Developments in Marketing Science:
Proceedings of the Academy of Marketing Science

Venkatakrishna V. Bellur *Editor*
Thomas R. Baird · Paul T. Hertz
Roger L. Jenkins · Jay D. Linquist
Stephen W. Miller *Co-Editors*

The 1980's: A Decade of Marketing Challenges

Proceedings of the 1981 Academy of Marketing Science (AMS) Annual Conference

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FOREWORD

Volume IV of the 1981 Annual Conference Proceedings represents another milestone in the growth and progress of the Academy of Marketing Science. This Conference, THE 1980's: A DECADE OF MARKETING CHALLENGE, presents the academicians and marketers a challenge and an opportunity to explore the future of marketing science.

A total of 154 papers were received by chairpersons representing 12 tracks. These papers were read by a large and diversified group of reviewers in the usual double-blind refereeing process. The review process resulted in the inclusion of 103 papers in the 1981 Proceedings, Volume IV.

This volume of the Conference Proceedings includes 13 operative tracks. They are: (1) Channels of Distribution; (2) Consumer Behavior; (3) Industrial Marketing; (4) International Marketing; (5) Marketing Education; (6) Marketing Management; (7) Marketing Research; (8) Non-profit and Health Services Marketing; (9) Promotions; (10) Public Policy; (11) Quantitative Marketing; (12) Research-In-Progress; and (13) Miscellaneous. The track on Non-profit and Health Services Markesting is new to the Academy of Marketing Science Proceedings. This track is especially relevant and timely as we enter the decade of the 1980's in light of the need for better, efficient, and less expensive health services.

We wish to thank the authors of the papers for following the guidelines in preparing the manuscript for publication. In addition, we would like to thank Drs. Dub Ashton, Harold W. Berkman, Jane K. Fenyo, and Robin T. Peterson; Mrs. Kirsten Bellur; track chairpersons; and reviewers for their timely assistance and guidance.

We also wish to express our appreciation to the following individuals for the financial and personnel support provided to meet the expenses related to the publication of the *Proceedings;* Dr. Joseph D. Brown, Director, Bureau of Business Research, and Dr. James R. Lowry, Head, Department of Marketing, College of Business, Ball State University; Dr. Robert B. Glenn, Provost, and Dr. Robert N. Hanson, Dean, School of Business and Management, Northern Michigan University; Dr. John W. Wagner, Dean, and Dr. Guy R. Banville, Associate Dean, School of Business Administration, St. Louis University; Dr. Gary Dicer, Head, Department of Marketing and Transportation, and Dr. Warren Neel, Dean, College of Business Administration, University of Tennessee, Knoxville; Dr. Gary M. Walton, Dean, School of Business Administration, University of Miami; and Dr. Darrell G. Jones, Dean, College of Business, and Dr. Luarel Grotzinger, Dean, Graduate College, Western Michigan University. In this context, we also want to thank the following Cosponsors: California State University, Fullerton; C.W. Post Center, Long Island University; Concordia University (Marketing Department); Eastern Michigan University; Georgetown University; New Mexico State University; Stephen F. Austin State University; University of Denver; University of North Carolina, Greensboro; and University of North Dakota.

We have exercised every care in compiling this volume but recognize errors of structure and omission. Papers received after the deadline date are included in the Miscellaneous section of the *Proceedings*. Please relax, read, and explore the contributions by your colleagues.

April 29, 1981
Miami Beach, FL.

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Ball State University
Paul T. Hertz
University of Miami
Roger L. Jenkins
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PREFACE

The Academy of Marketing Science is a consortium of University academicians and business executives whose purpose is to :

1. Further the science of marketing throughout the world by promoting research and the dissemination of findings.
2. Provide a forum for studying and understanding of marketing as an economic, ethical, and and social force.
3. Furnish, as appropriate and available, material and other resources for the solution of marketing problems which confront particular firms and industries, on the one hand, and society at large on the other.
4. Provide for the Fellows of the Academy reviewer assistance on scholarly articles and opportunities for publication.
5. Sponsor one or more annual conferences to enable the Fellows of the Academy to present research results; to learn by listening to other presentations and through interaction with other Fellows and guests; to avail themselves of the placement process; to conduct discussions with book editors, and to exchange other relevant information.
6. Assist Fellows in the better utilization of their professional marketing talents through redirection, reassignment, and relocation.
7. Provide educator Fellows with insights and such resources as may be available to aid them in the development of improved teaching methods, materials, devices, and directions.
8. Seek means for establishing undergraduate scholarships and professional university chairs in the field of marketing.
9. Offer Fellows of the Academy status to business and institutional executives and organizations.
10. Establish Chapters of the Academy worldwide.

Devoted to implementing these goals, the Academy continues to move forward. *The Journal of the Academy of Marketing Science*, the Academy Monograph Series, and the Academy's Annual Conferences promote research act as a vehicle for its dissimination, and provide a forum for stimulating communication and interaction. The number of our Fellows and of institutional subscribers steadily increases, and the *Journal's* national and international recognition spreads dramatically. It is now subscribed to in all the United States, including, of course, Alaska, Hawaii, and Puerto Rico. Internationally, its reach has grown rapidly; foreign subscribers exceed 150. In Canada they are extensive both in numbers and in geographic reach. Over 100 are sent overseas. In Europe the *Journal* goes to Belgium, Denmark, England, Finland, the Netherlands, Spain, Sweden, Switzerland; but the *Journal* is also subscribed to in Australia, British Columbia, China, Egypt, Guam, India, Israel, Japan, Korea, Mexico, Nigeria, Manila, Nicaragua, Trinidad, and Turkey. Library and business requests for information and samples arrive constantly from new regions.

A vote of gratitude is due to our Academy President, Robin T. Peterson, under whose leadership the Academy has markedly advanced toward its goals.

Congratulations to Ms. Jane Campbell "Casey" Cousins, our Marketer of the Year. Thanks to Dub Ashton, our 1981 Conference Programs Chairman for an excellent job of Conference planning. We appreciate the hard work done by Venkatakrishna V. Bellur, Editor and Conference Programs Cochairman, in editing these proceedings, and Ms. Sandra W. Marsh in seeing to the production. Congratulations and thanks to authors whose work is published here, and to our Research-In-Progress authors we offer support and encouragement for successful completion of their projects. To the reviewers of papers submitted for the Conference, track chairpersons, session chairpersons, speakers and discussants, we express our thanks for their important contributions. We are indebted to the University of Miami and to our local arrangements committee headed by Randall Hess for the arrangements in Miami Beach. The participation of our business colleagues is a strong and rewarding part of Academy operations. Finally, thanks to our Conference Cosponsors for their financial and moral support. On behalf of the Officers of the Academy, please accept our best wishes for a pleasurable and profitable Conference.

