To illustrate, we present two vignettes from the EE practice. For example, if one student identifies the opportunity of selling something refreshing during a hot summer, she may want to sell a herbal iced tea made of herbs that grow in her home's garden (the resources at hand), and she may also come up with the idea of selling this herbal tea after a tennis course taught by one of her friends (combining with other's resource). Later on, she may want to purchase glass containers to bottle the tea, but then realizes that the bottles available on the market in small batches are too expensive to buy (resources constrains). Then she comes up with an idea that since her uncle runs a beer brewing factory, she can potentially get discounted bottles from her uncle who buys them in large quantities. She can fill the bottles with the herbal tea (improvising the new usage of resource) and sell it in larger quantities and in a variety of locations.

We propose an experiential pedagogy (Itin, 1999) approach that would offer creativity training in a highly contextualised way, embracing the entrepreneurial reality in terms of the process and the contexts that entrepreneurs most likely experience in their endeavours. While current entrepreneurial pedagogies lead students through all the major phases from opportunity identification to the business plan, the pedagogical approaches are rarely experiential and combine the intellectual side of business plan writing with creativity training in a contextualised way. The proposed pedagogy would complement it with simulations of the entrepreneurial context of resource constraint, making the creative problem solving more explicit and practical for students, and more supported by techniques and exercises that unleash the creative potential of students. In order to come up with creative solutions for bricolage, resource combination, and improvisation, students need to be exposed to situations that reflect reality, like for example simulations and games (Sidhu et al., 2014), and at the same time need to be taught different creativity enhancing exercises like for example structured brainstorming, analogous brainstorming, brainstorming with constraints, and alike (University, 2010).

Based on the resource-based model of EC as presented in Figure 1, the traditional entrepreneurial pedagogy should be rethought (revised) to foster student creativity in relation to two behaviours, bricolage and improvisation. We find experiential learning as a suitable method to design such pedagogy. Experiential pedagogy has been very extensively applied and proven to be effective in enterprise education (Gibson et al., 2009, Knotts, 2011), which was developed from Kolb's (1984) well-known, reflective learning cycles, and was defined as the "knowledge and skills that result from the combination of grasping and transforming experience." In all, this approach gives students a "feel like real" feeling and converts the simulated experience into knowledge and skills, thus shaping empathy for the entrepreneur and attaining the desired learning and teaching outcome (Gibb, 2011a, Tun-

stall and Lynch, 2010, Politis, 2008). In our case, when students are involved in simulated entrepreneurial contexts and are faced with resource constraints, they learn to creatively construct their resource base by using bricolage or improvisation.

Specifically, we suggest that in order to nurture EC educators need to simulate the entrepreneurial contexts using experiential pedagogy, involving the following steps. Firstly, students are given certain entrepreneurial tasks, e.g. to identify an entrepreneurial opportunity, develop a start-up initiative, and solve entrepreneurship-related problems. Then, the educator should provide a context in which all activities have to be confined. In other words, the students have to carry out the entrepreneurial task under the constraint of limited resources, and have to employ two skills, i.e., bricolage and improvisation to solve the resource constraint problems in order to exploit the opportunity they have discovered. Specifically, the contexts may come in the form of lacking personnel, funds, expertise, or other relevant resources (resource constraints), seeking useful information regarding untapped resources, or looking for opportunities to combine resources by socializing with other teams (bricolage), and improvising solutions or the new use of resources under a sudden change of circumstance (improvisation). The pedagogy can be seen as a combination of simulation (simulated entrepreneurial context) and experiential learning (learning through experience in resource acquisition in the entrepreneurial process) approaches. Students are expected to experience and learn how to improvise novel solutions and combine resources to support their simulated entrepreneurial tasks.

Since simulated entrepreneurial behaviours as a pedagogical approach to develop entrepreneurial mind sets has proven successful in entrepreneurial education, as proven with the Berkeley Method of Entrepreneurship (Sidhu et al., 2014) and Pittaway and Cope's (2007) empirical work, we believe that the pedagogy that we propose will contribute to the development of student EC and develop their ability to solve resource constraints problems in entrepreneurial undertakings. We see the proposed pedagogy as potentially including some of the existing experiential methods for creative problem solving like, design thinking adapted to reflect the entrepreneurial reality of resource constraints. The proposed pedagogy will serve as a complimentary process that engages students in experiential creative practice needed in entrepreneurship, but then their solutions feed into a more traditional business plan.

6. DISCUSSION AND IMPLICATIONS

The EU 2020 strategy (2010) has recognized EE as an important tool in its Flagship Initiative 'Innovation Union,' which calls for EE in various levels to develop an innovative and creative spirit among students for the development of European entrepreneurial and innovative capabilities. Following this trend and the call for the creativity development in higher education, and more specifically EE (Gibb, 2011a), this paper aims to address the challenge of incorporating creativity training in entrepreneurial courses and designing a pedagogy to nurture the creativity pertinent to the entrepreneurial context. It should be well noted that an overall understanding of EC has to precede the design of an en-

entrepreneurial pedagogy. Following the definition of EC by Amabile, we introduce the RBV to explain the creative process of entrepreneurs with regard to resource constraints, and propose bricolage, resource combination, and improvisation as crucial entrepreneurial behaviours that are associated with EE.

This paper begins by explaining the specificities of EC, and concludes that EC is a situated creativity that emerges from experiences that reflect the entrepreneurial process and corresponding contexts in which entrepreneurs operate. It is the creative ability that can be formed when students are exposed to real or simulated entrepreneurial experiences and contexts. We argue that the role of creativity has to be elaborated holistically in a broad entrepreneurial context, from opportunity discovery to exploitation. A single lens is essential to comprehensively capture and represent all the various contexts in which entrepreneurs operate. A RBV perspective is adopted in this paper to explain how EC manifests itself in constructing the resources. This is also the main contribution of this paper. As far as the pedagogy to nurture EC is concerned, whichever type of creativity training is to be introduced into EE, it has to be connected with real entrepreneurial behaviours and practices so as to provide the opportunity for experiential learning of students. Our study contributes to this by emphasizing two entrepreneurial behaviours - bricolage and improvisation as the creativity-stimulating modules in the pedagogy so that students have the chance to approach entrepreneurial problems creatively and receive experiential training that equips them with the right tools, skills, and mind-sets that are pertinent, not just to general creative problem solving, but more specifically to build their EC.

This paper has two main practical implications for EE. For educators who wish to incorporate creativity training in entrepreneurial courses, this paper has presented arguments that creativity training should be based on entrepreneurial contexts and designed specially to nurture EC. Specifically, this paper provides the inspiration for educators to encourage students to deal with resource constraint situations by employing the resource constructing means, i.e. bricolage and improvisation. Last but not the least, for educational policy makers in educational institutions at various levels who are to enact educational initiatives to foster creativity in EE, also need to provide relevant trainings and workshops for educators to discuss and practice how to appropriately simulate the entrepreneurial contexts to nurture EC.

This paper also has strong implications for future research. Particularly, there are plenty of creativity training methods in creativity literature that could be incorporated in the pedagogy to nurture EC, like the Parnes Program, Purdue's Creative Thinking Program, the Creative Problem Solving Program, and so on. Moreover, nurturing creative problem solving skills could become an important element in pedagogy if we consider that entrepreneurs are creatively dealing with resource constraint problems at various stages of entrepreneurial process. We believe that a careful consideration, selection, and inclusion of these creativity training programs will make the pedagogy more effective in nurturing EC.

Finally, we would like to highlight some limitations of our paper. This paper only theoretically proposes a model of EC, which could be used to design a pedagogy to stimulate

it. However, there is a need to put this pedagogy in practice and test its effectiveness in enhancing creativity before and after the course. In this sense, there is a need for defining the measured for this construct and a method to measure EC, which, however, is still lacking in the literature. What's more alternative teaching methods other than experiential learning could also be considered in designing the pedagogy.

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UNPACKING BUSINESS INTELLIGENCE SYSTEMS ADOPTION DETERMINANTS: AN EXPLORATORY STUDY OF SMALL AND MEDIUM ENTERPRISES

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ABSTRACT: *While extant business intelligence systems (BIS) adoption research focused mainly on adoption of BIS in large-sized organizations, our understanding about the adoption determinants and the process within small and medium enterprises (SME) is still limited. The aim of our research is to identify SME-specific determinants of BIS adoption at firm level that will guide the development and testing of a BIS adoption framework in the milieu of SMEs. By leveraging semi-structured interviews involving BIS experts and adopters, and blending them with comprehensive IT/IS adoption literature we identified instrumental determinant candidates for delving deeper into BIS adoption in SMEs.*

Keywords: *IT/IS adoption, firm level, business intelligence systems, small and medium enterprises, exploratory study*

JEL Classification: M15

1. INTRODUCTION

Information technologies (IT) and information systems (IS) denote significant investments for firms; investments on which they hope to realize returns in areas such as efficiency and improved decision making (Agarwal & Prasad, 1998). It has been widely noted that technological innovations are a primary driver of organizational productivity, yet, if promising innovations cannot be widely adopted, the benefits resulting from the investment will be curtailed (Zhu, Kraemer, & Xu, 2006). It is therefore imperative for firms to understand the process and determinants of IT/IS adoption and use (Karahanna, Straub, & Chervany, 1999).

