

International Journal of Management Cases

**COMPETITIVE ADVANTAGES IN THE
AGE OF HYPERCOMPETITION. LESSONS
FROM MARKET-DRIVEN FIRMS**

**NEW SOCIAL VALUES AND MANAGEMENT
OF HUMAN RESOURCES IN COMPANIES
OF SPORTS/TOURISM LEISURE**

**GREEN ENTREPRENEURS - THE ITALIAN
WAY**

**SOCIAL RESPONSIBILITY AND RETAIL
MARKETING: THE FAIR-TRADE
PRODUCTS IN THE OFFER OF LARGE
RETAILERS**

**SHOPPING AT A FOC IN ITALY: AN
EMPIRICAL STUDY**

**DS-SYNDROME AS A MANAGEMENT
CHALLENGE**

Volume 11 Issue 4

EDITORS

Western Europe

Professor Barry J. Davies

Professor of Marketing, University of Gloucestershire, UK
bdavies@glos.ac.uk.

The Rest of the World

Professor Claudio Vignali

Arnold Ziff Chair in Retailing, Leeds Metropolitan University, UK
c.vignali@leedsmet.ac.uk

Central Europe

Professor Tihomir Vranesevic

The Graduate School of Economics, The University of Zagreb
tvranesevic@efzg.hr

EDITORIAL BOARD

Dr. David J. Bennett

Head of Department, Operations & Information Management
Division, Aston Business School, Birmingham, UK
d.j.bennett@aston.ac.uk

Dr. Leo Dana

University of Canterbury, New Zealand
leo.dana@cantebury.ac.nz

Professor Alberto Mattiacci

Professor of Retailing and Marketing, The University of Sienna,
Italy
mattiaccialbunisi.it

Dr. Hans-Rüdiger Kaufmann

University of Nicosia, Cyprus
kaufmann.r@unic.ac.cy

Professor Dr. Jürgen Polke

Associate Dean, University of Applied Science, Vorarlberg,
Austria
jürgen.polke@fhv.at

Professor Carlo A. Pratesi

Professor of Retailing Marketing, University of Urbino, Italy
capbox@tin.it

Professor Brenda Sternquist

Professor, International Retail Management, Michigan State
University, USA
steinqui@msu.edu

Dr. Tomasz Wisniewski

The University of Szczecin Poland
t.wisniewski@univ.szczecin.pl

Professor Irena Neganova

Ural State University, Russia
irena-neganova@andex.ru

Dr Ulrich Scholz

Fontys Fachhochschule, Netherlands
u.scholz@fontys.nl

Professor Sanda Renko

Graduate School of Economics Zagreb, Croatia
srenko@efzg.hr

Professor Lutz Sommer

University of Albt, Germany
sommer@hs-alsib.de

Dr. Jantima Banjongprasert

Silpakon University, Thailand
jantima@su.ac.th

Professor Vitor Ambrosio

University of Estoril, Portugal
vitor.ambrosio@esthe.pt

Professor Bernd Britzelmaier

Pforzeim University, Germany
bernd.britzelmaier@hs-pfrozeim.de

Professor Evangelos Tsoukatos

TEI, Crete
tsoukat@sdo.teicrete.gr

Professor Ihn Hee Chung

Kumoh Institute of Technology, South Korea
ihnhee@kumoh.ac.kr

Professor Gianpaolo Basile

University of Salerno
gibasile@unisa.it

PRODUCTION EDITOR

Gianpaolo Vignali

g.vignali@mmu.ac.uk

www.ijmc.org

ISSN 1741-6264

International Journal of Management Cases is published by:

Access Press UK,
1 Hillside Gardens ,
Darwen,
Lancashire,
BB3 2NJ
UK



Contents

COMPETITIVE ADVANTAGES IN THE AGE OF HYPERCOMPETITION. LESSONS FROM MARKET-DRIVEN FIRMS PIETRO CALOMINO	6
NEW SOCIAL VALUES AND MANAGEMENT OF HUMAN RESOURCES IN COMPANIES OF SPORTS/TOURISM LEISURE M ^a DOLORES DÍEZ GARCÍA & SERGIO QUESADA RETTSCHLAG	14
GREEN ENTREPRENEURS - THE ITALIAN WAY KAREN GREIG, ANTONELLA REITANO, CARLA SPOSATO & DAVID TAYLOR	23
SOCIAL RESPONSIBILITY AND RETAIL MARKETING: THE FAIR-TRADE PRODUCTS IN THE OFFER OF LARGE RETAILERS MARIO RISSO	33
SHOPPING AT A FOC IN ITALY: AN EMPIRICAL STUDY KATIA PREMAZZI & MARCO RINDONE	40
DS-SYNDROME AS A MANAGEMENT CHALLENGE FERNAND VANDAMME	54

Subscription Fees

2010 subscriptions are available in a number of major currencies. Exchange rates and prices will be held throughout 2010.

Subscription fees per volume are:

\$US 300	£Stg 150	\$Aus 370
€ 210	SFr 345	¥ 33,740

Individual journal editions can be purchased at the following prices:

10 Journals @ £15 per journal
20 Journals @ £10 per journal
50 Journals @ £7 per journal

Subscription information is available from the Publishers at:

G Vignali
Access Press UK
1 Hillside Gardens
Darwen
Lancashire
BB3 2NJ
UK

+447815737243

Reproduction Rights

The publishers of the International Journal of Management Cases have granted, free of charge, unlimited photocopying and other reproduction rights to subscribers, for teaching and study use within the subscribing organization. Authors may also photocopy or otherwise reproduce their particular case from International Journal of Management Cases, subject to an acknowledgement of publication and copyright details.

Editorial

SPECIAL ISSUE: NEW TRENDS IN MANAGEMENT

ANTONELLA REITANO

Current enterprise-systems are extremely complex and highly dynamic, characterized by multifaceted interrelationships.

Both complexity and dynamism derive from the peculiarities of the system itself. In fact, in an enterprise, different processes influence each other and, in turn, they are conditioned by economic and non-economic factors out of the enterprise: goods, services and capitals markets; work demand and offer, capital and public goods structures; economical, financial and monetary policies carried out by central and local governments, other enterprises operating in definite sectors; the system of typical cultural values of the environment the company is working in; international and national regulations; the state and evolution of science, technology and technique; environment infrastructures and configuration.

Of course dynamism and complexity are not typical phenomena of recent years, even if newly their development registered a growth beyond comparison. In fact, the strong evolution recorded in the XX century over the last 50 years determined a tendency of enterprise-system to growing levels of heteromorphy.

However, dynamism and quickness of change have particularly marked last five years, originated by a wide range of social, economic, political and technological occurrences, such as information and knowledge development; technical and technological increasing progresses; demographic evolving processes; socio-cultural evolving processes; consume models evolution; distribution sector evolution; the overtaking of production and sale physical bonds; international competition new tendencies, which are growing in complexity.