April 29, 1981
Miami Beach, FL

Harold W. Berkman
Jane K. Fenyo

TABLE OF CONTENTS

MISCELLANEOUS

RETAILERS AND ENERGY CONSERVATION - A SECOND LOOK

Robert F. Hoel, Colorado State University
Joseph A. Bellizzi, Colorado State University
William D. McCarty, Colorado State University

Abstract

Retailers were surveyed to determine their attitudes about energy conservation. This paper describes the findings and compares them to results obtained in a previous study of retailers' energy conservation attitudes which was reported at the Third Annual Conference of the Academy of Marketing Science.

Introduction

During the 1970's American industries and citizens became more aware of the need to conserve energy. Fuel prices rose rapidly and the likelihood of interruptions in foreign oil supplies increased. There was a growing realization that supplies of fossil fuels might run out some day and that some alternatives were not economically feasible nor totally safe. The beginning of the new decade of the 1980's did not mean the end to what has become known as the "energy crisis." Two major oil supplying nations engaged in a destructive military conflict that threatened to spread to other vital energy producing areas. An obvious response to the world-wide energy situation in the short term is to conserve energy supplies.

When searching for approaches to reduce U.S. energy consumption, special attention should be paid to the retail-commercial sector which has recently accounted for 14.4 percent of total energy consumption (Public Technology, Inc. 1975). Between 1968 and 1975 the retail-commercial sector's increase in energy consumption grew faster than consumption in residential, transportation, and industrial sectors. Furthermore, the Federal Energy Administration expects a 43 percent increase in retail-commercial energy consumption between 1975 and 1985 while expecting lesser increases in industrial and other sectors (Roberts and Redfering, 1979).

The cost of energy to the retailer continues to rise. Chain Store Age (1979) estimates that utility expenditures for supermarkets reached $3.61 per square foot in 1979. Most other retail stores had utility expenses ranging from $2.25-$3.00 per square foot. Space conditioning accounts for 51 percent of total retail energy consumption, lighting 18 percent, water heating 6 percent, cooking 15 percent, refrigeration 6 percent, and other uses 4 percent (Federal Energy Administration, 1977).

Fortunately, sizable quantities of energy can be conserved by retailers through methods that involve little or no capital expenditures. Chain Store Age (1978) points out that by simply trimming energy wastes a retail store can cut its energy bill by 15 to 20 percent. Federal government agencies agree that substantial savings can be achieved relatively easily, but their estimates vary somewhat. The Federal Energy Office estimates savings in the commercial sector can approach 25 percent by using techniques that require no capital outlays (Roberts, 1977). The National Bureau of Standards projects a 30 percent energy savings in the retail-commercial sector through the use of simple energy conservation techniques (Roberts, 1977). There is a general concensus that substantial energy savings can be achieved through better maintenance, closer control of operations, and a positive attitude toward conservation.

Though many retailers have dramatically reduced their energy consumption in the last few years, many others have not taken any conservation steps nor have they fully implemented a large number of low-cost or no-cost conservation techniques. Why retailers have not adopted conservation techniques is not well understood because most previous studies of retail energy conservation have ignored the attitudes and energy conservation knowledge of retail store managers, owners, and executives. A major exception is an insightful study of Florida retailers which was reported by Roberts and Redfering (1979) at the Third Annual Conference of The Academy of Marketing Science. That provocative study was a stimulus for the study reported in this paper.

The purpose of this present paper is to report key findings obtained during a recent study of the energy conservation attitudes and beliefs of Colorado retailers and to compare those findings to the results obtained in the study of Florida retailers. The public policy implications of those findings are also examined. The method and findings of the Florida study are reviewed first and then the method and findings of the Colorado study are reported and compared to the Florida data.

The Florida Study

During the summer of 1977, researchers from the University of West Florida surveyed retail establishments in the six largest metropolitan areas in Florida. The respondents were randomly selected from six retail categories, and the total population was defined as those firms which were listed in the "yellow pages" of the telephone directory. The six retail store categories were groceries, department stores, restaurants, pharmacies, discount stores, and shopping malls.

The survey consisted of a series of structured personal interviews. Two hundred retail managers and assistant managers were selected to be interviewed, and the researchers were able to complete interviews with 159 of them. The interview contained 53 questions which required approximately 45 minutes for completion.

One key finding was that the retailer respondents believed that the U.S. energy problem was real and should be of concern. Approximately one-third said it was a very serious problem; over one-half said it was a serious problem, and the remaining one-sixth believed that the energy problem was minor or did not exist. However, the respondents often indicated that the problem might soon disappear because of technical breakthroughs. Many were prone to place blame for the high level of national energy usage on people and industries in other parts of the country.

Another key finding was the lack of knowledge about federal energy guidelines. Approximately two-thirds of the managers were not aware of the voluntary lighting guidelines.

With regard to the voluntary adoption of energy conserving techniques, the managers felt energy conservation should be a voluntary program at first with mandatory cutbacks later. Most managers indicated considerable reluctance for government to enforce and imposé energy regulations, but 33 percent of the retailers felt that mandatory controls were the only ways to obtain substantial energy conservation. In fact, when they were asked for suggestions on how to alleviate the energy problem, the only clear suggestion was for the government to impose mandatory lighting and temperature levels; although the government's program would have to be fair and equitable.

The retailers stated that greatest effort in energy conservation could be expected when there was a financial incentive. Most who had already implemented energy conservation procedures said they did so because it was cost effective. Not surprisingly, more than three-fourths were in favor of government tax creidts for energy conservation programs.

The respondents showed generally favorable attitudes toward specific energy saving techniques. Seventy percent had already extinguished interior lights more often and sixty percent had extinguished lights at additional times. They were far less likely to have altered the store's temperature and were not in favor of curtailing store hours in the future.

Methodology: The Colorado Study

Unlike the personal interview approach used in the Florida study, the Colorado study of retailer attitudes used a self-administered questionnaire which was mailed to retailers. These questionnaires were sent to a total of 383 retail stores in Fort Collins and Loveland, Colorado. The recipients included all retailers in the following retail activity areas as defined by the SIC numbers shown in brackets: eating places (5812), food stores (5411), general merchandise stores (5311, 5331, and 5399), building materials (5211, 5251), apparel and accessory stores (5611, 5621, 5631, 5641, 5651, 5661) and furniture, home furnishings and equipment stores (5712, 5713, 5722, 5732). These categories were selected because of the diversity of their operations, their visibility to consumers, the relatively high numbers of stores in each category.