In a decision-support milieu, business intelligence systems (BIS) have emerged as a technological innovation offering data integration and analytical capabilities to provide

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stakeholders at various organizational levels with valuable information for their decision-making (Turban, Sharda, & Delen, 2010). The IS literature has long emphasized the positive impact of BIS-enabled information on decision making, particularly when firms operate in highly competitive environments (Popovič, Hackney, Coelho, & Jaklič, 2012). While a review of the literature from different disciplines shows no scarcity of BIS definitions (Elbashir, Collier, & Davern, 2008; Trkman, McCormack, De Oliveira, & Ladeira, 2010; Watson, 2009; Williams & Williams, 2007; Wixom & Watson, 2010), we adopt in this work the following definition of BIS: 'quality information in well-designed data stores, coupled with software tools that provide users timely access, effective analysis and intuitive presentation of the right information, enabling them to take the right actions or make the right decision' (Popovič et al., 2012). Evaluating the adoption of BIS is vital to our understanding of the value and efficacy of implementation of these systems. Nevertheless, while IT/IS adoption on firm level has been well researched throughout various IT/IS applications, our understanding of factors affecting BIS adoption, as well as the adoption process itself, is rather limited.

Prior studies suggest there are key differences between BIS and other IS in several areas (Popovič et al., 2012). To begin with, the use of BIS is primarily voluntary and the benefits of BIS are more indirect and long-termed compared to operational IS. Secondly, BIS users are typically decision makers at higher organizational levels. Next, the information collected through BIS is more aggregated on the enterprise level and there is more sharing of information. Furthermore, the structuredness of information needs and processes within which ISs are used, and the structuredness of instructions for using the BIS, are considerably lower since the use is usually more explorative whereas the use of operational ISs is more exploitative. Last, but not least, the focus is more on necessary data and their relevance rather than on the technological solution, and this data in the environment of BIS also comes from external sources, and not only from the processes themselves. Against this backdrop we sturdily believe that in order to fully understand the determinants (and their effects) on BIS adoption it is necessary to undertake an integrative view, which will consider prior IT/IS adoption studies and further develop them to address the specifics of BIS.

While prior research in the field of BIS has primarily focused on large-sized firms (Popovič et al., 2012; Wixom & Watson, 2010; Yeoh, Koronios, & Gao, 2008), studies delving deeper in the milieu of small and medium enterprises (SME) are still scarce. Due to their inherent characteristics, namely less financial and human resources, greater risks, tighter cooperation with partners (Eikebrokk & Olsen, 2007), and due to their importance in a country's economic development, technological advancement, and job creation (Ayyagari, Demirguc-Kunt, & Maksimovic, 2011; Fink, 1998), we consider that exploration of BIS adoption factors in these organizational entities can significantly add to the existing body of knowledge in this topical area of BIS research.

We augment the extant BIS research efforts by conducting an exploratory study of BIS adoption determinants in SMEs milieu. Specifically, we aim to answer the following research question: *what are firm-level determinants of BIS adoption in SMEs?* Our work

focuses on the quest for determinants influencing IS adoption on the firm level (how firm adopt new technology) as opposed to determinants that are representing influential factors of acceptance on the individual level (i.e. on user/employee level within the firm) considered within Technology Acceptance Model (TAM) (Davis, 1989), Theory of Planned Behavior (TPB) (Ajzen, 1991), and Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003).

The rest of the paper is structured as follows. The next section delves deeper into the determinant candidates and their appearance in literature. This is followed by the explanation of methodology employed and an analysis of findings from the qualitative research regarding the suitability of identified adoption determinants' candidates within BIS milieu. Lastly, the paper concludes with a discussion and conclusion.

2. THEORETICAL BACKGROUND

While there is no lack of technology adoption theories and models at individual level (e.g. Ajzen, 1991; Davis, 1989; Venkatesh, Morris, Davis, & Davis, 2003), IT/IS adoption at firm level has received lesser attention. Within this field, two prominent theoretical foundations are commonly employed, namely Diffusion of Innovation (DOI) theory and Technology, Organization and Environment (TOE) framework (Chong, Ooi, Lin, & Raman, 2009). DOI (Rogers, 1995) exposes three sets of factors that influence a firm's IT adoption intent, namely *individual - leader characteristics* (attitude toward changes), *internal characteristics of organizational structure* (centralization, complexity, formalization, interconnectedness, organizational slack, size), and *external characteristics of the organization* (system openness). On the other hand, TOE framework (Tornatzky & Fleischer, 1990) encompasses *external task environment*, *organization*, and *technology*. The environment context includes industry characteristics and market structure, technology support infrastructure, and government regulation. The organization context includes formal and informal linking structures, communication processes, size, and slack. The technology context consists of availability and characteristics of technology. Derived from TOE framework and developed in the milieu of IT adoption in SMEs the Iacovou model (Iacovou, Benbasat, & Dexter, 1995) offers, along with DOI and TOE, a valuable foundation for our study. The Iacovou model puts forwards three sets of small enterprise-specific factors, namely *perceived benefits of IT innovations*, *organizational readiness* (financial resources, IT resources), and *external pressures* (competitive pressure, trading partner power) (Iacovou et al. 1995).

When addressing a specific IT/IS adoption milieu, it is important to combine various theoretical models and relevant constructs to achieve a reliable insight of the adoption phenomenon (Oliveira & Martins, 2011). Prior IT/IS adoption studies have not considered BIS milieu as the adoption phenomenon, thus leaving a research gap in this topical area. Through a comprehensive literature review, which provided nearly 70 determinants from various IT/IS adoption studies, we sought to expand our understanding of the BIS adoption phenomena through collecting relevant evidence about BIS-specific determinants and by establishing the list of BIS adoption factors candidates.

To frame the breadth and depth of our theoretical foundations we considered the works appearing in 11 instrumental journals from the researched field in the past decade. The first 8 journals (i.e. MIS Quarterly, Information Systems Research, Journal of the Association for Information Systems, Journal of Management Information Systems, European Journal of Information Systems, Information Systems Journal, Journal of Strategic Information Systems, and Journal of Information Technology) appear in the Association for Information Systems list of IS journals (Members of the Senior Scholars Consortium, 2011). To this list we added 3 more journals that are deemed important on a broader range of the research context (i.e. Information & Management, Decision Support Systems, and Management Science). All of the chosen journals are considered of top quality according to the Academic Journal Quality Guide (Harvey, Kelly, Morris, & Rowlinson, 2010). As the researched topic is a part of the rapidly changing IT/IS research field, we focused on the volumes for the past 10 years.

To further narrow the focus of our research within the pool of selected academic outlets we looked for the following keywords when deciding on inclusion of individual works: *business intelligence, adoption, innovation, SME, management information systems* and *decision support*.

The literature review that followed the above-explained procedure returned an ample number of determinant candidates (69) that were hard to manage. For better understanding and further analysis, determinants were organized in groups that were further mapped to TOE framework contexts. In the paragraphs that follow we provide more detailed information about the identified determinants. Determinant candidates and their presence in previous adoption research are summarized in groups in Tables 1 through 3.

We begin with the *environmental context* of the TOE framework (Tornatzky & Fleischer, 1990). Within this context we organized the identified determinant candidates in 8 groups. *Linked firm* represents vertical linkages to connected firms; these may be important when the parent firm can use its size advantage to experiment with innovations and then transfer it to the subsidiaries, or it may even require its subsidiaries to use certain type of IT and/or IS (Premkumar & Roberts, 1999).

Competitors is the group that reflects competitors' pressures to adopt an innovation. Intense competition can steer a firm to look at new ways of doing business (Ifinedo, 2011), whereas mimetic pressures may further cause a firm to change over time to become more like other firms in its nearby environment (Liang, Saraf, Hu, & Xue, 2007).

Customers is the group within environmental context representing clients' pressures towards adopting an IT-enabled innovation (e.g. Ifinedo, 2011; Mehrstens, Cragg, & Mills, 2001), as well as a firm's own desire to provide enhanced customer services with the help of new IT-enabled innovation (Daniel & Grimshaw, 2002).

Furthermore, a group of determinants regarding *industry & market* characteristics also influences technology adoption. It consists of market complexity (Buonanno et al., 2005);

industry pressures, which is related to the efforts of industry associations to proclaim standards related to innovation and encourage adoption (Chwelos, Benbasat, & Dexter, 2001), and expectations of market trends as environmental adoption factor, that can force firms (similar as competitors pressure) into adopting innovation (Chong et al., 2009).

Various influences on adoption can also be induced by business *partners*. Dependency on trading partner is the first factor candidate from this group. It captures the potential power of a trading partner to "encourage" innovation adoption (Chwelos et al., 2001). Trading partner power is also a significant variable in external pressure context (Iacovou et al., 1995). A firm that depends of the trading partner can be influenced to adopt an innovation. Influence strategy, like rewards and threats can be exercised with various strengths (Chwelos et al., 2001). New technologies can also improve transactions and relationships between business partners (Ifinedo, 2011). That is why sometimes business partners influence adoption of innovation in observed company. The expectation held by one firm that another will not exploit its vulnerabilities when faced with the opportunity to do so (Venkatesh & Bala, 2012), is the next BIS adoption factor candidate, expressed as the relational trust. To increase some of the effects of the innovation, companies need to grow cooperation with trading partners in community. In some cases the bigger is the community, larger are benefits of the innovation (Zhu, Kraemer, Gurbaxani, & Xu, 2006). Trading partner readiness can be adoption factor in cases when the observed firm is motivated and ready to adopt an innovation, but is unable to adopt due to unready trading partners (Chwelos et al., 2001).