These relevant changes have been highlighted by Pietro Calomino in the essay "Competitive advantages in the age of hypercompetition. Lessons learned from some market driven firms". By reviewing management literature of the last 20

years, and considering a number of successful companies examples, he emphasizes three key sources of competitive advantage for companies operating in a hypercompetitive environment: market orientation, competition and time.

Furthermore, from Nineties the world of business has widely changed. The new economic environment is highly instable, hypercompetitive, and characterized by markets globalization, a shorter product life cycle and technological convergence. These features are changing the competitive rules of game. Traditional sources of competitive advantage cannot be sustained longer.

The events in the evolution of enterprise-system are analyzed by Ma Dolores Dolores Díez García and Sergio Quesada Rettschlag in their work "New social values and management of human resources in companies of sport/tourism leisure". Current economical crisis and its serious implications involve sport/tourism, and leisure companies remark the importance of managing human resources as key assets, together with roles and skills. Hence, every manager should be able to develop these characteristics according to both the distinctiveness of companies and their transnational conjuncture. Moreover, this research underlines the need of new leaders able to successfully tackle these challenges, as well as other innovative functions in the management of people.

Another crucial topic is proposed by Karen Greig, Antonella Reitano, Carla Sposato, and David Taylor in the research "Green Entrepreneurs - The Italian Way". The work aims at investigating the motivations of the starting/established green business in Italy, providing indications for policy and education in UK and Italy, also fostering green entrepreneurship.

The greening approach of Italian SMEs has been reactive rather than proactive, and SMEs have given a positive response to key stakeholders. This approach can be attributed to different factors including both the lack of resources and knowledge. However, EU and Italian Government have actively encouraged sustainable business, even if their focus have seemed to be primarily on

the “greening” of existing businesses, particularly SMEs, rather than the encouragement of green start-ups.

The focus of this research has been limited to Italian SMEs in the Italian region called Calabria with the opportunity of further researches in other Italian regions.

The theme of social responsibility in distribution sector is analyzed by Mario Rizzo in his essay “Social Responsibility and Retail Marketing: the fair-trade products in the offer of large retailers”.

Facing marketplace polls attesting the increasing influence of corporate social responsibility (CSR) on consumers’ purchase behaviour, this paper examines “when”, “how”, and “for whom” specific CSR initiatives work in retail business. Particularly, it investigates retailers motivations to engage in corporate socially responsible (CSR) activities, offering fair trade products in their assortment. The enquiry is followed by a series of in-depth interviews with key decision makers in retail companies, alternative trade organizations (ATOs) and fair-trade labelling organizations to reveal strategies and policies of retailers on fair trade products offer.

In particular, the study suggests that only inspired retailers find that fair-trade initiatives can be a driver to amplify and support their trends and invest wide resources to become providers of a complex “product” composed of goods, services, commercial value but also ethic and human values.

The research “Shopping at a FOC in Italy: an empirical study” by Katia Premazzi and Marco Rindone is based on the development of Factory Outlet Centers (FOC), which have expansion plans in a near future. FOC tend to be in strategic locations, suitable to attract visitors from large

surrounding areas. Any new opening, although presented as an opportunity for local economies, is rarely welcome by incumbent retailers. As an effect, different aggregated retailers are “seen” as competing to gain shoppers’ time, share of mind and, ultimately, wallet.

This empirical study aims at investigating who, why and how shoppers are currently patronizing FOCs in Italy. Moreover, another objective is to discover the perception and habit of visiting shopping streets, stores located in town centers and shopping centers. Based on shopping motivations (factor analyzed), clusters of FOC shoppers are identified. The need to visit a FOC seems to be driven, to a different extent in different clusters, by functional as well as recreational and hedonic reasons. Furthermore, some comparisons with international studies about FOC patronage behavior allow to discover if there are localism effects. From a managerial perspective, implications are drawn in terms of managing a FOC in Italy.

Finally, Fernand Vandamme faces a critical theme in his essay “DS-syndrome as a management challenge”.

In today’s working environment improper and unfair behaviors are always more frequent; collaborative and constructive behavior is often substituted by aggressive actions, denigration, psychological dependence, with obvious and disastrous consequences on each worker’s productivity as well as on the enterprise growth.

In this study Vandamme focuses on the dissocial disturbs and their syndrome. Early detection, control and treatment are crucial in reaching success, realizing progress and especially in avoiding failure and disasters. More this is true, more an organization is hierarchically structured.

COMPETITIVE ADVANTAGES IN THE AGE OF HYPERCOMPETITION. LESSON LEARNED FROM SOME MARKET DRIVEN FIRMS (FROM 20 YEARS OF MANAGEMENT STUDIES)

PIETRO CALOMINO

Abstract

Between the years '90 and today the world of business has changed a lot. The new economic environment is highly instable, hypercompetitive and characterized by a number of phenomena, as the globalization of markets, the shortening of the product life cycle and the technological convergence, that are changing the competitive rules of the game. During this period of time, management scholars understood that the traditional sources of competitive advantage can no longer be sustained. This article, by reviewing the business literature of the last 20 years, and considering a number of examples of successful companies, emphasizes three key sources of competitive advantage for companies operating in a hypercompetitive environment: market orientation, co-opetition and time.

Key words: competitive advantage, hypercompetition, market-driven management, market orientation, time-based competition, co-opetition.

Introduction: competitive advantages and hypercompetition

Competition among firms has been studied by economists and business scholars for hundreds of years. In this very long period, researchers have often tried to discover the principle aspects affecting the performance of the business.

Today the concepts of "competitive advantage" and of "sources of competitive advantage", introduced for the first time in the management

literature by Michael Porter (1985) have entered permanently in the knowledge base of all business scholars and practitioners. According with Michael Porter, a company holds a competitive advantage when it is able to obtain higher performance, in terms of profitability, than the average of its direct competitors. Thus, the source of competitive advantage is a special resource, property or ability of the firm that gives itself the possibility to achieve a competitive advantage over competitors.

Michael Porter itself identified two basic sources of competitive advantage:

1. First he observed that a competitive advantage exists when the firm is able to deliver the same benefits as competitor but at a lower cost (cost advantage);
2. Second he asserted that a competitive advantage exists when the firm is able to deliver benefits that exceed those of competing products (quality advantage).

Porter (1985) identified also three generic strategy based on cost advantage and quality advantage: the cost-leader strategy that involve the production of high volumes of standardized low-priced products; the differentiation strategy that involve the creation of a product or services that is perceived throughout its industry as unique and the focus strategy that occurs when a company is able to target a premium priced product to a smaller niche audience. This strategy is fundamentally based on the achievement of a quality advantage.