The questionnaires were pretested and mailed during March, 1980. Three weeks later, a 41 percent response rate had been achieved. It was decided to mail out a follow-up questionnaire to the remaining non-respondents. This second wave of questionnaires resulted in a total 57.7 percent response rate, which is relatively high for a mail questionnaire.

Table 1 shows the number of questionnaires and the response rate by type of retail store. Only the eating places category had a response rate below 50 percent, but that category is the one with the highest total number of respondents. Ninety percent of the people completing the questionnaire were either store owners or store managers.

A portion of the questionnaire consisted of statements about the energy crisis. Retailers were asked to indicate their degree of agreement with the statement. A five-point Likert-type scale was used to quantify responses with a value of five for strongly agree, four for agree, three for uncertain, two for disagree, and one for strongly disagree.

Results

The Colorado study, like the Florida study, revealed that retailers believe that there is a serious energy problem in the U.S. As shown in Table 2, nearly half strongly agreed with the statement, "There is an energy crisis in the United States." Another 38 percent agreed with the statement and only 8 percent disagreed or strongly disagreed. Furthermore, 71 percent of the responding retailers believed that conservation by retail stores was a major way to reduce total energy consumption.

In another portion of the questionnaire, retailers were asked whether or not they were adequately informed about government imposed store termperature restrictions. Three-fourths answered that they were. This is in sharp contrast to the Florida study where two-thirds were not aware of temperature guidelines. Explaining much of this change in knowledge is the fact that the government implemented the Emergency Building Temperature Restriction (EBTR) program in July, 1979. President Carter and other government agencies attempted to gain maximum publicity for the new guidelines which called for thermostats in most non-residential buildings to be set no lower than 78 degrees in the summer and no higher than 65 degrees in the winter.

Only 41 percent of the respondents indicated that they were aware of federal lighting level guidelines. While this is more than were aware of the lighting guidelines three years earlier in Florida, it is below what might be considered acceptable.

A key issue is retailers' attitudes toward government-imposed temperature restrictions. Florida retailers were opposed to mandatory controls. However, their attitudes were measured prior to enactment of the EBTR program. Colorado retailers were questioned when the EBTR program was in force. As shown in Table 3, almost half of the Colorado retailers believed that the EBTR program was effective in reducing energy consumption. Relatively few believed that it cuts volume or lowers productivity. There were mixed reactions as to whether it produced customer complaints. Many thought the EBTR discriminated against some types of retailers.

As in the Florida study, Colorado retailers believed that financial incentives were of critical importance in adopting conservation measures. Surprisingly, 55 percent of the Colorado respondents believed that implementing conservation procedures is usually cost effective for the retailers. In both the Colorado and Florida studies, three-fourths of the respondents thought that the government should offer tax credits to retailers for implementing energy conservation procedures.

Finally, despite nearly three years between the studies and increased publicity about how retailers can save energy, the Colorado and Florida retailers stated that they had implemented specific programs to about the same degree. As shown in Table 4, about 30 percent had removed lights from fixtures, 60 percent had reduced exterior lighting, 50 percent had decreased lighting in non selling areas and less than 25 percent had installed interior reflective material, added insulation, or curtailed hours of service. The major difference is in the area of reducing interior lighting. Florida retailers were much more likely to have taken that step. In general, Florida retailers were more likely than Colorado retailers to be in favor of energy conservation procedures they had not yet adopted.

TABLE 1

RECIPIENTS OF THE MAILED QUESTIONNAIRE AND FINAL RESPONSE RATE

Retail Activity	Number of Respondents	Total Number in Category	% Returned
1. Eating places	71	153	46.4%
2. Food stores	25	35	71.4%
3. General merchandise	15	19	78.9%
4. Building materials	20	26	76.9%
5. Apparel and accessory	51	92	55.4%
6. Furniture, home furnishings, and equipment stores	39	58	67.2%
Total	221	383	57.7%

TABLE 2

ATTITUDES TOWARD ENERGY CONSERVATION/FREQUENCIES AND (PERCENTS)

	Extent of Agreement (Weighted Values)*				
Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
There is an energy crisis in the United States. (n = 218)	102 (46.8%)	83 (38.1%)	16 (7.3%)	15 (6.9%)	2 (.9%)
	Mean = 4.299 Std. Dev. = .922 Coefficient of Variation = .218				
Conserving energy by retailers is a major way to reduce total energy consumption in this country. (n = 219)	45 (20.5%)	111 (50.7%)	33 (15.1%)	27 (12.3%)	3 (1.4%)
	Mean = 3.767 Std. Dev. = .961 Coefficient of Variation = .255				

*SA = Strongly Agree A = Agree U = Uncertain D = Disagree SD = Strongly Disagree

TABLE 3

ATTITUDE TOWARD THE EBTR PROGRAM/FREQUENCIES AND (PERCENTS)

	Extent of Agreement (Weighted Values)*				
	SA (5)	A (4)	U (3)	D (2)	SD (1)
The federal government's mandatory "Emergency Building Temperature Restriction Program" is an effective program for reducing energy consumption by retail stores. (n = 219)	24 (11.0%)	81 (37.0%)	49 (22.4%)	49 (22.4%)	16 (7.3%)
	Mean = 3.219 Std. Dev. = 1.132 Coefficient of Variation = .352				
The "Emergency Building Temperature Program" discriminates against some type of retailers. (n = 218)	18 (8.3%)	73 (33.5%)	80 (36.7%)	43 (19.7%)	4 (1.8%)
	Mean = 3.266 Std. Dev. = .932 Coefficient of Variation = .285				
Reducing the temperature level to 65 degrees decreases sales volume in retail stores. (n = 219)	11 (5.0%)	37 (16.9%)	54 (24.7%)	93 (42.5%)	24 (11.0%)
	Mean = 2.626 Std. Dev. = 1.048 Coefficient of Variation = .399				
Customers complain when the temperature is 65 degrees in retail stores. (n = 219)	29 (13.2%)	68 (31.1%)	23 (10.5%)	87 (39.7%)	12 (5.5%)
	Mean = 3.068 Std. Dev. = 1.208 Coefficient of Variation = .394				
Keeping the store temperature at 65 degrees lowers productivity of employees in retail stores. (n = 219)	19 (8.7%)	39 (17.8%)	41 (18.7%)	97 (44.3%)	23 (10.5%)
	Mean = 2.699 Std. Dev. = 1.142 Coefficient of Variation = .423				

*SA = Strongly Agree A = Agree U = Uncertain D = Disagree SD = Strongly Disagree

Major differences between Colorado and Florida retailers are in the areas of reducing interior lighting and altering store temperatures. Colorado retailers favor adjusting store temperature while Florida retailers favor reducing interior lighting. Colorado retailers (67%) said they have already decreased store temperature during cold weather months, but fewer (38%) said they had reduced interior lighting. Few Florida retailers (30%) on the other hand, have altered store temperatures (increased them during warm weather months) but many (70%) have reduced store lighting. The Colorado study was conducted after the EBTR program went into effect thus making the altering of store temperature mandatory. This fact may account for the differences detected.