To move on, *regulators* surfaced as another environment-related group of determinants that influences adoption in the way of legal barriers, which are defined as the lack of institutional frameworks and business laws governing the use of innovation, which can be a barrier for diffusion of innovation (Zhu, Kraemer, Gurbaxani, et al., 2006) or in the way of government regulation (Tornatzky & Fleischer, 1990) or regulatory environment (Zhu, Kraemer, & Xu, 2006). Another variable pertinent to this group is government support, viewed as "assistance provided by the authority to encourage the spread of IS innovations in businesses" (Ifinedo, 2011).

Special group of partners are *providers* of the innovation. Their external support as the next candidate refers to the availability of support for implementing and using an innovation. Some authors stated, that the increased outsourcing and third party support have an important impact on adoption. Organizations are namely more willing to risk trying innovation if they have adequate vendor or external support for the innovation (Premkumar & Roberts, 1999). Vendor support is one of two predictors with the highest predictive power of IT innovation adoption in information systems and computer science by Basole, Seuss, and Rouse (2013). By Jeyaraj, Rottman, and Lacity (2006) external information sources is one of the best IT adoption predictors. Furthermore, providers' marketing activities about innovation can significantly influence IT adoption. Three main factors that are important in this case are the targeting of the innovation, its communication, and the activities the provider undertakes to reduce the perceived risk of the potential customer (Frambach & Schillewaert, 2002).

Beside above described groups from the environmental context we identified additional determinants that do not universally fit within the earlier described groups. Thus, we included these determinants into a distinct group named *Broad*. To begin with, social influence, namely the perception of the public, prospective investors, and other stakeholders as to the attractiveness of a firm adopting the innovation (Tung & Rieck, 2005), is one of the determinants from this group. The usefulness of innovation sometimes depends on the amount of usage of the innovation (critical mass) in environment (Ling, 2001). Cultural differences that exist between different countries may affect the organisation's ability to adopt and utilise innovation (Ling, 2001). To this group are belonging also coercive and normative pressure (Liang et al., 2007) and other determinants from broader environment.

Table 1: *BIS in SME adoption determinant candidates from environmental context and references to prior works*

DETERMINANT CANDIDATE	SME STUDIES	GENERAL AND OTHER STUDIES
1.1. Linked firm		
1.1.1. Vertical linkages / Supply chain integration	Buonanno et al. (2005); Premkumar and Roberts (1999)	Tsai, Lee, and Wu (2010); White, Daniel, Ward, and Wilson (2007)
1.2. Competitors		
1.2.1. Competitors pressure	Chwelos et al. (2001); Daniel and Grimshaw (2002); Grandon and Pearson (2004); Iacovou et al. (1995); Ifinedo (2011); Li, Troutt, Brandyberry, and Wang (2011); Ling (2001); Premkumar and Roberts (1999); Quaddus and Hofmeyer (2007); Thong (1999)	Bose and Luo (2011); Chong et al. (2009); Frambach and Schillewaert (2002); Gu, Cao, and Duan (2012); Hsu, Kraemer, and Dunkle (2006); Hwang, Ku, Yen, and Cheng (2004); Jeyaraj, Balser, Chowa, and Griggs (2009); Oliveira and Martins (2010); Soares-Aguiar and Palma-dos-Reis (2008); Tung and Rieck (2005); Zhu, Kraemer, and Xu (2006)
1.2.2. Mimetic pressures		Liang et al. (2007); Teo, Wei, and Benbasat (2003)
1.3. Customers		
1.3.1. Customer's pressure	Daniel and Grimshaw (2002); Ifinedo (2011); Mehrtens, Cragg, and Mills (2001)	
1.3.2. Enhanced customer service	Daniel and Grimshaw (2002)	Jeyaraj et al. (2009)

1.4. Industry & market		
1.4.1. Expectations of market trends		Chong et al. (2009)
1.4.2. Industry & market complexity	Buonanno et al. (2005)	Tornatzky and Fleischer (1990)
1.4.3. Industry pressure	Chwelos et al. (2001); Grandon and Pearson (2004); Thong (1999)	Jeyaraj et al. (2009); Tung and Rieck (2005)
1.5. Partners		
1.5.1. Dependency on trading partner	Chwelos et al. (2001); Grandon and Pearson (2004)	
1.5.2. Network effects		Zhu, Kraemer, Gurbaxani, et al. (2006)
1.5.3. Partner power/pressure	Caldeira and Ward (2002); Chwelos et al. (2001); Daniel and Grimshaw (2002); Grandon and Pearson (2004); Iacovou et al. (1995); Ifinedo (2011); Ling (2001); Quaddus and Hofmeyer (2007)	Hsu et al. (2006)
1.5.4. Relational trust		Chong et al. (2009); Venkatesh and Bala (2012)
1.5.5. Trading partner readiness	Chwelos et al. (2001)	Oliveira and Martins (2010); Soares-Aguiar and Palmados-Reis (2008)
1.6. Regulators		
1.6.1. Legal barriers		Hsu et al. (2006); Zhu, Kraemer, Gurbaxani, et al. (2006)
1.6.2. Regulatory environment / Government support	Grandon and Pearson (2004); Ifinedo (2011); Ling (2001); Quaddus and Hofmeyer (2007)	Bose and Luo (2011); Hsu et al. (2006); Tornatzky and Fleischer (1990); Tung and Rieck (2005); Zhu, Kraemer, and Xu (2006)
1.7. Providers		
1.7.1. External support	Caldeira and Ward (2002); Y. Lee and Larsen (2009); Premkumar and Roberts (1999); Quaddus and Hofmeyer (2007)	Hong and Zhu (2006); Hwang et al. (2004)
1.7.2. Supplier marketing activity		Frambach and Schillewaert (2002)

1.8. Broad	
1.8.1. Coercive pressures	Liang et al. (2007); Teo et al. (2003)
1.8.2. Critical mass	Ling (2001); Quaddus and Hofmeyer (2007)
1.8.3. Cultural differences	Ling (2001)
1.8.4. Normative pressures	Liang et al. (2007); Teo et al. (2003)
1.8.5. Social influences	Tung and Rieck (2005)

The next dimension of the TOE framework is the **Organizational context** (Tornatzky & Fleischer, 1990). The first group of determinants explaining internal influences on the firm's adoption is firm *characteristics*. Quaddus and Hofmeyer (2007) are suggesting organization characteristics, such as business type, product type, etc. Next, widely used as adoption factors are also the size of the firm, often identified through the number of employees in a firm (Rogers, 1995) and the age of the firm (Bruque-Camara, Vargas-Sanchez, & Hernandez-Ortiz, 2004). Greater extent of adoption should be linked to the likelihood that firms being longer on the market have more contact with the IT used in the sector. Global scope, as next in this group, is suggested as a geographical extent of a firm's operations in the global market (Zhu & Kraemer, 2005). Firms may face increased costs when they expand into heterogeneous markets, hence firms with greater global scope may have greater needs to adopt some of the IS innovations as they can help to reduce some of the transaction costs (Zhu, Kraemer, & Xu, 2006). Next, desire to expand its market reach can influence a firm to adopt innovation too (Daniel & Grimshaw, 2002). To move on, a degree of functional extension refers to the number of strategic functions, directly managed within the firm (Buonanno et al., 2005) as the opposite to outsourcing and can influence on adoption. Furthermore, firms with higher level of diversification in terms of products, markets and technologies will have a greater need for coordination and control of activities (Buonanno et al., 2005), which can lead to greater need of IT innovation adoption. As management of information flow is a crucial issue for firms with branch offices that need to be remotely controlled (Buonanno et al., 2005), we are adding presence of branch offices as last BIS adoption factor candidate in this group.

Among the *collaboration* group internal processes, communication processes which firms use to communicate knowledge and stimulate technology adoption can be important adoption factors, whereas lack of experiences and knowledge about communicating information about new systems to employees hinders the adoption (Ling, 2001). Communication processes represent an adoption factor in organizational context of the TOE framework (Tornatzky & Fleischer, 1990). Another internal characteristics of organizational structure is interconnectedness; viewed as the degree to which the units in a social system are linked by interpersonal networks" (Rogers, 1995). Frambach and Schillewaert (2002) assert that the higher the degree of information sharing, the more likely organizations are exposed to new ideas and products. Such informal networks may either connect organizations within the industry or organizations in different industries.

Formal and informal linking structures among employees also belong to the organizational context of TOE (Tornatzky & Fleischer, 1990), which can significantly affect adoption process. Degree of integration can represent linkages with extensive communication to coordinate activities on one side, or largely hierarchies characterized by bureaucracy with little integration between business functions on the other side (Bajwa, Lewis, Pervan, & Lai, 2005). According to Bruque-Camara et al. (2004) flexibility measures the lack of bureaucracy in the organization. The use of inter-departmental working groups to solve key problems (Bruque-Camara et al., 2004) could be related to the adoption process, as technology innovation is generally a project oriented process. In the view of Hwang et al. (2004) the skills of the project team affect the decision of adopting innovation. Conflict as a measure of the conflict or lack of consensus existing in the organization is the next adoption factor candidate, proposed by Bruque-Camara et al. (2004). Last but not the least, according to Hwang et al. (2004), participation of users in the adoption stage affects the adoption of IS. By Basole et al. (2013) is user involvement the factor with high predictive power of IT innovation adoption in information systems and computer science.