Some time after Porter, many Authors noticed that between the end of the last century and the beginning of the new millennium there was a

fundamental quantitative and qualitative shift in competition in most markets in the world (D'Aveni, 1994; Brondoni, 2002; Lambin, 2002, 2004). In the modern business literature this phenomenon is commonly labeled as "hypercompetition". This term has been used for the first time by Richard D'Aveni (1994). By the Author's account, hypercompetition means not only that there is more competition on the market, but that there is also tougher and smarter competition. This condition occurs when the rate of change in the competitive rules of the game are in such instability that companies must constantly compete in price and quality, but also in innovation, new value creation and time to outlast other competitors. In the age of hypercompetition the amount of competitive moves and countermoves carried out by the firms on the market exceeds that of any time of the past. Enterprises act in a really aggressive way trying to erode the comparative advantage of their competitors in areas such as, cost, quality, market access, know-how, and resources. This implies that only the most adaptive and agile organizations will survive, but this also means that the traditional sources of competitive advantage can no longer be sustained. In this new economy, competitive advantages must constantly be reinvented, and organization becomes the primary source of distinctive capabilities (D'Aveni, 1994).

This article, by reviewing the business literature, and considering a number of examples of successful companies, emphasizes three key sources of competitive advantage for companies operating in a hypercompetitive environment: market orientation, co-opetition and time.

Market orientation

In the age of hypercompetition cost advantages and differentiation advantages certainly are important to all companies but there are other elements that must be taken into account. The ability to analyze the market and understanding customer needs is definitely one of these.

To better understand the idea of a market orientation advantage, may be useful to start by clarifying the concepts of customer orientation and of market orientation.

The origin of the customer-orientation concept is taken back to Peter Drucker (1954) who in his famous book, *The practice of Management*, asserted that it is the customer, and he alone, who defines how valuable any business can be. For this reason Drucker believed that marketing had to be a fundamental function of each enterprise. By the Author's account, to the basis of customer orientation is the belief that customer needs and satisfaction are the priority of the organization. Consequently, customer orientation is the ability of listening to customers (e.g., I try to find out what kind of product would be most helpful to a customer) and dialogue with them. Therefore a customer-oriented firm is that one which shows behaviors that enhance long term customer satisfaction.

At its beginning the market-driven management philosophy was built around the concept of customer orientation. In this sense, this philosophy of management was more customer-driven than market-driven. Frederick Webster (1994) identified customer orientation as the main feature of the market-driven company. He also suggested that the ability to create value to the customer is the main quality that can lead the company to the success on the market and (consequently) to the creation of shareholder value. Webster himself indicated Peter Drucker as the father of the market-driven management concept. Therefore, in Webster opinion, market-driven companies were those able to build value on the market (meeting the needs of consumers) and not only in the factory. As example of market-driven companies, Webster (1994) cited the General Electric, IBM and Procter & Gamble.

In recent times the philosophy of market-driven management went beyond the old concept of customer orientation and embraced a broader concept of market-orientation that include the customer, but is not limited to the customer, considering also all the other stakeholders of the macro-Marketing environment of the company. This evolution is mainly due to the studies of Lambin (2001a; 2001b; 2002; 2004) who included in the key players of the market also, competitors, prescribers and distributors and who specified that, in a market driven-company, the role of marketing is not limited to a specific organizational function, but involve the whole organization.

This revised market-driven management philosophy suggests that successful companies have the ability of gathering, interpreting and disseminating across the whole organization a lot of information not only about customers, but also about the other key players of the market (competitors, distributors, etc.). More precisely "Market orientation refers to the organization-wide generation of market intelligence through decision support systems, marketing information systems, marketing research efforts, dissemination of the intelligence across company departments, and organization-wide responsiveness to the changes taking place in the environment" (Spillan, 2005). In other words, market-driven companies are able to analyze their market better than their competitors.

From the beginning, marketing scholars understood that this ability can affect the performance of the firm. In a famous article, Day (2001) shows through many success stories that both customer and market orientation can improve the performance of the company.

Among the others, Day cited First-Direct, one of the first bank only telephone in the world. In Day's opinion the most obvious advantage of First-Direct was the realization, from the beginning, of a market-oriented organization. While traditional banks with their formal conduct were very far from customers, First-Direct was studying ways to get closer to them. First-Direct gave special attention to solve customers' problems, improved its capacity of response, and developed constantly new offers to contrast the competitors. Thus, First-Direct "demonstrated a superior ability to understand, attract and keep valuable customers"(Day, 2001). Thanks to this the company has managed to place itself at the top of the UK market that is highly competitive for the telephone banking sector.

Procter and Gamble (a multinational manufacturer of product ranges including personal care, household cleaning, laundry detergents and prescription drugs) is another example of good market-driven practice. Shulling (2001), who studied the case of the firm, reports that P&G company examines each month Nielsen data, check the sales regularly in order to "feel the market", organizes quality test on consumers, and leads monthly assessments on the launch of new products. All these market-driven activities gave their results: the company is now ranked 25 in

the Fortune rankings of the 500 America's largest corporation and it occupies the first position in the ranking of household and personal products industry.

The list of similar examples could continue. In any case, some researchers have gone beyond this simple methodology and developed methods to measure the market orientation (Narver and Slater, 1990; Kohli Jaworski and Kumar, 1993; Deshpandé, Farley and Webster, 1993) in order to study the linkage between market orientation and performance. On this path, many studies have demonstrated the existence of a positive relationship between market orientation and company performance:

- Narver and Slater (1990) measured market orientation and analyzed performances of 140 companies in two different sectors (commodity and not commodity) discovering a positive effect of relevant market orientation on company performance (in both sectors).
- A similar study has been developed by Selnes, Jaworski and Kohli (1996) who analyzed 222 companies (in Scandinavia and the USA) in different sectors. They concluded that the market orientation influence the overall performance of companies (in all countries).
- Also Lambin and Chumpitaz (2001), after analyzing a sample units of strategic business enterprises operating in Belgium, France, Hungary and Poland, arrived to the same conclusions asserting that market orientation is a factor explanatory company performance.

A general conclusion is that, in today's hypercompetitive global markets, success depends more on the overall vision and philosophy of the companies that drives their activities rather than on the traditional sources of competitive advantage. Certainly, the ability in gathering and interpreting data about the main key players of the market (and responding adequately) can be included among the principle aspects affecting the performance of the business.

Time compression

Literature review suggests that another key source of competitive advantage, in an environment

characterized by instability and excess of supply, is the firm's ability of competing on time.

The concept of time-based competition introduced by Stalk and Hout (1990), essentially draws an idea very common in managerial literature according to which, in a hypercompetitive environment, the enterprises able to compete on time (compressing the time of processes, reducing the time for the development and the launch of new products, optimizing the time of supply, etc.) hold a considerable competitive advantage over the other.