Conclusion

Five major conclusions can be drawn from the two major studies of retailer attitudes about energy conservation:

1. Retailers continue to believe that there is an energy crisis. The Colorado study indicates that retailers believe that energy conservation by retailers can help alleviate that crisis.

2. Retailers are more aware of government temperature restrictions on retail businesses. However, there is a lack of knowledge of the guidelines for lighting levels.

3. Retailers are largely supportive or at least not strongly against government temperature restrictions. They do not believe that the restrictions are severely harming their businesses.

4. Financial incentives are critical to motivating retailers to implement energy conservation procedures.

5. Retailers have implemented or partially implemented a wide range of energy conservation procedures.

All five conclusions have public policy implications. Retailers are unlikely to doubt government claims that there is an energy crisis that needs to be responded to. Furthermore, retailers do not believe that the EBTR is unfair or unduly injurous. The government needs to continue its efforts to inform retailers about energy consumption standards and guidelines, especially in the lighting area. It should stress the financial advantages of implementing specific energy conservation procedures. Finally, retailers are willing to change their energy wasting ways, and they have already implemented a wide range of energy conservation techniques.

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TABLE 4

MANAGER'S ATTITUDES AND DEGREE OF IMPLEMENTATION OF ENERGY CONSERVATION TECHNIQUES

Technique	Already Implemented Florida	Already Implemented Colorado	In Favor of Technique Florida	In Favor of Technique Colorado	Not in Favor of Technique Florida	Not in Favor of Technique Colorado
Remove lights from fixtures	30%	31%	35%	8%	35%	51%
Reduce exterior lighting	60%	63%	30%	6%	10%	17%
Reduce interior lighting	70%	38%	20%	6%	10%	22%
Decrease lighting in non-selling areas	50%	51%	30%	7%	15%	13%
Install interior reflective material	15%	22%	30%	7%	38%	52%
Install additional insulation	10%	17%	54%	18%	25%	39%
Curtail hours of service	6%	13%	35%	3%	55%	70%
Altering store temperature*	30%	67%	40%	9%	20%	16%

*Data is not directly comparable. The Florida study investigated increasing store temperature during summer months which the Colorado study investigated lowering temperatures during winter months.

A COMPARATIVE ANALYSIS OF SELECT CHANNEL MANAGEMENT PRACTICES IN FIRMS FROM FIVE INDUSTRY GROUPS

James R. Moore, Southern Illinois University
Donald W. Eckrich, Illinois State University

Abstract

Data compiled from 100 manufacturing firms representing five industries indicates that several channel management practices differ significantly between those firms which have experienced an increase in wholesale sales through their own sales branches and offices and those firms which have not. Several implications are drawn in terms of the direction and extent of recent changes in management practices involved with the channels of distribution.

Introduction

An examination of the most recent report of the U.S. Census of Business, Wholesale Trade Statistics (see Table 1), reveals several interesting trends. For instance, among the types of wholesale institutions depicted in Table 1, the percent of total wholesale sales attributed to assemblers and agent-brokers have, with only one exception, declined over eight census reports. Similarly, merchant wholesalers and petroleum bulk stations have both evidenced cyclical fluctuations in the percent of sales handled. Only one wholesale institution --- sales branches and offices (SB&O) --- has evidenced a consistent pattern of growth for every time period without exception. In fact, since 1929, SB&O's account for the largest, single growth pattern --- from 24.2% of total sales to 35.2% in 1972.

TABLE 1
PERCENT OF TOTAL SALES BY FIVE TYPES
OF WHOLESALE INSTITUTIONS BETWEEN 1929-1972*

TYPE	PERCENT OF TOTAL SALES							
	1929	1939	1948	1954	1958	1963	1967	1972
Merchant Wholesaler	43.7	42.8	41.9	43.0	42.7	43.9	44.9	48.6
Sales Branch and Office	24.2	24.5	27.7	29.6	30.7	32.6	34.2	35.2
Petroleum Bulk Station	3.6	6.8	6.4	6.8	7.1	6.1	5.4	4.6
Agent Broker	21.8	20.3	18.2	16.7	16.3	14.7	13.3	10.4
Assembler	6.7	5.6	5.8	3.9	3.2	2.7	2.2	1.2

* U.S. Census of Business, Wholesale Trade Statistics, 1972.

Perhaps even more interesting than the trend itself, however, are the implications in terms of the associated changes in manufacturers' channel practices. In other words, in light of previous research which has identified the need for longitudinal examinations of management practices in the channels of distribution, [1, 3, 5], the most recently identified patterns provide an especially useful backdrop for further analysis. Several questions can be posed - the most important one for this research, however, is directly associated with the increase in sales accounted for by SB&O's. Specifically, the research question appears as:

> Do firms reflecting increased wholesale sales through sales branches and offices exhibit any characteristic patterns which significantly distinguish them from those firms which do not?

If characteristic patterns can be distinguished between groups of firms representing different degrees of dependence on SB&O's, this study will have accomplished several objectives.

Initially, on the basis of a comparative analysis of selected channel management practices, long term shifts and emerging patterns in manufacturer's channel management practices should be readily identifiable. Moreover, it may be possible to further examine causes for such shifts or patterns. For instance, if firms which have relied increasingly on SB&O's exhibit a characteristic pattern of more frequently evaluating overall channel performance, then it might be argued that the decision to utilize SB&O's was actually intended by the manufacturer to affect greater control in the channel - one of the traditionally ascribed roles of SB&O's in the first place. Similarly, other characteristic patterns can be examined and compared on the basis of the previously suggested dichotomy of changes in SB&O's sales, to further explore plausible causal linkages in the managerial practices of manufacturers. Thus, this study is essentially designed to provide an examination of the channel management practices of select manufacturing firms.

Method

A Framework - To facilitate the identification of timely and relevant marketing channel decision variables, the initial phase of this research required the formulation of a basic, conceptual framework. Toward this end, Kotler's [2] framework for channel decisions seemed to be a viable starting point. As a result, the managerial functions of designing, planning, organization, and control as they relate to marketing channels, were included as the principal categories in the framework.