Various *features* of the firm can also be considered as significant adoption factors. For example, understanding of culture is important to the study of information technologies. Culture at various levels (national, organizational, group) can affect success of IT. It also plays a role in managerial processes that may influence adoption (Leidner & Kayworth, 2006). Organizational culture is also one of two predictors with the highest predictive power of IT innovation adoption in information systems and computer science by Basole et al. (2013). Another possible BIS adoption determinant is absorptive capacity, defined as the ability of key organizational members to utilize available or preexisting knowledge (Ramamurthy, Sen, & Sinha, 2008). Another candidate in this group is organizational innovativeness, viewed as the notion of openness to new ideas as an aspect of a firm's culture (Venkatesh & Bala, 2012). Next, external characteristics of the firm are beside individual (leader) characteristics and internal characteristics of organizational structure another group of adoption factors in DOI theory. They refer to system openness (Rogers, 1995). Also, existing systems can play important role in adoption processes. According to Gu et al. (2012) higher levels of satisfaction with existing systems are negatively associated with adoption. On the other hand previous experience in using IT may also foster adoption of new technologies and result in extensive IT adoption (Bruque-Camara et al., 2004). Another candidate that could influence BIS adoption process is the propensity to change (including change, related to the new IT) of the members of the organization (Bruque-Camara et al., 2004). Similar factor is the intention to take IS/IT training (to increase/change level of knowledge) to achieve IS/IT success (Caldeira & Ward, 2002).

Another important group of determinants is related to the *management* of the company. Leaders attitude toward changes is an individual characteristic that represents a part of DOI theory (Rogers, 1995). Same or closely related factors are also present in other studies, like Ifinedo (2011) where "management support" is stated as engagement of top management with IS implementation, which plays a crucial role in influencing other organizational members to accept it. Decision-making in SMEs is often a part of the top management, therefore similar factor can be expressed as "top management support" (Premkumar & Roberts, 1999), which

is one of the top predictors of IT innovation adoption in IS and computer science fields (Basole et al., 2013). Centralization is another adoption factor derived from DOI theory. It is a part of internal characteristics of organizational structure and reflects the degree to which power and control in a system are concentrated in the hands of a relatively few individuals (Rogers, 1995). It was used also in other researches like Bajwa et al. (2005), where it is expressed as degree of centralization or concentration of decision-making activity. The next representative of DOI's internal characteristics of organizational structure is formalization, which is the "degree to which an organization emphasizes its members following rules and procedures" (Hameed, Counsell, & Swift, 2012; Rogers, 1995). Managerial complexity, as next candidate determinant, is the level of complexity and attendant risk associated with making process changes and the organizational adjustments necessary to accommodate the new innovation (Zhu, Kraemer, Gurbaxani, et al., 2006). In some cases it can be expressed as managerial obstacles, which refer to the lack of managerial skills for managing organizational adaptations (Zhu, Kraemer, & Xu, 2006). Power relationships are in Caldeira and Ward (2002) explained as possible conflict between managers which can emerge during the process of adoption, because of different perspectives of roles and responsibilities, or as differences of opinion on priorities, etc. Risk propensity is a decision maker's consistent tendency to take or avoid choices that are believed to be risky. It is organizational-level variable denoting the extent to which a firm is willing to take risks (Li et al., 2011). High level individual to promote the innovation within the firm (Hameed et al., 2012) is called project/product champion. Adopting organization will have a higher adoption level if they appoint a project champion with innovation related background, which has been also involved in similar projects before (Chong et al., 2009).

Last group of determinants in Organizational context is related to the *resources* of the company. Slack, defined as the degree to which uncommitted resources are available to an organization (Rogers, 1995), is a part of DOI as well as a part of TOE framework. As BIS exercise higher levels of voluntariness of use (Popovič et al., 2012) and are, as such, more sensitive for availability of resources, slack could be an important factor of BIS adoption. According Hameed et al. (2012) IS department size means existing IT function and dedicate IT personal within the organization. The size of IT function is tightly connected with the time and labor needed in adopting new technology (Hwang et al., 2004). Firms that do not possess the IT/IS expertise may be even unaware of new technologies or may just not want to risk the adoption of these innovations (Premkumar & Roberts, 1999). Similar variable is also IT-staff skills (Bruque-Camara et al., 2004). Professionalism of IS unit is one of the best predictors of IT adoption according to Jeyaraj et al. (2006). Similar to IT expertise, but broader factor is organizational readiness as availability of the needed organizational resources (not only physical assets, but also human knowledge of IS) for adoption (Ifinedo, 2011). Hameed et al. (2012) define it as level of awareness, resources, commitment and governance for adoption. Development competencies is factor candidate that refers to ability of the firm to developed IS/IT knowledge in-house or have IS/IT knowledge readily available from associated IS/IT enterprises (Caldeira & Ward, 2002). A data environment that is not properly managed is likely to face problems relating to quality, reliability, security, availability, integrity, and standards. Such an environment would pose greater challenges for introducing innovation (Ramamurthy et al., 2008).

Table 2: *BIS in SME adoption determinant candidates from **organizational context** and references to prior works*

DETERMINANT CANDIDATE	SME STUDIES	GENERAL AND OTHER STUDIES
2.1. Characteristics		
2.1.1. Degree of functional extension	Buonanno et al. (2005)	
2.1.2. Global scope / Expansion of market reach	Daniel and Grimshaw (2002)	Hsu et al. (2006); Soares-Aguiar and Palma-dos-Reis (2008); Zhu, Kraemer, and Xu (2006)
2.1.3. Level of diversification	Buonanno et al. (2005)	
2.1.4. Organization characteristics	Quaddus and Hofmeyer (2007)	
2.1.5. Organization age	Caldeira and Ward (2002)	Bruque-Camara et al. (2004)
2.1.6. Presence of branch offices	Buonanno et al. (2005)	
2.1.7. Size	Buonanno et al. (2005); Hameed et al. (2012); Y. Lee and Larsen (2009); Ling (2001); Premkumar and Roberts (1999); Thong (1999)	Bajwa et al. (2005); Bose and Luo (2011); Bruque-Camara et al. (2004); Frambach and Schillewaert (2002); Gu et al. (2012); Hsu et al. (2006); Hwang et al. (2004); Oliveira and Martins (2010); Ramamurthy et al. (2008); Rogers (1995); Soares-Aguiar and Palma-dos-Reis (2008); Tornatzky and Fleischer (1990); Zhu, Kraemer, and Xu (2006)
2.2. Collaboration		
2.2.1. Communication	Ling (2001)	Bruque-Camara et al. (2004); Chong et al. (2009); Tornatzky and Fleischer (1990); White et al. (2007)
2.2.2. Conflict		Bruque-Camara et al. (2004)
2.2.3. Interconnectedness / Social network		Frambach and Schillewaert (2002); Rogers (1995); White et al. (2007)

2.2.4. Linking structures / Degree of integration / Flexibility	Ling (2001)	Bajwa et al. (2005); Bruque-Camara et al. (2004); Frambach and Schillewaert (2002); Tornatzky and Fleischer (1990)
2.2.5. Participation of users		Hwang et al. (2004)
2.2.6. Working groups / Skills of project team		Bruque-Camara et al. (2004); Gu et al. (2012); Hwang et al. (2004)
2.3. Features		
2.3.1. Organizational absorptive capacity	Ling (2001); Thong (1999)	Ramamurthy et al. (2008); Tsai et al. (2010); White et al. (2007)
2.3.2. Organizational culture	Ling (2001)	Gu et al. (2012)
2.3.3. Organizational innovativeness		Frambach and Schillewaert (2002); Jeyaraj et al. (2009); Venkatesh and Bala (2012)
2.3.4. Previous experience in using IT		Bruque-Camara et al. (2004)
2.3.5. Propensity to change / IS/IT training	Caldeira and Ward (2002)	Bruque-Camara et al. (2004)
2.3.6. Satisfaction with present state		Gu et al. (2012); Hong and Zhu (2006)
2.3.7. System openness		Rogers (1995)
2.4. Management		
2.4.1. Centralization	Hameed et al. (2012)	Bajwa et al. (2005); Rogers (1995)
2.4.2. Formalization	Hameed et al. (2012)	Rogers (1995)
2.4.3. Leaders attitude toward changes / Management support / Organizational commitment	Caldeira and Ward (2002); Hameed et al. (2012); Ifinedo (2011); Ling (2001); Premkumar and Roberts (1999); Quaddus and Hofmeyer (2007); Thong (1999)	Bruque-Camara et al. (2004); Chong et al. (2009); Hwang et al. (2004); Ramamurthy et al. (2008); Rogers (1995); Tsai et al. (2010); Tung and Rieck (2005)
2.4.4. Managerial complexity / Perceived obstacles	Thong (1999)	Hong and Zhu (2006); Soares-Aguiar and Palma-dos-Reis (2008); Zhu, Kraemer, Gurbaxani, et al. (2006); Zhu, Kraemer, and Xu (2006)