Stalk and Hout stated that, in a hypercompetitive environment, the old paradigm of entrepreneurial success, linked to the capacity to produce the greatest value to the lowest cost, has now been replaced by a new paradigm, according to which the most value for the lowest cost must also be produced in the shortest possible time.

It follows that the success on the market may be obtained by time compression. Time compression is the ability to reduce the time of the business processes through the rationalization of the procedures and by the removal of the stages which do not generate value (Brondoni, 2000). This result can be obtained in different ways:

- through the reduction of time to market, i.e. the period of time between design of the product and its commercialization (Valdani, 1995);
- by the reduction of the delivery time, namely the delays between the acquisition of an order and its satisfaction (Valdani, 1995);
- or even by the optimization of the time value, concerning the ability to administer the time factor in order to allow not only a time reduction, but also the maximization of time effectiveness (Brondoni, 2000). This is equivalent to say: the right thing at the right time.

As for the market orientation, also the ability to manage time has been linked by a number of researchers to company performance. For instance, Valdani (1995) observed that one year reduction of time to market for any product or service allows substantial reductions in costs of research and in the cost of management of the finished products, increasing firm performance. By examining the automotive industry, Clark (1989) estimated that in this sector (for a car of the value

of \$10,000) every day of delays in the introduction of a new model costs a loss of profits of 1.000.000 of dollars. In a similar study, Dumaine (1989) of the MC-Kinsey group noted that six months of delay in launching a product (in a market with growth rate of 20% per annum) determines a loss of profits of 33% over five years.

Perhaps these results will not be conclusive because it is not easy say that what happens in an industry must also happen in all the other. However, if these results are associated with empirical evidence, they help to strengthen the idea that, in a world increasingly competitive and unstable, the ability to exploit the time factor is an asset of fundamental importance for most of the companies. Thus, there are many case histories that show how time compression has conducted the firm to gain a leadership position in the market. In 1990 Stalk and Hout reported the case of Wal-Mart saying that its success was "due to many factors not the least of which is responsiveness. Wal-Mart replenishes the stock in its stores on average twice a week. Many stores receive deliveries daily. The typical competitor – K-mart, Sears or Zaire – replenishes its stock every two weeks." (Stalk and Hout, 1990, pag.2). The authors observed that compared to its competitors Wal-Mart could maintain the same service levels with one-fourth the inventory investment or offer its customers four times the choice of stock for the same investment in inventory; for these reasons in 1990 Wal-Mart was one of the fastest growing retailers of the United States with a return on capital that was more than twice as high as the industry average. Today Wal-Mart is still a time compressing company and, according to the 2008 Fortune ranking, it is the world's largest corporation by revenue.

The Spanish group INDITEX (owner of several brands including Zara, Pull & Bear, and Bershka) provides a good example of company adopting a system of production and distribution directed both to time compression and time value optimization. New products pass through the stages of design, production and distribution in a single week. Distribution points receive two deliveries per week and with each supply new products are released. This has a visible effect on the behavior of the consumers that visit the shops of the group much more frequently (average 17 times a year, against an average of 4 annual visits to the shops of competition) and buy more. Overall, the INDITEX formula seems to be a big success. Currently The Group is present in 70 countries with 3,890 stores.

In the year 2008, net income rose by 10%, to 219 million Euros.

Otherscholars (Ceglarek et al. 2004) observed that in some sectors, the need for time compression is due to the shortening of the product life cycle. For instance they note that in the automobile industry the product life cycle is now in average 4-7 years long, while some time ago was of 9-12 years. It is easy to forecast that product life cycle in the automotive industry will be shortened to 2-3 years in the near future. Similar trends are also apparent in the appliance and consumer goods industries. As a result, a number of firms are now reacting by the adoption of a so-called time-pacing strategy (Eisenhardt and Brown, 1998). Time-pacing concerns the ability of the company in designing and producing new products continuously. Eisenhardt and Brown (1998) set against this time-pacing strategy to a so called event-pacing strategy that is the strategy adopted by most traditional companies. An event-pacing-company waits that a change occurs in competitive conditions (e.g. a change in consumer tastes) before developing a new offer. Conversely a time-pacing-company creates new products and services on the basis of a precise timetable (for instance, each six months, each year, etc.) trying to anticipate those that will be consumers needs in the near future. An example is given by The Gillette Company. When Gillette launched the Sensor razor, his successor Excel was already in an advanced stage of development. When Excel was sold on the market for the first time, there were already at least 10 other new products in the study phase. Certainly it is hard to say that Gillette is not a successful company: in the year 2006 the Gillette Company was ranked among the first companies of America in the Fortune 500 list, while the Company has now been absorbed by the Procter & Gamble group.

Co-opetition

Between the years '90 and today, the competitive conditions of many markets have radically changed because of a series of reasons, including the globalization of markets, the shortening of the product life cycle, the technological convergence and the phenomena of hypercompetition. "All these as meant the need for greater capital investment than one firm, however big, can regularly cope with, and the need for allies who span the major markets of the globe" (Faulkner, DeRond,

2000, p.3). In this sense, it must be considered that cooperation is sometimes a competitive instrument necessary for the survival of the firm. To identify this phenomenon, in the context of the academic literature, has been coined the term of co-opetition (Branderburger and Nalebuff, 1996). More exactly the term "co-opetition" indicate the establishment of cooperative relations between competitors.

Therefore, co-opetition can be seen as a form of horizontal collaboration in which the partners are companies that, while working together in certain fields, keep their vocation to compete in different markets (Dagnino, Padula; 2000). These types of alliances, which are established between competitors belonging to the same industrial sector, may be easily distinguished from vertical alliances that refer instead to collaborative relationships established between companies of different industries, often operating in adjacent phases of the value chain (Harrigan, 1988).

Some studies emphasize how environmental uncertainty is the first cause that pushes the competing companies to conclude agreements of alliance (Burgers, Hill, Kim, 1993). It is possible to identify two main sources of uncertainty:

- The demand uncertainty, resulting largely from difficulties in forecasting the changes of purchasing behavior of consumers;
- The competitive Uncertainty, which derives from the difficulties to predict the likelihood of attack (or reply to the attacks) of competitors.

The demand uncertainty pushes the competitors to establish alliances to increase their capacity of analysis and to develop new offers that will more likely to meet the changing tastes of consumers.

Similarly, also competitive uncertainty may be reduced through an alliance and this is not because the alliances eliminate the rivalry between the companies, but because it increases the knowledge.

Co-opetitive relationships occur especially in high-technology sectors and on the research field (Porreca, 1991).