Sub-topics in each of these categories (i.e. dimensions or measurable attributes), were chosen on the basis of a two-phase process. First, several potential dimensions representing all four managerial functions were compiled. For instance, in terms of evaluating a planing dimension, the following type of question was applied: "Which channel objectives best coincide with your channel program? (1) To provide an economic and satisfactory movement of goods between production and consumption, (2) To minimize the costs of distribution, etc."

Second, interviews were arranged and conducted with either the marketing manager, sales manager, or president of fifteen firms representing five industries.[1] During these interviews, executives were requested to examine all of the dimensions compiled for each category and to select all of those (or add any of their own) which would best reflect the extent to which each characterized the managerial functions being performed in their own marketing channel activity. Thus, the dimensions researched and discussed in this article and presented as sub topics of the framework, represent only those considered relevant and valid by a majority of the executive group.

Participating Industries - In order to approach a degree of comprehensiveness in an examination of the research questions and since data for this study came from a broader investigation of channel management practices, it was considered imperative that the ultimate selection of firms reflect a cross-section of industrial classifications. Such a cross-section would minimize the selection of firms which either consistently utilized the same intermediary-types in their daily operations or represented similar historical developments in terms of channel compositions and dynamics.

Thus, subsequent to a review of the Standard Industrial Classification Codes, five industries were selected (See Table 2). In light of selection objectives, each can be seen to represent different mixes of intermediaries with respect to the dollar volume of sales accounted for by agent wholesalers, merchant wholesalers, and manufacturers' sales branches and offices.

For instance, even though the Motor Vehicle and Drug industries typically rely on manufacturers' sales branches and offices to conduct approximately 70% of the dollar sales volume, the proportion of sales volume accounted for by agent and merchant wholesalers is not only highly discrepant between these industries, but continuing to move in opposing directions. The Piece Goods, Notions, and Apparel and the Confectionary industries were selected on the basis that approximately half of their dollar sales volume was accounted for by

TABLE 2
FIVE INDUSTRY GROUPS
SELECTED FOR THIS RESEARCH

Industry
Motor Vehicles
Confectionery Merchandise
Drugs, Drug Proprietaries, and Druggist Sundries
Piece Goods, Notions, and Apparel
Farm and Garden Machinery and Equipment

Source: U.S. Bureau of the Census, U.S. Census of Business-Wholesale Trade, (Washington: U.S. Government Printing Office, 1929, 1939, 1948, 1958, 1963, 1967, 1972).

merchant wholesalers, thus contrasting directly with Motor Vehicle and Drug industries. Additionally, within the Piece Goods and Confectionary industries, the proportions of sales accounted for by agent wholesalers, and manufacturers sales branches and offices again were adequately divergent to justify selection for this study. Finally, the relative stability of the intermediary mix in the Farm and Garden Machinery and Equipment industry over the past fifty years presented the opportunity to include manufacturers' with well-entrenched channel practices. Thus, any cross-sectional comparison of firms representing different rates of sales through SB&O's, will reflect the pooled effects of several different industries.

Data. A mail questionnaire served as the primary data collection instrument. A total of 75 firms from the five industries were identified as evidencing a recently increased percentage of wholesale sales through SB&O's while a total of 25 firms were identified as maintaining SB&O sales status-quo.

Research Findings

As descriptive research, the findings have been compiled in tabular form. Each of the four managerial functions will be examined independently in terms of the dimensions chosen to represent them.

Channel Planning. Two dimensions of marketing channel planning were examined: the recognition of overall channel objectives, and the formalized statements of channel objectives. In terms of the first dimension, each responding firm was asked whether or not his/her firm stated (in writing) specific channel objectives. As indicated in Table 3, (See Variable 1, Stated Objectives), approximately 62% of the firms which evidenced an increase in wholesale sales through SB&O's indicated that channel objectives were stated in writing. In contrast, only 12% of the firms whose wholesale sales did not increase through SB&O's indicated that such written objectives existed. Thus, apparently some form of association exists between these firm's success with SB&O's (or at least increased sales), and the recognition of channel objectives. (Significant at the $\alpha = .001$ level). While the precise direction of a causal link obviously cannot be pinpointed on the basis of this data analysis, the nature of the planning process would suggest that the increased usage of SB&O's was dependent and subsequent to the specification of channel objectives.

[1]The five industries represented were selected independently of the five industries utilized in the subsequent data collection.

TABLE 3

VARIABLE RELATIONSHIPS BETWEEN FIRMS EXPERIENCING INCREASED SB&O SALES AND FIRMS EXPERIENCING NO CHANGE IN SB&O SALES

Variable Categories	Firms: SB&O's Increasing Sales	Firms: SB&O's Not Increasing Sales	Computed χ^2	d.f.
(1) Recognition of Stated Channel Objectives:				
(a) Yes	34	3		
(b) No	21	22	17.31*	1
(2) Frequency of Channel Evaluation:				
(a) At least 4 times per year	46	8		
(b) At least 2 times per year	6	7	10.46**	3
(c) At least annually	14	5		
(d) Never	7	5		
(3) Position Charged With Channel Responsibility:				
(a) Corporate Level Sales Manager	26	10		
(b) Marketing Manager	23	6		
(c) Corporate Planning Staff	13	6	- Not Computed -	
(d) Marketing Channel Manager	3	0		
(e) No Position Charged	10	3		
(4) Size of Firm:				
(a) Small	28	14		
(b) Medium	19	6	3.74	2
(c) Larger	26	4		

*Significant at the α = .001 level
**Significant at the α = .02 level

To further explore this association, the second dimension of planning, the specification of precise objectives, was provided to permit a cross-comparison item-by-item. However, in light of the extremely small number of firms (12%) which were categorized as evidencing both no increase in sales through SB&O's and no recognition of stated objectives, additional statistical analyses were not possible.

Channel Evaluation. One dimension of marketing channel evaluation was examined: the frequency of formalized channel evaluations. In lieu of a highly subjective measure such as manufacturer's perceptions of their evaluation procedures, a surrogate measure of evaluation (i.e. frequency) was utilized. While such a measure necessarily involves several weaknesses (e.g. the extensiveness of such reviews is not considered), the measure would nevertheless, distinguish between firms which actually performed some form of evaluation and those that did not.