2.4.5. Power relationships	Caldeira and Ward (2002)	
2.4.6. Project champion	Hameed et al. (2012)	Bose and Luo (2011); Chong et al. (2009); Gu et al. (2012); Hwang et al. (2004); White et al. (2007)
2.4.7. Risk propensity	Li et al. (2011)	
2.5. Resources		
2.5.1. Development competencies	Caldeira and Ward (2002)	Gu et al. (2012)
2.5.2. IS department size	Caldeira and Ward (2002); Hameed et al. (2012)	Bajwa et al. (2005); Hwang et al. (2004)
2.5.3. IT expertise	Caldeira and Ward (2002); Hameed et al. (2012); Li et al. (2011); Premkumar and Roberts (1999); Thong (1999)	Bruque-Camara et al. (2004); Hong and Zhu (2006); Soares-Aguiar and Palma-dos-Reis (2008)
2.5.4. Organizational data environment	Ramamurthy et al. (2008)	
2.5.5. Organizational readiness	Grandon and Pearson (2004); Hameed et al. (2012); Ifinedo (2011); Ling (2001); Mehrtens et al. (2001); Quaddus and Hofmeyer (2007)	Ramamurthy et al. (2008); Tsai et al. (2010)
2.5.6. Slack	Li et al. (2011)	Hwang et al. (2004); Jeyaraj et al. (2009); Rogers (1995); Tornatzky and Fleischer (1990)

Finally, we look at the *technological context* of the TOE framework (Tornatzky & Fleischer, 1990). Here we are investigating the determinants through two groups. The first group, i.e. *innovation*, is exploring the influence of BIS characteristics on its adoption. Literature highlights complexity (Chong et al., 2009) or perceived ease of use (Grandon & Pearson, 2004) as pair-wise opposite views, or decision makers' knowledge and expertise (Rogers, 1995) to depict how innovation is perceived as relatively difficult to understand and use. Other determinants pertaining to this group are expected or perceived benefit of innovations (Chwelos et al., 2001; Iacovou et al., 1995; Mehrtens et al., 2001; Venkatesh & Bala, 2012; Zhu, Kraemer, Gurbaxani, et al., 2006), relative advantage (Ifinedo, 2011; Premkumar & Roberts, 1999), and internal needs (Hwang et al., 2004). Perceived benefits and cost can also be found as top predictors of IS adoption with high predictive power (Basole et al., 2013). Especially for small businesses the cost of IT/IS is still a big deterrent to adoption, and therefore firms evaluate the cost relative to the benefits before adopting a new technology (Premkumar & Roberts, 1999). Financial resources, as an organizational readiness factor in Iacovou et al. (1995), is tightly connected to the cost of an innovation

and thus warranting its inclusion, as the related factor to cost, in the study. Furthermore, perception of strategic value, depicting how innovation can help with strategic activities of the firm, i.e. help with operational support, managerial productivity, and strategic decision aids (Grandon & Pearson, 2004), is another relevant construct. Perceived risk is the next possible factor representing the degree of risk (technical or other risk) associated with adoption or use of the innovation (White et al., 2007). Lastly, process compatibility, emphasizing the degree to which innovations are perceived as being consistent with existing methods for executing their mission (Venkatesh & Bala, 2012).

The second group of the technological context is discussing technological *readiness* to adopt an innovation. Within this group, standards uncertainty, depicted as inability to forecast accurately whether innovation and associated technologies will be stable over time and able to deliver the intended outcomes (Venkatesh & Bala, 2012), appears as a noteworthy adoption factor. Next, technology availability (Tornatzky & Fleischer, 1990) surfaces as a relevant adoption factor that refers to the availability of external technologies, relevant to the firm. Some studies, like Caldeira and Ward (2002), extended this availability factor with the need of having good enough quality for the respective purpose. Another factor pertaining to this group measures how existing technology fits socio-economic system of the firm (Bruque-Camara et al., 2004). Moreover, technology integration, viewed as degree of interconnectivity among back-office IS with databases inside the company and those externally integrated with suppliers enterprise systems and databases (Zhu & Kraemer, 2005), is also deemed important. Factors that express internal technology ability to adopt new technology or the degree to which a firm has necessary technology infrastructure to adopt, are also widely used in adoption studies. Tornatzky and Fleischer (1990) include this variable within technology characteristics. Other authors use this or similar variables in their models as technology readiness (Venkatesh & Bala, 2012; Zhu, Kraemer, & Xu, 2006), IT sophistication (Chwelos et al., 2001) or IT resources (Iacovou et al., 1995). In Iacovou et al. (1995) IT resources belong to the organizational readiness aspect of the model. Lastly, observability of the innovation, referring to the extent to which relative advantage or gains of innovation are clear (Ling, 2001) and trialability of the innovation, considered as the degree to which innovation can be pilot tested or experimented (Ling, 2001), are the two determinants completing our literature review.

Table 3: *BIS in SME adoption determinant candidates from technological context and references to prior works*

DETERMINANT CANDIDATE	SME STUDIES	GENERAL AND OTHER STUDIES
3.1. Innovation		
3.1.1. Perceived ease of use / Complexity	Grandon and Pearson (2004); Ifinedo (2011); Li et al. (2011); Premkumar and Roberts (1999)	Chong et al. (2009); Frambach and Schillewaert (2002); Y. W. Lee and Kozar (2008); Ramamurthy et al. (2008); Rogers (1995)

3.1.2. Expected benefits / Relative advantage	Caldeira and Ward (2002); Chwelos et al. (2001); Daniel and Grimshaw (2002); Grandon and Pearson (2004); Iacovou et al. (1995); Ifinedo (2011); Li et al. (2011); Ling (2001); Mehrtens et al. (2001); Premkumar and Roberts (1999); Quaddus and Hofmeyer (2007); Thong (1999)	Chong et al. (2009); Frambach and Schillewaert (2002); Gu et al. (2012); Hsu et al. (2006); Hwang et al. (2004); Y. W. Lee and Kozar (2008); Oliveira and Martins (2010); Ramamurthy et al. (2008); Tsai et al. (2010); Tung and Rieck (2005); Venkatesh and Bala (2012); White et al. (2007); Zhu, Kraemer, Gurbaxani, et al. (2006)
3.1.3. Innovation observability	Ling (2001)	White et al. (2007)
3.1.4. Innovation trialability	Ling (2001)	White et al. (2007)
3.1.5. Perceived risk		White et al. (2007)
3.1.6. Perception of strategic value	Grandon and Pearson (2004)	
3.1.7. Process compatibility	Grandon and Pearson (2004); Ifinedo (2011); Ling (2001); Premkumar and Roberts (1999); Thong (1999)	Chong et al. (2009); Frambach and Schillewaert (2002); Y. W. Lee and Kozar (2008); Venkatesh and Bala (2012); White et al. (2007)
3.1.8. Cost / Financial resources	Caldeira and Ward (2002); Chwelos et al. (2001); Grandon and Pearson (2004); Hameed et al. (2012); Iacovou et al. (1995); Y. Lee and Larsen (2009); Premkumar and Roberts (1999)	Bose and Luo (2011); Chong et al. (2009); Hong and Zhu (2006); Hwang et al. (2004); Jeyaraj et al. (2009); Y. W. Lee and Kozar (2008); Tung and Rieck (2005); Zhu, Kraemer, Gurbaxani, et al. (2006)
3.2. Readiness		
3.2.1. Standards uncertainty		Venkatesh and Bala (2012)
3.2.2. Technology availability / Quality of software available in the market	Caldeira and Ward (2002)	Tornatzky and Fleischer (1990)

3.2.3. Technology fit		Bruque-Camara et al. (2004)
3.2.4. Technology infrastructure	Ling (2001)	Bajwa et al. (2005); Soares-Aguiar and Palma-dos-Reis (2008); Tornatzky and Fleischer (1990)
3.2.5. Technology integration		Hong and Zhu (2006); Oliveira and Martins (2010); Zhu, Kraemer, and Xu (2006)
3.2.6. Technology readiness	Chwelos et al. (2001); Hameed et al. (2012); Iacovou et al. (1995)	Bose and Luo (2011); Chong et al. (2009); Gu et al. (2012); Hsu et al. (2006); Oliveira and Martins (2010); Tornatzky and Fleischer (1990); Venkatesh and Bala (2012); Zhu, Kraemer, and Xu (2006)

The above comprehensive literature review provides a solid foundation to proceed with further narrowing of the determinants to suite our research goals. In order to do so, we explored, through a qualitative survey, which of these determinants are deemed relevant for the milieu under study.

3. IDENTIFICATION OF FIRM-LEVEL BIS ADOPTION DETERMINANTS IN THE MILIEU OF SME

To develop a more nuanced understanding of the literature-derived determinants, data was collected through 10 face-to-face semi-structured interviews by one of the researchers. The interviews were carried out through a 2-phase approach, which permits in-depth exploration of the research question. Informants were selected through criterion sampling among 4 SMEs identified as BIS adopters (i.e. incumbents of decision makers having adequate knowledge about BIS adoption within the firm), and 6 BI professionals from the field, all sufficiently familiar with BIS adoption phenomenon in SMEs to adequately discuss the subject. We mostly considered experiences in BIS adoption and use, work position and also broader experiences in IS/IT utilization. All of the informants were from the different companies located in European Union and mostly operating internationally. Detailed information about the informants is depicted in Table 4.