These relationships can involve couples of companies (dyadic co-opetition) or networks (network co-opetition).

As example of network co-opetition can be cited the Alliance Car Manufacturer that is an association born to join the interests of nine major car manufacturers (Bmw, DaimlerChrysler, Ford, General Motors, Mazda, Mitsubishi, Porsche, Toyota, Volkswagen) that works as a support group of automotive industry on a large number of issues of common interest. Another good example can be found in the field of mobile telephony, where a number of producers (Nokia, Ericsson, Psion and Motorola) created the joint venture Symbian for the development of the Symbian operating system. These firms cooperate in a key area of strategic activity (that is one of the development of the operating system), while they are competing on the mobile phones market.

Cases or dyadic co-opetition are even more common. For instance, in the automotive sector, Fiat and General Motors that-although in competition on the front of sale of motor vehicles concluded some years ago an agreement for the creation of two joint ventures: Fiat-GM powertrain and FIAT-GM worldwide purchasing. The first company was intended to the development and production of a new engine (diesel Multijet) and the second was aimed to buy together the needed components to build the engines. Both companies (at least according to news provided by the press) have profited from this operation.

Another significant case of dyadic co-opetition is the agreement recently achieved between Palm and Microsoft. The two companies have been direct competitors for years (and protagonists of hard battles) on the front of the market of operating systems for portable devices (mainly handheld computers). Windows Mobile, the operating system developed by the Microsoft Corp., is now, the main alternative to Palm OS, the operating system (leader of the market) produced by Palm, Inc. The two companies have concluded a strategic alliance for placing on the market a Smartphone produced by Palm and equipped with a Windows operating system.

The linkage between co-opetition and performance is suggested by several studies:

- Sarkar , Echambadi and Harrison (2001), by analyzing a sample of 182 companies operating in several areas of technology, have found that the proactivity of firms in the conclusion of alliances is strongly correlated with the performance (market share, increase in sales, the development of products).
- Baum, Calabrese and Silverman (2000), by analyzing a sample of 142 startup (new firms) biotechnology Industry Canada (period 91-96), have found that the strategic alliances between the pharmaceutical companies determine an increase in revenue, an increase in the number of employees and increased levels of expenditure on R & D.
- García and Velasco (2002), by analyzing a sample of 73 companies in the industry of biotechnology, have found that cooperation with the direct competitors has a positive effect on product lines (it is to increase the number) and technological diversity (which increase).
- Dussauge, Garrette and Mitchell (2004), have analyzed 135 alliances concluded between competitors in the automobile industry world. Among other results, the authors have found that alliances determine an increase in market share of the companies involved.
- Luo, Slotegraaf and Pan (2006), have found that the inter-functional co-opetition (i.e. between departments of the same company) improves both the financial performance that the market performance of the company.

References

- BAUM J., CALABRESE T., SILVERMAN B. (2000), "Don't Go It Alone: Alliance Network Composition And Startups' Performance In Canadian Biotechnology", *Strategic Management Journal*, 21: 267-294.
- BRANDERBURGER A. M., NALEBUFF B. J. (1996), "Co-opetition", Harper Collins Business, London.
- BRONDONI S. M. (2000), "Competizione accelerata", *Il Sole 24 Ore del lunedì Manager & Impresa*, 8 maggio: 40.
- BRONDONI S. M. (2002), "Ouverture de Market-Space Management", *Symphonia*, 1 : 7-11.
- BURGERS W., HILL C., CHAN KIM W. (1993), "A Theory of Global Strategic Alliances: The Case of the Global Auto Industry", *Strategic Management Journal*, 14(6) : 419-432.

- CEGLAREK D., HUANG W., ZHOU S., DYNG Y., KUMAR R., ZHOU Y. (2004), "Time-Based Competition in Multistage Manufacturing: Stream-Of-Variation-Analysis (SOVA) Methodology Review", *The International Journal of Flexible Manufacturing Systems*, 16: 11-44.
- CLARK K. (1989), "Project Scope and Project Performance: The Effect of Parts Strategy and Supplier Involvement on Product Development", *Management Science*, 35(5): 1247-1263
- D'AVENI R. (1994), "Hypercompetition", The Free Press, New York.
- DAGNINO G. B., PADULA G. (2002), "Coopetition Strategy – A New Kind of Interfirm Dynamics for Value Creation", II annual conference of The European Academy of Management, Innovative Research in Management, Stockholm, 9-11 May, 2002.
- DAY G. S. (2001), "Market-Driven Winners", *Symphonia*, n. 2, pp.19-32.
- DESHPANDE' J. U. FARLEY, F. E.WEBSTER, JR. (1993), "Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis," *Journal of Marketing*, 57: 22–27.
- DRUCKER P. F. (1954), "The Practice of Management" Harper & Row, Inc., New York.
- DUMAINE B. (1989), "How Managers Can Succeed Through Speed", *Fortune*, 119(4): 54-59.
- DUSSAUGE P., GARRETTE B., MITCHELL W. (2004), "Asymmetric Performance: The Market Share Impact of Scale and Link Alliances in The Global Auto Industry", *Strategic Management Journal*, 25: 701-711.
- EISENHARDT K. M., BROWN S. (1998), "Time Pacing: competing in Markets That Won't Stand Still", *Harvard Business Review*, March-April: 59-69.
- FAULKNER D., DE ROND M. (2000), "Cooperative Strategy", Oxford University Press, New York.
- GARCIA C., VELASCO C. (2002), "Co-opetition And Performance: Evidence From European Biotechnology Industry", II Annual Conference of EURAM on "Innovative Research Management", Stockholm, May 9-11, 2002.
- HARRIGAN K. R. (1988), "Joint Ventures and Competitive Strategy", *Strategic Management Journal*, 9: 141-158.
- KOHLI, J. K., B. J. JAWORSKI, A. KUMAR (1993), "MARKOR: A Measure of Market Orientation," *Journal of Marketing Research*, 30: 467–477.
- LAMBIN J. J. (2002), "Il Marketing strategico dopo l'11 settembre", *Symphonia*, 2002, 1: 13-35.
- LAMBIN J. J. (2004), "Marketing strategico e operativo", McGraw-Hill, Milano.
- LAMBIN J. J., BRONDONI S. M. (2001a), "Ouverture de Market-Driven Management", *Symphonia*, 2 : 7-18.
- LAMBIN J. J., CHUMPITAZ R. (2001b), "Orientamento al mercato e performance aziendale", *Symphonia*, 2: 33-51.
- LUO X., SLOTEGRAF R., PAN X. (2006), "Cross-Functional Coopetition: The simultaneous Role of Cooperation and Competition Within Firms", *Journal of Marketing*, (70)2: 67-80.
- NARVER J.C., SLATER S.F. (1990), "The Effects of Market Orientation on Business Profitability", *Journal of Marketing*, 54: 20-35.
- PORRECA L. (1991), "Le alleanze nel settore aeronautico", in S. Vicari, "Le alleanze nei settori ad alta tecnologia", Egea, Milano.
- PORTER M. (1985), "Competitive Advantage", The Free Press, New York.
- REITANO A. (2002). "Telematica concorrenza e comunicazione integrate d'impresa", Giappichelli, Torino.
- SARKAR M., ECHAMBADI R., HARRISON J. J. (2001), "Alliance Entrepreneurship And Firm Market Performance", *Strategic Management Journal*, 22: 701-711.
- SCHULLING I. (2001), "L'organizzazione di marketing nelle imprese market-driven. Il caso Procter & Gamble", *Symphonia*, n. 2, pp.107-109.
- SELNES F., JAWORSKI B., KOHLI A. (1996), "Market Orientation in United States and Scandinavian Companies. A Cross Cultural Study", *Scandinavian Journal of Management*, 12(2): 139-157.