In terms of the frequencies of evaluations, responses were categorized as either: at least 4 times per year, at least 2 times per year, at least annually, and never. As a result, the χ^2 statistic for the cross-tabulation was significant at the α = .02 level. Consistent with the previous findings, firms which experienced an increase in sales through SB&O's also were involved in some form of channel review process more frequently. Specifically, over 63% of the firms experiencing an increase in sales were involved in a channel evaluation at least twice per year in contrast to only 32% of the firms not experiencing sales increase. The corresponding differential at the other extreme (i.e. never conduct a channel evaluation), was not as pronounced, although a proportionately greater number of firms not experiencing sales increases through SB&O's also did not conduct or become involved with any formal channel evaluation.

Channel Organization. The third managerial function was operationalized in terms of the extent to which specific organization titles were recognized regarding channel management. This dimension was included as a follow-up on the recognition of formally stated objectives. The purpose was to uncover the extent to which firms actually accomodated channel management through their organizational structures (i.e. how committed to channel management were they?).

Four titles were provided by the responding firms: Corporate Level Sales Manager, Marketing Manager, Corporate Planning Staff, and Marketing Channel Manager. For the purpose of analysis, a fifth category, No Position Charged was also included. Unfortunately, due to the small sample size of firms not experiencing sales increases (n=25), further statistical analysis via χ^2 would be inappropriate. Moreover, an examination of the response-pattern frequencies (See Table 3) did not illustrate any major discrepancies in terms of either type of firm utilizing a special position more or less often than other firms. The only noteworthy difference might be that none of the firms experiencing sales status-quo through SB&O's utilized a position officially titled Marketing Channel Manager. However, such a conclusion is indeed tenuous from a statistical standpoint.

Size of Firm. The final dimension included in this research involved the size of the firm in terms of gross sales. Firms with sales in excess of $4 million were classified as larger, less than $4 million but greater than $1 million were classified as medium, and firms less than $1 million were classified as small [4]. The concern at this point was whether or not the firms experiencing increasing SB&O sales were simply larger firms, and therefore capable of supporting larger and more diverse intermediary-mixes. If such were the case, then the previous analyses might very well be viewed as generating spurious results. For instance, the larger the organization, the more probable it would seem that some form of written objectives exist and formed evaluations of channels are conducted. Thus, this final portion of the analyses was viewed in large part as providing justification for the earlier comparisons.

Interestingly, the computed chi-square was not significant indicating that the firms experiencing increased sales through SB&O's were not characteristically different in size from those firms which did not experience such a change in sales. This finding suggests that the distinguishing phenomenon under investigation is not size-of-firm specific. In fact, this finding and the data collection method employed (i.e. combining firms in five diverse industrial classifications), would indeed suggest that the earlier findings must be viewed in association with the level of sales attributed to SB&O's.

Discussion

An interesting and new pattern of managerially-oriented practices associated with the channels of distribution has been uncovered in this research. Firms experiencing increased sales through SB&O's were empirically shown to exhibit characteristic differences in terms of this recognition of formally stated channel objectives and the frequency with which channel evaluations were performed. Although the existence of a causal link can only be suggested, there would definitely appear to be some association between successful and growing distribution patterns (i.e. those not exhibiting similar characteristics). Whether increasing sales provides a greater opportunity to formally consider channel management practices or whether greater attention to channel management practices provides the opportunity for greater sales are both questions which were not addressed by this research. They certainly represent the most important consideration for future research, however.

As exploratory research, a phenomena has been identified relative to managerial participation by manufacturers in the channels of distribution. Unfortunately, the inability to identify the direction of causality greatly limits the extent to which practically-oriented implications can be drawn. Suffice it to suggest that greater manufacturer (or designer) involvement in the channels of distribution would seemingly and logically be a necessary condition for improved channel operations. If the managerial planning process is a valid prescription for achieving operating objectives, then it must follow that increases in sales through SB&O's is the result of planned and practiced managerial activities --- in this case by manufacturers across several industries.

The fact that firms from several different industries were represented, however, is not to imply that future research along parallel lines should not isolate and examine similar industry-specific phenomena. It is entirely possible that channel management practices and activities vary significantly between as well as across industries. Owing to the exploratory nature of this research, no attempt was made (nor was it possible given the data here), to differentiate intra-industry responses. However, before any comprehensive set of prescriptive channel management practices can be identified, the operating characteristics of existing channels of distribution will have to be more fully explored --- both in intra- and in inter-industry levels. This research has attempted to take yet another step.

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SWAP MEETS--FUN AND PROFIT: THE RETAILING INSTITUTION OF THE 1980s

Nabil Razzouk, Andrews University
David Gourley, Arizona State University

Abstract

In this article the authors explore the nature of swap meets as a developing form of retailing in the United States. Several environmental factors are examined as they may account for the growth of swap meets into a widely acceptable institution of retailing.

Several authors of academic and industry publications recently have been exploring the nature of the changing environments and their impact on marketing institutions. (Hanna et al., 1975; Kotler, 1974; Levitt, 1977; Brown, 1977). One area that has received considerable attention is retailing. Over the past decade, academicians have been seeking explanations for existing phenomena while making a courageous attempt at predicting the future of the retail industry utilizing conceptualizations such as The Wheel of Retailing (Hollander, 1960), The Dialectic (Maronick and Walker, 1974), Vaccum Theory and similar others. (McCammon, 1977.) The basic purpose of this effort has been to identify patterns of retailing methods and institutions that could be more functional for a given time and place.

This preoccupation with aggregate patterns of retailing methods and institutions, in part, has been responsible for a myopia that prevails in the retailing literature. This myopia has caused writers to ignore some ideas that either have never been tried, or been tried and worked, yet were not popularized for being out of the mainstream of retailing thought or practice. In a recent workshop on Retailing (Marketing News, July 13, 1979), Hollander criticized the process of trying to discern patterns of retailing. Such a process, he said, "is somewhat like lying on one's back in a meadow and watching for familiar shapes in the clouds floating overhead. It is interesting work but highly subjective." (p. 10.)

Most writers in the field would accept the definition of a retailer as "a type of middleman who buys and sells for final consumption," (Gwinner et al., 1977). However, no textbook or publication known to these authors addresses types of retailing such as flea-markets or the more organized swap meets that have gained acceptance in some parts of this country as regularly attended shopping places. Both of these are bonafide types of retailing that have been excluded from and ignored in the retailing literature.

The purpose of this article is to explore the nature of swap meets as a developing form of retailing in the United States. It also examines some of the possible theoretical underpinnings for the current emergence and growth of swap meets in light of the prevalent changes in the environments surrounding business.