Table 4: *Informants' characteristics*

	Project Role	Company Type	Company Size	Work Position	Years Holding Position	Working With BIS (Years)
1	Expert	IS development	Middle enterprise	Product manager for BIS	10	14
2	Adopter	Engineering and production	Middle enterprise	Head of IT sector	2	1
3	Expert	Education	Middle enterprise	Assistant professor for business informatics	2	12
4	Expert	IS implementation and support	Small enterprise	IS implementation senior adviser	7	17
5	Adopter	Advertising	Small enterprise	Director of the company	14	1
6	Adopter	Distribution and service	Middle enterprise	Head of IT and controlling	5	4
7	Expert	IS development and implementation	Middle enterprise	BI unit manager	7	9
8	Expert	IS implementation and support	Small enterprise	Director / ERP implementation & support specialist	4	9
9	Adopter	Sale and distribution	Middle enterprise	Work coordinator	7	4
10	Expert	IS implementation and support	Small enterprise	Director / ERP implementation & support specialist	7	5

3.1. First phase – Identification of BIS-related determinants

The first phase of interviews was conducted in January and February 2014. An interview guide was purposefully constructed to permit comprehensive exploration of the factors impacting BIS adoption, especially in a small or medium sized company. All interviews were recorded with the consent of the participants for later analyses and lasted on average nearly 50 minutes.

This phase consists of two parts. In the first, unstructured part informants were asked questions without seeing the results of our literature review, i.e. a list of determinant

candidates. In the second (structured) part informants were asked questions about determinant candidates which we extracted from the literature review. We decide for this approach to ensure innate response in the beginning of the interviews.

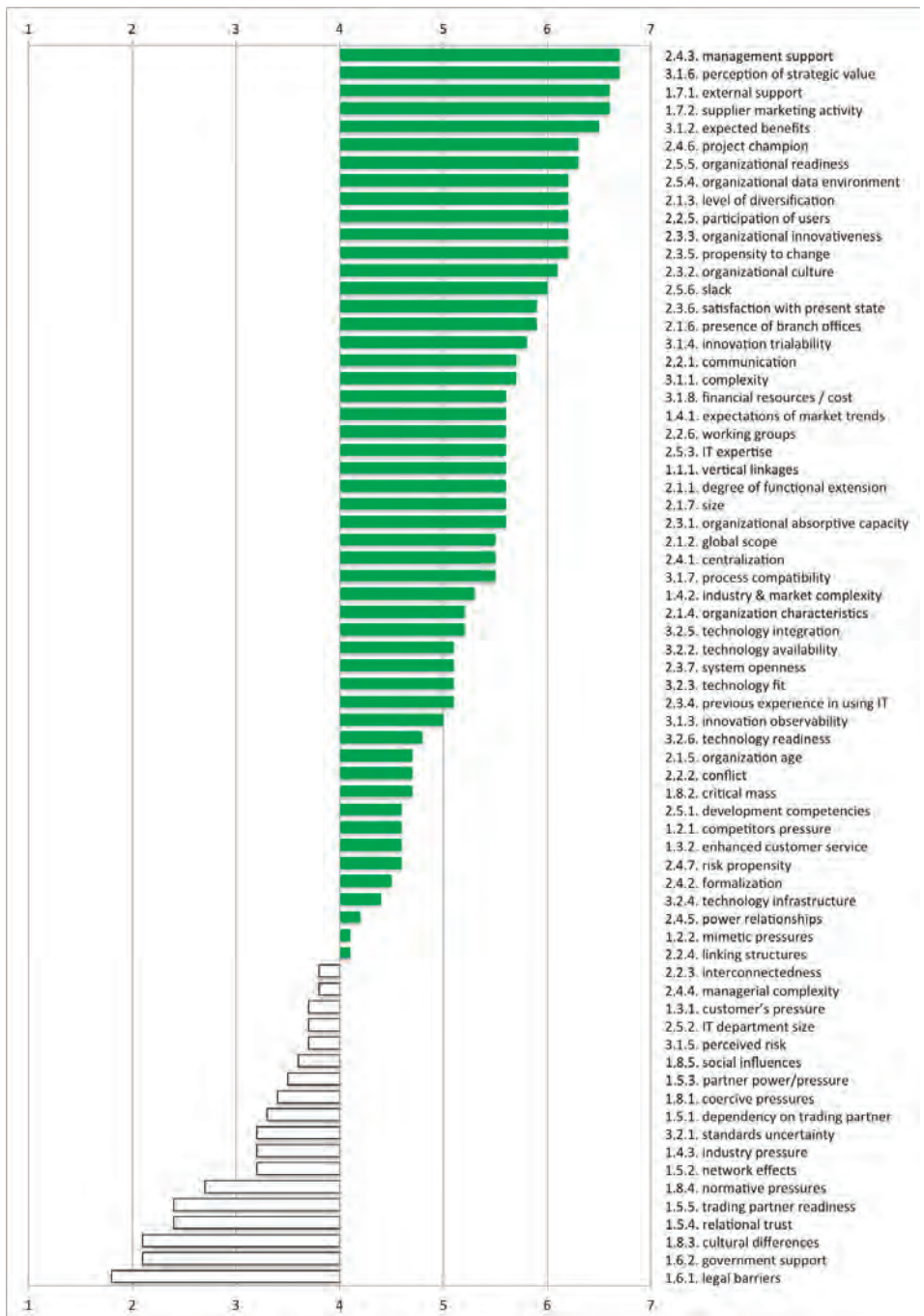
In the unstructured part informants were first asked to point out the factors that are, in their opinion, the most important for BIS adoption in SMEs (experts), or which factors prevailed in their decision about adopting BIS (adopters). In the next step informants were asked to express their level of agreement about the influence of previously expressed factors on BIS adoption. For this a 7-point Likert scale was employed, where 1 reflected complete disagreement about the influence of a specific determinant whereas 7 was linked to full agreement about the influence of a determinant. A more profound analysis of the unstructured part gave us 10 determinant candidates for the second phase of interviews. For inclusion in the second phase, each determinant had to be emphasized by at least 2 participants and needed to be graded highly (at least 6 out of 7) on employed Likert scale.

The structured part of the interviews resulted in the identification of 17 determinant candidates (13 additional and 4 matching results of unstructured part). In this part, informants were asked to express their agreement about influence of factors, which we previously discovered from the literature review. A 7-point Likert scale, as in the unstructured part, has been used here as well. The 17 emphasized determinant candidates are those, which reach the average grade of 6 (“I strongly agree that given determinant influenced”) or higher among all participants, or/and were stated as “one of the most important” during explanation of given grade by at least 2 participants. To achieve reliable results without favoritism of firstly listed factors, each interview had begun at different factor (interval of 7 was used). Results of the analysis of structured part are presented in Figure 1.

Besides the 23 candidate determinants suitable for inclusion in the next phase of research, additional characteristics of BIS adoption in SMEs were identified. To begin with, the majority of determinants that were labeled as influential come from organizational context (i.e. *level of diversification, organization characteristics, presence of branch offices, size, participation of users, organizational culture, organizational innovativeness, propensity to change, satisfaction with present state, management support, project champion, organizational data environment, organizational readiness, professional competence and slack*). Next, *external support* and *supplier marketing activity* were emphasized as dominant determinants of the environmental context, whereas *complexity, expected benefits, innovation trialability, perception of strategic value, cost* and *BIS is a part of ERP feature* are the significant determinants linked to the technological context. Moreover, this phase also revealed that *government support, legal barriers, normative pressures, trading partner readiness, relational trust among trading partners* and *cultural differences among countries* are not deemed as influential factors in BIS adoption decisions within SMEs.

To gain a comprehensive understanding of BIS adoption determinants in the context under study, participants were asked, both following the unstructured part as well as following the structured part of the first phase, to provide their view about which (if

Figure 1: Average grades of informants' evaluation of determinants candidates influencing BIS adoption in 1st round of interviews



any at all) determinants would be different in the case of a large-firm milieu. In general, informants agreed that differences between BIS adoption in SMEs and large firms exist. More specifically, the *costs* associated with the *resources* of the firm (greater relative influence in the case of SMEs due to mainly limited resources) and *regulatory influences* (smaller impact in the case of SMEs). Also, informants agreed that, due to the size and complexity of business environment, large firms have greater needs for BIS compared to their small and medium counterparts.

3.2. Second phase – Selection of key determinants

Against the backdrop of our first phase of the research, we inquired the informants to rank previously identified determinant candidates, both from the unstructured as well as from the structured part of the first phase. Figure 2 depicts average ranking of determinant candidates in descending order. Candidates with the best average ranking (above 12) on the left side of the chart are considered as being prominent determinants of BIS adoption for SMEs.

Overall, the second phase of the research produced a list of 11 BIS adoption determinants, as shown in Figure 3. Specifically, the results suggest that most determinants fall within the organizational context (6), followed by the technological context (4) and environmental context (1). These BIS adoption determinants will be employed in future confirmatory study where, through a quantitative research, a conceptual BIS adoption model will be tested through a survey of a larger set of SMEs.