SPILLAN J.E. (2005), "The Effect of a Market Orientation on Business Performance, a Study of Small-Sized Services", *Journal of business management*, April 1: 1-10.

STALK G., HOUT T. H. (1990), "Competing Against Time: How Time Based Competition is

Reshaping Global Markets", The Free Press, New York.

VALDANI E. (1995), "Marketing strategico", Etaslibri, Milano.

WEBSTER F. E. (1994), "Market-Driven Management", John Wiley and Sons, New York.

NEW SOCIAL VALUES AND MANAGEMENT OF HUMAN RESOURCES IN COMPANIES OF SPORTS/TOURISM/LEISURE

SERGIO QUESADA RETTSCHLAG
UNIVERSIDAD DE ALICANTE (ESPAÑA)

DRA. M^a DOLORES DÍEZ GARCÍA
UNIVERSIDAD DE ALICANTE (ESPAÑA)

ABSTRACT:

Under the current economic crisis situation, we need to remark the importance of managing human resources as key assets of the companies of sports, tourism and leisure. The roles and skills, both classic and current, that every manager should know and be able to develop according to the particularities of these companies and their transnational conjuncture. This leads to the need of new leaders capable of successfully tackling these challenges. The paper ends with some other functions considered innovative in the management of people.

Keywords: Management, Human Resources, Leadership, Innovation, Creativity.

THE CURRENT MANAGEMENT OF THE HUMAN RESOURCES IN COMPANIES OF SPORTS/TOURISM/LEISURE

The manager of companies of services that are centred in his/her team, requires the efficiency of each gesture and action and the conjunction of individual efforts to obtain team objectives that gives the company the highest value. He/she prosecutes not to have uncultivated efforts, senseless walks, that everything has its reason to be, optimizing the processes and making them to join in that searching of the excellence that must be proposed as the basic objective of his/her management. This is very important in the current times when a deep economical crisis swoops down on our national economies, affecting in a special way in companies of services provided that the contraction of the consumption of the citizens

begins for concerning those areas considered like not vitally and, especially, recounted to services considered like not basic. That is why the challenge of these companies is to define the best model to continuing to manage their Human Resources taking into account the needs that arise both from the current conjuncture and from the new social values that begin to mark the present business management.

The first premise is the conviction that the management of the Human Resources has become the highest technologic innovation at the beginning of this century. They constitute the most important assets of the company, whom the company's success depends on but, at the same time the most difficult capital to manage. A model of dynamic participative and motivating management is needed, where the specific training could be its banner and the company – workers integration its main aim. That is why the most suitable way to use the instruments, classical and new ones which ensure the intellectual capital of the company and the best way to manage it must be known.

THE HUMAN RESOURCES

As we have pointed out, the Human Resources are the most valuable capital of the sports/touristic/leisure organizations, so the viability of the company depends on their professional qualification and dedication. A.M. Güell, professor of the Escuela Superior de Administración y Dirección de Empresas (ESADE), affirms that “people that take part of an organization are the only stable advantage in front of their competitors”, and for Becker (Nobel of Economy 1992) “the human capital is the main determinant of progress and training is the decisive fact of productivity”.

The advisory Watson Wyatt, carried out a survey to more than two hundred companies from sixteen European countries in 2000, it was published under the name of The Human Capital Index. It was revealed how an adequate management of the Human Resources contributes to the creation of the value of the company. As key facts the use of the worker's talent and the right selection were pointed out.

But, what is it nowadays management of Human Resources? From our view: Figure 1, the basic functions and abilities to be developed by the manager of Human Resources are centred in the ones that are shown in it. The first ones, that are named classical, are the pillar upon the manager of the companies of services must create his/her own model for the administration of its Human Resources, but always having into account the ones labelled as current, as they are being more demanded each time by the companies, organizations and by their employees.

The ability of the manager of those Human Resources will be based in getting all of them to develop in a homogeneous and complementary way, satisfying at the same time the needs of the company and of its workers.

This requires putting into practice a modern leadership that must be open, communicative, creative, innovating, motivating and provider of leaderships. If the leader is able to achieve the workers become leaders in their posts of job, a great way will have been reached. Although an atmosphere of competitiveness and enthusiasm that must be ordered can be created with the appearance of those other leaders, it is always better making an effort to make compatible both excesses of strength and creativity than trying to take the collaborators out from a monotonous and boring routine which is usually responsibility of the own leader/manager.

It is not an easy task to do but it is exciting indeed, which requires a great specific training by the

manager, to have an adequate level of knowledge about human behaviour, to be creative, never to have enough with what it has been reached and a great love for his/her work. Dealing with people is difficult but it represents a challenge that at the end it always provides professional and personal satisfaction.

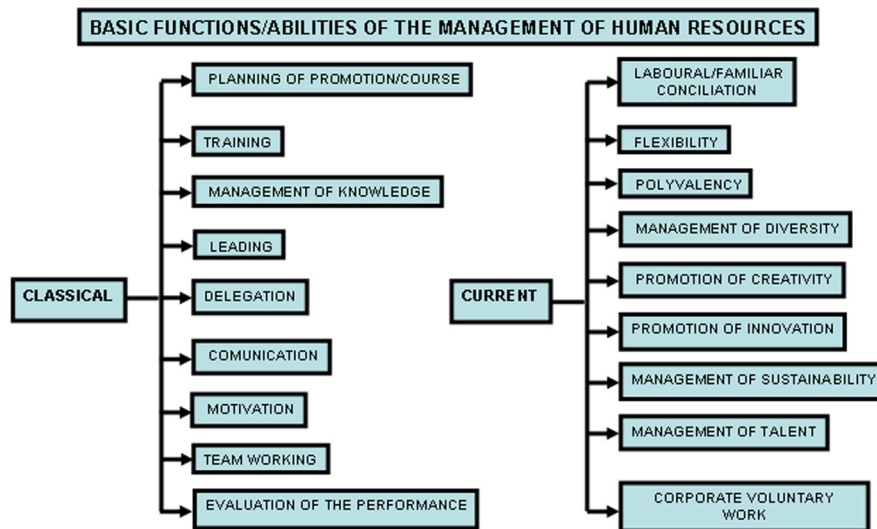
BASIC FUNCTIONS IN THE MANAGEMENT OF HUMAN RESOURCES IN THE SPORTS/ TOURISM/LEISURE COMPANIES

We try to show a reflection on the functions that must be faced with new energies by managers, reinvented if the case comes, to face the current challenges and to turn worrying situations into positions of exit towards the future.