The discussion presented in the following section is based, in part, on the authors observations of swap meets in a major Southwestern city, and on interviews conducted with buyers, sellers, and managers of various swap meet operations. In a later section, the authors explore some environmental factors that may account for the growth of swap meets into a widely accepted institution of retailing.

The Nature of Swap Meets

One of the earliest forms of retailing in the United States was the outdoor Trading Post (McNair, 1976). This method of exchange spread across the country as settlers traveled west in search of a place to put down their roots. These intermittent local markets and fairs provided a place for the early colonists where they could sell those items they carried that could be sold or bartered to buy their needs. It was also a place where news of happenings elsewhere was communicated. For many, it was their one form of recreation and amusement; a meeting place to interact with neighbors and those passing through.

Today's swap meets are also outdoor markets; however, they are more structured and in many ways are an ingenious idea whose time has come again. At these markets individuals sell, trade or exchange antique, new and used merchandise. A glance at the telephone directories of several Southwestern and Western cities indicated that a number of swap meets exist in this region. All of these are established retailing institutions and in some cases they are part of chains of "Super-Swap Meets" operating in several states. Some cities (i.e., Phoenix, AZ, and San Bernardino, CA, and San Fernando, CA) have already passed ordinances to govern this mode of business Thus giving it recognition as a retailing institution, a fact that has not yet been accomplished in the marketing or retailing literature.

Swap meets are most often conducted in enclosed (fenced) areas with ample space for parking and a designated area for selling. Admission to these swap meets for consumers usually consists of a fee for parking, ranging from $.50 to $1.00. Sellers are charged a fee based on some combination of square feet of selling space, services desired (tables, power, water, etc.), and the day of the week on which the swap meet is conducted (weekends cost more than mid-week). Reservation of swap meet space is available in most operations and this arrangement is increasing in popularity. Most states do not permit the sale of items such as guns, ammunition, bedding (unless federally inspected), food items (unless it is fresh produce), pets and livestock. Typical of the merchandise sold at swap meets are collectors items, household items, fabrics, books and magazines, records and tapes, electrical appliances, wigs, antiques, bottles, jewelry, plants, fruits and vegetables, and automobiles.

Traditionally most of the sellers are household members who are there to sell, trade, or exchange some of their possessions. It is not uncommon, however, to find the well established merchant who takes advantage of the low overhead of a swap meet to gain exposure to weekend buyer traffic that may range up to 50,000 people.* Some of these merchants appear regularly in the same spot every week through a monthly space rental contract available at most swap meets.

Recently, some major manufacturers of consumer products have started advertising to potential swap meet sellers who are looking for sources of merchandise to sell in

*This figure represents the typical weekend traffic at Park-N-Swap in Phoenix, AZ.

these markets.** This is another indication of the growing recognition of this unconventional retailing institution.

Swap meet managements have regularly been upgrading their services to compete more effectively with other conventional retailing institutions. Modern restrooms, concession stands, check cashing and change, electricity, public address systems for announcements and advertising, information booths and security are just some of the customer and seller services now available at most swap meets. Demand on the part of both buyers and sellers and competitive pressures have caused many swap meet operations that used to be open only on the high traffic days of Saturday and Sunday to be open at least one evening during the week as well.

In this section, the authors have described the nature of swap meets as a growing retail phenomena. The following section explores some of the environmental factors that may be responsible for this growth.

Environmental Factors Impacting On The Growth of Swap Meets

A look back to the past few years reveals some major environmental changes that have impacted on both the consumer and the retailing industry. In this section, the authors discuss six trends that might explain the growth of swap meets as a nonconventional method of retailing.

The Psychology of Stagflation

The 1970s marked the beginning of an era of shortages that have changed the American way of life in many respects. Shortages in energy sources and raw materials have driven up the prices of several commodities and in some cases have made certain products totally unavailable. This has also resulted in the quality of some services being less. Additionally, some services have been eliminated to cut costs and keep down prices (i.e., air and paper towels in service stations). Spiraling inflation accompanied with a threatening recession have driven many consumers into a waste-minimizing lifestyle and an energy conservation ethic (Berry, 1979), both of which make the idea of a swap meet an attractive one. Consumers who might have formerly disposed of a used product by giving it away or throwing it away, now find their way to a swap meet to "sell" that item. In the same manner, households in need of a product do not hesitate to investigate the used-goods market or a swap meet where it is <u>perceived</u> that products are sold for less. (Conn, 1978.)

The concept of swapping or exchanging seems the answer for scarcity and shortages. As shortages become more acute, the idea of such an unconventional retail institution as a swap meet may become more readily accepted. The retailing industry has not been all together unaware of the change in consumer buying behavior. It did offer the consumer alternatives such as the food/clothes warehouse, the cart-to-car store, cooperatives and similar institutions that have cut back services and costs in an effort to keep prices down and meet customers' needs (Bates, 1977.) Swap meets operate on the same principles, but provide a nonconventional marketplace that may be <u>less wasteful</u> than other established retail institutions. One could be safe in predicting a growth in the number of swap meets across the country as consumers find themselves with less and less buying power to work with and as commodities and other resources become more scarce.

** Such ads appear regularly in the "Penny Saver", a weekly advertising paper published in Arizona.

The Psychology of Socialization

From the consumer standpoint there are two lines of thought on the nature of the shopping activity. One school of thought suggests that shopping is an undesirable activity that consumers would rather not participate in if they have a choice. (Bloom, 1978, May 1979.) Supporters of this view seek to minimize the time and effort a consumer needs to spend in a store. Many stores are laid out in such a manner that consumers can have an easy access to all merchandise on a self-service basis. Shoppers in such stores are programmed to go through the aisles, pick up what they want and head for the check-out. Very little, if any, social interaction is thought to take place on such shopping trips.

The second school of thought emphasizes that human beings are social beings, and that shopping is a pleasant socializing activity. This line of reasoning suggests that some people might go on a shopping trip to socialize, have fun, and interact with others who are involved in the same activity. (Mason and Brooks, 1974.) This desire for socializing and interaction seems especially strong among swap meet shoppers who spend several hours just looking around and talking to others they meet. Being a throwback to the style of the early trading posts and general stores, the swap meet seems to be the natural retail institution to serve the need for socialization.