Figure 2: Results of the 2nd phase of the quantitative research

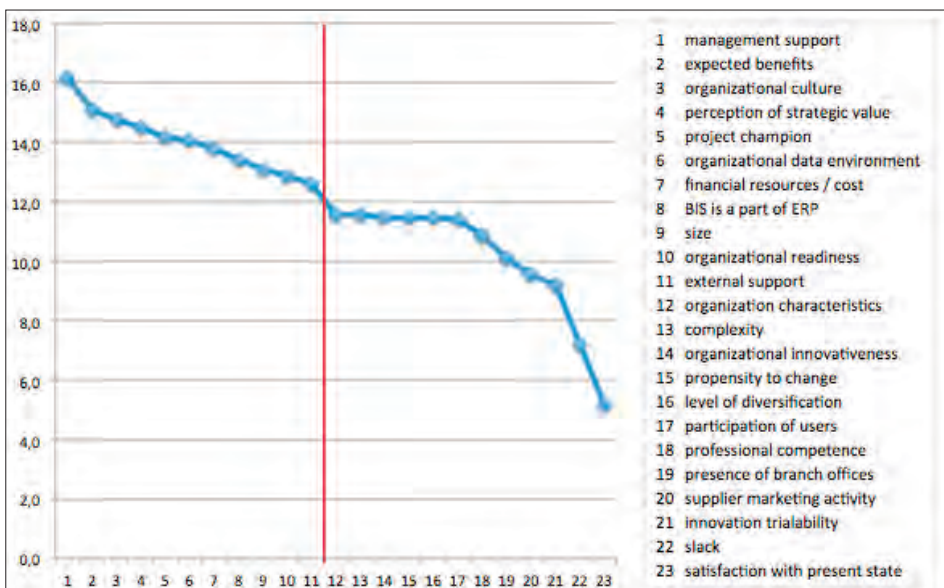
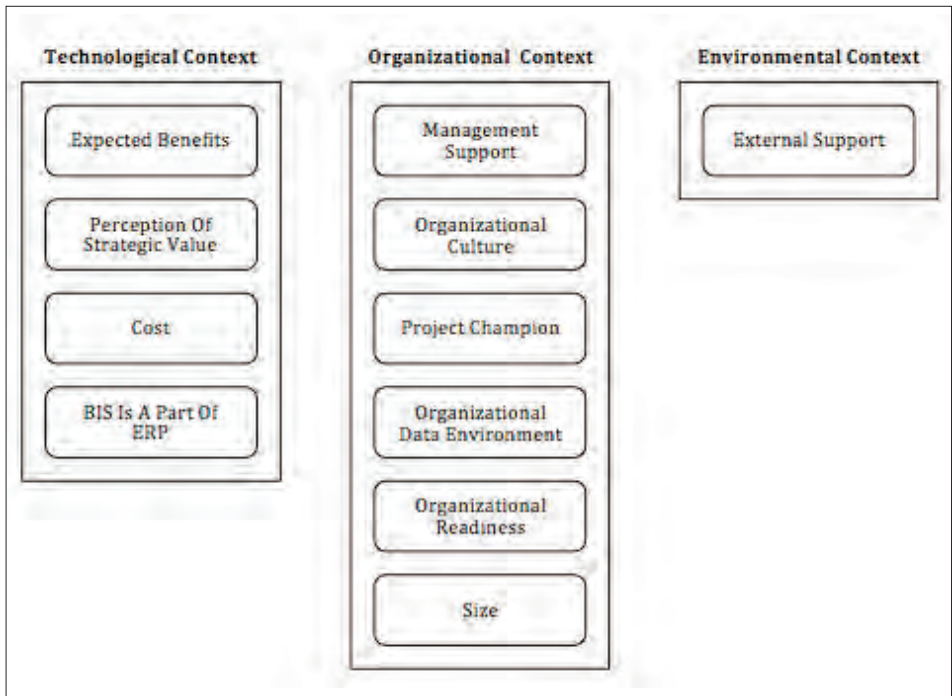


Figure 3: *BIS adoption determinants within corresponding contexts*

4. DISCUSSION

Our study, qualitative in nature, provides new insights on a current IT adoption research stream, namely BIS adoption within SMEs. To begin with, results suggest that majority of influences on BIS adoption originate in internal characteristics of the firm adopting the technology. The majority of identified determinants of BIS adoption in SMEs, as well as the determinant candidate showing the highest grades – i.e. *management support*, belong to the organizational context. Against the above-presented theoretical background management support, as a determinant, reflects management’s engagement in IT/IS adoption. Since BIS are primarily implemented to support decision makers at higher organizational levels (Popovič et al., 2012), generally thus management, we can assume that management’s engagement with BIS is even more directly linked to BIS adoption as it is in the majority of other cases of IT/IS adoption. Next, it is observed that environmental context is not considered an important set affecting SMEs’ intention to adopt BIS. Specifically, only one of the identified determinants belongs to this set, namely *external support*, where its average ranking is even the lowest among selected determinants. In contrast, technological context is deemed important, particularly the characteristics of BIS as innovation. Among the relevant determinants, our results emphasize expected benefits of BIS, perception of BIS strategic value, BIS-related costs and whether BIS is a part of an ERP solution.

The above discussion leads us to the conclusion that BIS adoption within SMEs is a phenomenon that is mostly driven by the management support, organizational culture, presence of the project champion, organizational data environment and other organizational characteristics and features, but characteristics and expectations about the BIS like expected benefits, perception of strategic value and cost must also be taken into account.

“To align our findings with previous studies we conducted the comparison of our results with the findings from the research of Basole et al. (2013), which examined 472 articles from the field of IT innovation adoption and extracted the most common adoption predictors.

Results are consistent across determinants of expected benefits (perceived benefits, (Basole et al., 2013)), cost, management support (top management support, (Basole et al., 2013)), organizational culture, size (organizational size, (Basole et al., 2013)) and external support (vendor support, (Basole et al., 2013)). All of these determinants are in Basole et al. (2013) denoted as “top predictors of IT innovation adoption”. The level of consistency is matched with previous studies by more than a half (6 of 11) of determinants.

When analyzing the determinants that are not consistent with previous findings, one that stood out is the perception of strategic value. One possible explanation for its inconsistency with previous findings lies in the differences between BIS and other IS/IT. BIS are namely typical tool, supporting decision makers at higher organizational levels (Popovič et al., 2012), where decisions about strategies, visions and missions are taking places and, as such, BIS can achieve perception of strategic value.

Next in line of determinants that appeared particular to BIS in SME is the project champion. This can also be linked to specifics of BIS. As the use of BIS is primarily voluntary, and the benefits of BIS are more indirect and long-termed compared to operational IS (Popovič et al., 2012) the adoption effort from internal pressure (Basole et al., 2013) of the (future) users is appropriately poorer. Additional motivation for adoption, which can be provided from project champion, is therefore fairly important for successful adoption of this kind of IS.

Furthermore, organizational data environment is another determinant specific to BIS adoption in SME. This determinant is also mostly related to BIS specifics. BIS are namely IS which utilize data from other - mostly transactional - IS (e.g. ERP). Consequently, BIS can be sensitive to quality of existing data in organization in contrast to some other IS, which purpose is to generate data and are using existing data to less significant extent.

Another BIS in SME specific adoption determinant is organizational readiness i.e. the availability of the needed organizational resources (not only physical assets, but also human knowledge of IS) for adoption (Ifinedo, 2011). This determinant's inconsistency with most common IS adoption determinants can be related to SME specifics. More precisely, is it related to limited resources of SMEs compared to their larger counterparts,

which generally possesses higher amounts of material resources and also more of various human knowledge of IS, at normally higher number of employees.

Last in the group of with previous findings inconsistent determinants is self-evidently determinant BIS as a part of ERP. To the best of our knowledge this determinant appears the first time in our research and, as such, cannot be a part of common IS adoption determinants of prior studies.

Denoted as inconsistency with prior researches can also be determinants that Basole et al. (2013) indicate as predictors with the highest predictive power, but are not selected in our research. Rather noticeable is external pressure, as determinant distinctive for more “open type” IS/IT, e.g. e-business (Oliveira and Martins, 2010). In the case of BIS we can observe a typical “internal” IS. Drawing upon this reasoning we can explain rather poor representation of the environmental context of determinants in our research.”

Comparing results with Iacovou model, significant correlation can be defined in the areas of expected benefits (Iacovou’s *perceived benefits of IT innovations*) and in organizational context, mostly in *organizational readiness* (i.e. financial resources, IT resources). Low correlation appears in area of external influences (i.e. *external pressures*), which could be attributed to the differences between BIS and Electronic Data Interchange as Iacovou’s research environment (Iacovou et al., 1995).

Nevertheless, attention in our research must also be given to the factors that were collected from the unstructured part of the interviews. Most factors (8 out of 10 entering the 2nd phase of interviews) that surfaced in this part correlate with the factors extracted from the literature review directly or indirectly. Most frequently mentioned were management support and expected benefits in various forms, like “easier management”, “growth control”, “management needs”, “managements initiative”, “better management”, “management effort”, “managements sponsorship”, “risk control”, and “cutting expenses”.

Yet, there were also 2 factors, entering the 2nd phase, that were collected from the unstructured part of the interviews and do not correlate with the factors extracted from the literature review. Some informants believe that BIS, that are a part of ERP system of the company, will be adopted more often, quicker and easier compared to other BIS, emphasizing that “*BIS is a part of ERP*” can be considered an important BIS adoption determinant. The roots for the importance of this determinant should be sought within both BIS and SME characteristics. BIS depend largely on the quality of available data; when BIS is a part of an ERP solution, we can expect to have better input for BIS as opposed when it is not sufficiently integrated with the transaction system (e.g. the data might not be readily available, incomplete, in unsupported formats etc.). This, in turn, leads to shorter BIS implementation times and, therefore, lower implementation costs. This is very important for SMEs, as they are relatively more sensible on cost increases compared to their larger counterparts. Also, such integrated solution is more effective in terms of the burden for employees as they need to learn about fewer different systems to achieve their goals (e.g. the learning curve is steeper, there is a single user support

etc.). Since SME have fewer human resources, the above stated characteristics importantly impact the adoption of BIS in SME.

Another determinant candidate further arising from the unstructured part of the interview is *professional competence* of the employees. This phenomenon encompasses all professional competence, knowledge, abilities and skills that are important for the company processes and adoption of innovation. This leads us to the conclusion that human resources, and specially their characteristics, could also be a significant determinant of BIS adoption in SMEs.