That is why, we are going to outline a general frame of these basic functions to be developed by the manager of Human Resources, made of the classical ones, which constituting the basic pillar of Human Resources' management they are better known and upon them there are numerous references like Quesada and Díez (2006, 2nd ed.), and the new ones, more modern but that have been constituted in the common place of articles, reflections and managerial discussions, as the book coordinated by Gajo (2009) of obliged reading by its quickness and current importance.

The career plan, primary responsibility of the executive, is an attempt of foreseeing, with the major possible approximation, the best future conjunction of the person with his/her post of job. It needs to have well defined the profile of each post of job and, at the same time, to know the profile of the individual who can occupy it, looking for the perfect matching in between both. Both the executive and the worker must develop their respective roles to converge towards the final aims.

Figure 1



Source: Own creation

Training is rising as a creator of the value in the companies. We are in the time of permanent and constant training and, in addition, because it is necessary as the constant changes to which the company must face, oblige its professionals to keep their knowledge updated. Sometimes it runs the risk of providing a general indiscriminate and non specific training that implies really a squandering of the used resources, as the managerial utilization of this type of training is scanty. The person in charge of this part of the management of the Human Resources has to know very well the needs of training of the workers and the adequate temporal rhythm to provide it to them. Thanks to our experience we know that a lot of external training courses are given with rigor, but sometimes they are not the suitable ones. It sometimes seems that companies ask for courses without planning rigorously their needs. Paredes, E. (2009) agrees with us when he says "... it is inadequate invested, without planning relating to each person, nor according to the task done nor taking part of a global vision ..."

A common mistake in the companies, even in those that succeed in programming and in the development of training their employees, is the little utilization as a whole of the acquired knowledge. This individualist attitude can be justified in internal training, but it becomes squandering when training

is external. If we defend working in teams and by processes, has it got any sense to choose a member of the team to get determined knowledge and then he/she does not share it with the other members of the group? The answer is negative. Solvent programs of Management of Knowledge must be planned and developed in order to share this knowledge with all the people who are interested in, through joint meetings of analysis, putting them in practice and evaluation of results. The value added to the company by this acquired knowledge must be measured and calculated in the ratio "investment in training/added value". The more this quotient comes closer zero the more profitable the investment in training will be. A quotient which results one must make be thought about the opportunity of this training and, logically, the more than one the result is the more questionable the received training will be. The process must be led by people who are convinced in the need of this management and capable of defining the parameters and the necessary tools to evaluate its efficiency.

The axis on which the Management of the Human Resources pivots on is the Leader, that one that develops a series of qualities that, most of them, do not have to be innate but can be learned by the skill in the bosom of a good corporate culture. This affirmation was corroborated by a study¹ entrusted

by the European Foundation for the Development of the Leadership (EFMD) to a team of work made of 20 important European companies, which was focused on the "identification of the challenges, keys and better practices in leadership". The main conclusions were:

1. To train leaders in the future, the leadership must be integrated in the corporative culture of the companies by a process that takes part of the daily activities.
2. The people with potential must be trained with suitable instruments as the training focusing the client service, the self diagnosis and the contact nets.
3. Leadership is not a God's gift for a few people, but an art that can be learnt by many people.
4. There are five myths regarding leadership which are not true: it is an ability that skimps, leaders are born not made, leaders are charismatic, leadership is only referred to the dome of an organization, leaders control, direct and manipulate.
5. The abilities of leadership require to have developed some experiences in personal life.
6. Most of the leaders nowadays have been trained to manage processes and not people.

In the current economical situation the companies of services require an especial leader who, with the necessary rational and emotional qualities, knows how to approach to their collaborators in an open way, communicates as much as it is happening in the company with a clear and understandable language, is accessible to dialogue, contrasts his/her innovating proposals with his/her Human Resources, being grateful and emphasizing the importance of their contributions, listening and doing own those that he/she considers to be opportune and, finally, fomenting the own and the team's creativity. Paul J. H. Schoemaker², expert in thought and strategy, affirms that a real leader must have curiosity, aptitude to advance to the events, to change, value to face the unknown thing and the personal charisma to direct other people and to gain their confidence³.

That is why the function of leadership appears in the centre of the scheme in Figure 1, underlying its role of pivot which the other functions rest and pivot on. Relating delegation, the leader must

know how to delegate in the sense of entrusting a certain person the development of determined functions, without coming out into his/her the whole responsibility, providing him/her the suitable means to carry them out and so that he/she could take decisions even without consulting the chief previously.

He/she must establish a good system of Communication, being sure that the communication in the company is an important instrument of his/her management that is based in the bi-directional flow of information between issuer and receptor, being both internal or one internal and the other external. In the internal environment it is useful to manage their knowledge, to create an enterprise culture and to motivate the employees, and regarding the external it acts as a link of union with the environment by transmitting the image of the enterprise and collecting the external customers' opinion. The companies of sports, touristic and leisure services need to fidelize their users, by involving them in the management, listening to their suggestions and offering complementary social and family activities.

All the above joined to other personal and professional factors, constitute the basis of the Motivation or set of factors, intrinsic and extrinsic, that configure a person's behaviour stimulating him/her to obtain certain goals. The importance of the concept does not rest in defining it in a sentence but in understanding to act right, the basic mechanisms that move people to behave enthusiastically, vital energy, personal effort, creativity, emotion, etc. For that the manager of Human Resources must take into account:

- a) Each worker must trust in the objectives to be reached and in his/her capacity to reach them.
- b) The employees can have their personal objectives different from the organization, but the leader's task is to harmonize all of them and take them to a common end..
- c) A person's needs are different from one each other and moreover variable. That is why the way of motivation must be adapted to each collaborator and his/her circumstances.

On the other hand, in order to make the company works synchronized and taking advantage of the components' efforts it is essential to develop the processes through Team Work. For sure it will be necessary to give some training courses

previously, mainly to those who must leader the teams of work. We either use "team" or "group", understanding a team or group of work as a group of interdependent people convinced of the better efficiency in working in common against individual, they work to achieve specific objectives being at the same time, permanently connected with the other teams in order to get the attainment of the general objectives established in the global strategic planning.