The New Demographics and Life Style

Many changes have taken place in the composition and structure of the population in this country. "The family" and "the family life cycle" recently have been subjects of interest to several authors. (Schlacter et al., 1979, Murphy and Staples, 1979.) The trends indicate that many individuals are choosing to remain single, many are cohabitating, those who get married do not stay married for long, most families are much smaller, and generally speaking the population is older than even before. (Norton and Glick, 1979.) These and other segments of the population may benefit from shopping at swap meets. For instance, recent studies indicate a growth in the number of collectors items among singles and young married couples. Both of these groups can frequently find good buys on the items they want at swap meets. The variety of merchandise at these operations is almost unlimited, and many collectors come to these meets to buy, sell or trade, to build up or get rid of collections of all sorts. Cohabitants may also shop at swap meets in search of low priced used furnishings because of the temporary nature of their relationship. This segment of the population is fast growing across the nation, especially in regions of the country where the attitude of the general public is more tolerant toward the phenomena. (Norton and Glick, 1979.)

Because of the shorter duration of many marriages, there are many more divorced parents who are finding it difficult to make ends meet. As they move from houses to apartments, for example, this segment finds swap meets an ideal place to sell no longer needed items and more particularly, obtain affordable "second hand" merchandise. The last of the aforementioned changes, that of the older population, has created some opportunities for retailing. Very little has ever been done to reach or service the older consumer. This group has greater mobility than ever, more time on their hands than the average consumer, and is greatly interested in social interaction. (Norton and Glick, 1979.) To many such elderly consumers, the swap meet provides an excellent opportunity to get out, look around (without pressure to buy), interact with others and buy necessities if needed. The outdoor environment provides a relaxed atmosphere away from the rush and confines of the typical retail establishment with checkout lines or the watchful camera lens' peering over their shoulders. A portion of the elderly also face severe financial constraints and thus would find swap meet merchandise more attractive because of the lower prices.

There are other changes in market segments that likely will enhance the growth of swap meets or similar nonconventional retail institutions. Today's consumers, for example, have a diminished store loyalty as well as a diminished brand loyalty. They also seem to use their own standards to assess the desirability of merchants and merchandise (Bellenger et al., 1977). Another change is the variety of acceptable life styles. People living in the same general area may be seen doing "their own thing" rather than "keeping up with the Jones'". (May 1979.) This change may help explain why shoppers at swap meets arrive in cars ranging from a new Mercedes Benz to an old Volkswagon Bug; each buying used items, haggling with sellers for better prices, milling with masses of people, and passing the time of day with strangers.

The Psychology of Alienation

A glimpse at the current literature reveals a growing interest by marketers in the subject of Consumer Alienation. (Pruden et al., 1974; Lundstrom and Lamont, 1976; and Allison, 1978.) There are various causes stated for consumer alienation from traditional business institutions. Some of these include high prices, lower quality products, diminished and impersonal services, shortages and deceptive practices.

Considering the problem of alienation, swap meets have a decided advantage over other retail institutions. They are perceived as a meeting place for individuals (vs. big business) who gather to trade, exchange, buy and/or sell some items of value. The truth is, however, that many established businesses have regular booths at swap meets to benefit in part from a low level of customer alienation.

Attendees of swap meets seem to have different motives and different expectations than shoppers at regular retail institutions. A good example is the socializing shopper who may attend swap meets to just look around, watch people, and have fun. Such shoppers are not likely to develop alienation because they can have many of their expectations met with minimum friction. Shoppers at supermarkets, department stores or similar stores expect efficient service and quality products sold at reasonable prices. Variations from the expectation decrease satisfaction, or even lead to dissatisfaction and general alienation. In a swap meet setting, price, quality, and service are not as likely to be the salient factors in the minds of consumers. As consumers feel the pinch of inflation and/or mild recession more and more, the higher the likelihood they will feel this alienation toward organized retail business and the greater will be their interest in and support of nonconventional institutions such as swap meets (Irelan and Besner, 1968). There is every indication that the level of consumer alienation has risen considerably over the past decade (Olson, 1974; Wilkes, 1978). Irate consumers everywhere cause businesses millions of dollars in vandalism, shoplifting, and other distasteful behavior. More of this same behavior can be expected in the future for "established businesses," a fact which can make swap meet selling a less risky, more pleasant and appealing alternative for many vendors as well as consumers.

The discussion thus far has centered on environmental factors that have brought about the increased interest in and support of swap meets by consumers. Some of these same factors could also be thought as being responsible for the increased sellers' participation in swap meets. There are, however, two more factors that have a great impact on the sellers' support of swap meets: the lack of government control or regulation and the low cost of operation. Each is discussed below.

Lack of Government Regulation

One of the major problem areas for modern retailing and other business institutions is the increasing control and regulation by governments at all levels (U.S. News and World Report, 1975). This excessive regulation costs business large sums of money every year, a fact that has contributed to the decline of small business. As conventional retailers continue to be bogged down with all the reporting they are required to make to various governmental agencies, the swap meet seller escapes this hassle with only token requirements for reporting. Sellers are often required to fill out a police department report that indicates the nature of the items sold or exchanged. This report is all that is required of sellers in most cases, and the reason for this is an effort by the police to monitor the trading or selling of stolen merchandise.

To date, the Internal Revenue Service has taken a very relaxed approach toward swap meets. Swap meet ordinances in most cities are written with the occasional seller in mind, and this provides a shelter to the regular seller who benefits from the absence of regulation. Some city ordinances require individuals who sell at swap meets more than three times a year to acquire a city and state sales tax license. This requirement, however, is not closely monitored, thus offering the sellers at swap meets a distinct advantage over sellers operating out of conventional retail outlets. Managements of swap meets have somehow been able to maintain a low profile for these outlets. This low profile has thus far succeeded in keeping public officials from regulating swap meets. As long as the level and degree of regulation remains minimal, more sellers will frequent swap meets on a more regular basis.

Low Cost of Operation

Sellers at swap meets escape practically all fixed costs associated with doing business. They have no long-term lease for building or equipment, nor do they pay some fixed percentage on each unit sold. Utilities are often a part of the daily fee and if incurred impact only on selling days. Further, they seldom have any advertising expense, and since they operate on a cash-and-carry basis there is no bad debt expense as well. All these savings allow for higher profits, even at lower prices to consumers. This fact has provided sellers with the opportunity to better serve some poorly served segments of the population and to help meet some consumer needs that many conventional retail stores have ignored.

Conclusion

This article has explored the nature of swap meets as a growing form of retailing and has discussed some of the variables that may account for the growth of this phenomenon. The growing conservation ethic and waste-saving behavior of consumers are changing the ways people shop for and dispose of products they no longer need. The swap meet presents a new alternative for these types of shoppers. A strong feeling of alienation against business could also explain the support some consumers give to swap meets as opposed to established retailing institutions. It is also proposed that changes in demographics and buying behavior make swap meets acceptable shopping markets for people of different age groups and life styles. Swap meets, in their resemblance to