The 1st phase of interviews led to the identification of a wide range of factors that might impact BIS adoption in SME. Indetermination about reciprocal value of influential strength among determinants is leading us to the conclusion that 2nd phase of this exploratory research with ranking top determinant candidates from the 1st phase was certainly needed in order to provide a reliable set of BIS adoption determinants for SMEs.

To reach a more complete understanding of BIS adoption determinants for SMEs, an assessment about which determinants would be different for large firms was carried out. In general, it was agreed that differences between BIS adoption in SMEs and large firms exist; the costs associated with the resources of the firm (greater relative influence in the case of SMEs due to mainly limited resources) and regulatory influences (smaller impact in the case of SMEs). Also, it was agreed that, due to the size and complexity of business environment, large firms have greater needs for BIS compared to their small and medium counterparts. A further analysis of this response and further clarification with the informants, we concluded that greater needs rather mean a more varied BIS, namely a BIS with a greater pool of functionalities as result of more complex business requirements. This does not curtail the importance of the BIS for SME, but rather emphasizes the fact that SMEs need a different type of BIS.

On a practical side, we expect that our results, although not yet empirically validated, will assist software vendors and consultants, as they will provide a deeper understanding of the drivers of BIS adoption in SMEs. Based on importance of BIS, the results will be relevant also for individual firms in case they need to foster the use of BIS as factor of success of the company. Managers and BIS specialists can gain a valuable insight into influences that are more or less present among various factors in their adoption process. They can be focused on key factors in their environment and their company, and be more efficient in managing them. Further, they can also be aware which BIS and surrounding IT characteristics are important in order to adopt a BIS.

Last, but not least, it is important to note the limitations of this work. First, for more representative insight into studied phenomenon the sample of included firms could be larger and geographically more dispersed (all interviewees were from the same country). Another limitation is also the fact that this research directly addresses only SMEs whereas large companies are studied just through differences to SMEs, and with limited experiences of interviewees.

5. CONCLUSION

A comprehensive literature review, coupled with the results from qualitative cases, gave us an overview of determinants considered as having noteworthy influence on BIS adoption in SMEs. Through the two-phase approach we pinpointed the candidate determinants for BIS adoption in SMEs to provide a succinct list of determinants for empirical confirmatory testing.

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E / B / R

**POVZETKI V
SLOVENSKEM JEZIKU**

MARKETING IN SMALL FIRMS: THE CASE OF SLOVENIA

TRŽENJE V MALIH PODJETJIH: PRIMER SLOVENIJE

MATEJA BODLAJ, IČA ROJŠEK

POVZETEK: Namen članka je pridobiti boljše poznavanje kako je trženje razumljeno in kako se izvaja v slovenskih malih podjetjih. Polstrukturirani poglobljeni intervjuji so bili opravljeni s 25 lastniki/managerji podjetij. Glavne ugotovitve raziskovalne študije kažejo, da je stil trženja slovenskih malih podjetij domnevno podoben kot pri zahodnih kolegi. Trženje je navadno pojmovano kot taktika/metoda (največkrat kot sinonim za oglaševanje), brez osebe odgovorne samo za to področje. Načrtovanje trženja pogosto obstaja le v glavah lastnikov/managerjev, navadno s kratkoročnimi široko zastavljenimi cilji.

Ključne besede: mala podjetja, trženje, načrtovanje, kvalitativna raziskava

EXPLORING RELATIONSHIP BETWEEN BRAND EQUITY AND CUSTOMER LOYALTY ON PHARMACEUTICAL MARKET

PRIKAZ POVEZANOSTI VREDNOSTI BLAGOVNE ZNAMKE IN ZVESTOBE KUPCEV NA FARMACEVTSKEM TRGU

JASMINA DLAČIČ, ELVEDINA KEŽMAN

POVZETEK: Z ohranjanjem stalnega zadovoljstva in visoke ravni vrednosti blagovne znamke kupci izrazijo namero o dolgoročnem kupovanju izdelka ter se izbira širi tudi na ostale proizvode podjetja. Z razvojem blagovne znamke, ki predstavlja kupcem vrednost, bo zadovoljstvo kupcev raslo in se bo okrepil odnos med zadovoljstvom in razvojem blagovne znamke. Namen prispevka je pridobiti vpogled v odnos med vrednostjo blagovne znamke in zvestobo kupcev izdelkom za samozdravljenje. Rezultati raziskave kažejo, da elementi vrednosti blagovne znamke povečajo zvestobo kupcev blagovni znamki, vendar vsi elementi ne prispevajo na enak način.

Ključne besede: zvestoba kupcev, vrednost blagovne znamke, zaznana kakovost, zaupanje, farmacevtski trg

THE ORIGINS AND CONSEQUENCES OF CONSUMER ANIMOSITY IN SLOVENIA: A QUALITATIVE STUDY

IZVOR IN POSLEDICE ANIMOZNOSTI PORABNIKOV V SLOVENIJI: KVALITATIVNA RAZISKAVA

LEJLA PERVIZ, TINA GEČ, IRENA VIDA, TANJA DMITROVIČ

POVZETEK: V članku je prikazana raziskava izvorov animoznosti porabnikov v Sloveniji in posledice negativnih stališč, značilnih za državo, do tujih nakupovalnih navad. Empirični podatki so bili zbrani z 82 polstrukturiranimi, osebnimi in poglobljenimi intervjuji z uporabo maksimalne vzorčne variacije. Zapisi razgovorov so bili nato vsebinsko analizirani v dvostopenjskem pristopu, znotraj samega primera in z vrednotenjem čezmejnih primerov. Največja animoznost je bila zaznana v naslednjih državah: Madžarska, Hrvaška, Italija in ZDA. Najpomembnejši izvori animoznosti so povezani s samimi ljudi, politiko in osebnimi izkušnjami. Ugotovljeno je bilo, da animoznost porabnikov vpliva na nakupovalne navade pri izbranih kategorijah izdelkov. Na podlagi rezultatov raziskave so podani teoretični in managerski predlogi izboljšav

Ključne besede: animoznost porabnikov, nakupne navade, država izvora

A RESOURCE-BASED VIEW OF ENTREPRENEURIAL CREATIVITY AND ITS IMPLICATIONS TO ENTREPRENEURSHIP EDUCATION

KONKURENČNA PREDNOST NA PODLAGI VIROV PODJETNIŠKE USTVARJALNOSTI IN NJENA IMPLEMENTACIJA V PODJETNIŠKO IZOBRAŽEVANJE

JING LIN, ANJA SVETINA NABERGOJ

POVZETEK: Ustvarjalno reševanje problemov in inovacije so ključna znanja za podjetnike, ki jih pridobijo na podlagi izkušenj in izobraževanja. Žal je podjetniško izobraževanje prejelo v zadnjem obdobju veliko kritik, ker samo izobraževanje ne poudariti dovolj razvoja ustvarjalnih sposobnosti. Čeprav številni znanstveniki in pedagogi poudarjajo potrebo po vključevanju ustvarjalnosti v podjetniško izobraževanje, še vedno ni jasno kako se učinkovito spodbudi ustvarjalnost ustreznega podjetniškemu kontekstu. Namen raziskave je

pokazati, kako se lahko teorija konkurenčne prednosti na podlagi virov uporabi pri razlagi ustvarjalnega obnašanja podjetnikov, v kateri je podjetniška ustvarjalnost umeščena v gradnjo virov. Namen članka je, da se začne analiza podjetniške ustvarjalnosti iz pogleda, ki temelji na konkurenčni prednosti na podlagi virov ter zagotavlja temelje za izgradnjo ustreznega pedagoškega pristopa za usposabljanje ustvarjalnosti specifično podjetniškimi procesom za učinkovito uvedbo podjetniške ustvarjalnosti v podjetniškem izobraževanju.

Ključne besede: *animoznost porabnikov, nakupne navade, država izvora*

UNPACKING BUSINESS INTELLIGENCE SYSTEMS ADOPTION DETERMINANTS: AN EXPLORATORY STUDY OF SMALL AND MEDIUM ENTERPRISES

DEJAVNIKI PRIVZEMANJA POSLOVNOINTELIGENČNIH SISTEMOV: RAZISKOVALNA ŠTUDIJA MALIH IN SREDNJE VELIKIH PODJETIJ

BORUT PUKLAVEC, TIAGO OLIVEIRA, ALEŠ POPOVIČ

POVZETEK: *Med tem, ko so raziskave privzemanja poslovnointeligenčnih sistemov večinoma usmerjene v velike organizacije, je naše poznavanje procesa privzemanja v malih in srednjih podjetjih nizko. Namen raziskave je ugotoviti specifične determinante malih in srednjih podjetij za privzemanje poslovnointeligenčnih sistemov na ravni podjetij, ki bodo usmerjale razvoj in testiranje privzemanja poslovnointeligenčnih sistemov v okolju malih in srednjih podjetij. Z uporabo polstrukturiranih intervjujev strokovnjakov za poslovnointeligenčne sisteme in uporabnikov, ki so jih prevzeli v povezavi z uporabljenimi literaturo o IT/IS privzemanju, smo identificirali kandidate za poglobljeno privzemanje poslovnointeligenčnih sistemov v malih in srednjih podjetjih.*

Ključne besede: *IT/IS privzemanje, poslovnointeligenčni sistemi, mala podjetja, srednja podjetja, raziskovalna študija*