The teams of work must be made of members of the different sections and departments, covering the involved areas in each of the processes to be developed. Specific methods of work, information and communication methodologies are needed the same as a dynamic of interdependent exchange that ease the transformation of the processes, by evolving from the individualization of the people to their interdependence.

It is also essential to evaluate the labour behaviour of the workers, which is usually known as Evaluation of the Performance. An organization with such a complex dynamic, having to be continuously adapting to the changes generated around must have to add new workers, move them, promote them or make a File of Regulation of Employment, which is minimized if the staff's fidelity is reached. If any of these phenomenon is produced the movement will affect to some people more than to others, according to the perception that is had about the behaviour of the collaborator, of his/her efficiency and of the needs of the organization, both for its lacks or for its projects.

There is always an evaluation. But sometimes it is carried out without defining explicitly nor the method nor the way to carried it out which includes the criteria of decision, objectives based in the strategy, ways of evaluate the activities, concretion of expected results, clear anticipation of the rules of the game (rules of working) and forecast of the repercussions that for the interested one will have his/her contribution to the collective occupation. This constitutes a set of essential requirements so that the evaluation of the performance is productive for the worker and the company.

Together with these classical functions, the ones that we have called Current Functions appear, which have been being more and more important each time in the last years due to phenomena like globalization, immigration, laws of equality and the personal search for more quality of life. They do not have enough entity on their own in order to constitute a doctrine of management of the Human Resources, but without having them as a reference for the classical functions they do not reach their maximum efficiency.

The managerial organizations neither have enough with university qualifications, but sometimes they do not even need them, but require people with personal values compatible with those who shape the enterprise culture and capable of joining the company with an ideal performance with regard to his/her post of work and the organization. They ask them for initiative, human touch, to contribute with braveness to the company from his/her acts and attitudes, not to be afraid of the changes and to have capacity of adjustment to them, to have self initiative and creativity, to be orientated to the results, to worry for the external client, to work in a team, zeal of overcoming, theoretical specific knowledge and great capacity of learning.

It seems as the companies are looking for people who are capable to become "Superman". This takes two big challenges, to find them and to have qualified managers to manage them. Moreover, these managerial requirements have to match with workers' who have suffered an important change in the last years.

The current collaborator claims a continuous and specific training, a new way to focus the classical remuneration, varying in different steps and not to concentrate only in the economic one, to be able to meet their professional work with their social and family needs, so the company has to be flexible and to respect more the environment, obliging the company to develop politics of sustainability.

The following Table 1 shows some of those changes in the way of behaving and to focus their priorities.

Table 1: Transformations in the values of the Human Resources

from a Traditional Worker	To a Professional with Talent
Loyalty to the Organization	Loyalty to him/herself, to his/her teams and projects.
Search of stability	Passion for action and change
Middle level of confidence	High level of confidence
Long term career planning	Expects being short time in the company
Orientation to salary and to professional position	Orientation to personal growth, opportunities and money
To wish a balanced life	To demand a balanced life
Fear of change	Comfortable with change
Adaptation to new technology	Use of technology as a habit
Lots of working hours	He/she prefers to be judged by his/her results
He/she thinks that the management is capable to respond to everything	He/she wants the management to be consistent
Motto: work hard to be successful	Motto: work well, enjoy with your task and improve

Source: Expansión y Empleo, June 23rd and 24th, 2007

One of the basic concepts in the new management of Human Resources, that we assure that the management is based on this concept, is the one known as Labour/Family Conciliation. A research carried out by Madrid Community (2006) outstands:

- More than 50% of the Spanish working population considers that his/her work is not flexible.
- Only 20% thinks the organization and the distribution of work lets carry it out in less time.
- 70% of whom state to have labour quality say they are capable to face their social, personal and family commitments admit at the same time that they have flexibility in their timetable.
- The state servants are satisfied with their timetable ten points above the rest of salaried workers.
- 30% admits their labour situation provokes them health problems. In people with night shifts this percentage increases to 40%.
- The valuation of the leaving earlier is similar in women, 46%, and in men, 44%. However, it is important to point out that there is a 50% that seem that are not very interested in the theme.

In the kind of companies that we have concentrated in, labour/familiar conciliation presents its own

difficulties to be carried out, but it is then when leader's ingenious and creativity enter the game in order to develop it in agreement with the workers.

The same Community of Madrid offers a guide with the best practices of labour/familiar conciliation that are summarize in flexibility in timetables, maternity leaves more than stipulated by law, extended leave in order to look after their parents, ill or disabled children, exchange of salary for holiday, grant of certain hours a month for personal matters, politics of "lights off" in order to avoid enlarging the labour journey, etc.

The companies related to tourism/sports/leisure have to assume these tendencies and develop their own politics of labour conciliation and flexibility, collecting and analyzing what it is done in this field by other companies to adapt it and make it better to the own characteristics of each entity. Its adoption seems to be an obligatory decision as a favourable strategic measure of the consolidation of the company. The rate of Family Responsible Companies of IESE1 collects a serial of conflicts promoted by the absence of these politics of conciliation, underlying absenteeism (12%), lack of engagement (15%), unpunctuality (12%), the difficulty of movements (12%), the little attraction of new professionals (9%) and the medical leaves because of stress (10%).

The key for this conciliation is to know how to harmonize the needs of the company with the

ones of its collaborators and this requires to value positively the family parameters of its workers and to admit their influence in their work.

We quoted Flexibility and Polyvalence as functions to be developed by the manager of Human Resources, referring to their application in training the workers. In companies which are each time less hierarchical, Human Resources have to be flexible and polyvalent with abilities to develop the task that any post of his/her level of work can claim. The acquisition of these capacities is responsibility of the immediate boss and it must be developed by an internal training that by several rotations to let them know the specific functions of their fellows of the same level. We defend that each worker must be capable to cope in any post of the same level, having the right to know the requirements to promote to a higher level. He/she will be free to decide his/her definitive location in the company only in these conditions.

Another important function is the Management of Diversity. In the current world the mixture of people of different races and religions is frequent. Spain, because of its geographic position and its common language with Latin America, has become a place of convergence of immigrants from Africa and South America, the same as others who come from East Europe. Managing such different human values represents a challenge for the responsible of Human Resources, but at the same time, the best opportunity to get the excellence in his/her labour by teams which living such different people together represents an occasion to reach that Creativity and Innovation are more effective. We must take into account that immigrants are usually so because they and their families need to survive worth, which take them to sharpen their ingenuity, which turns out to be a spur for our Human Resources "autochthonous" that do not usually need from this creativity due to their conditions of life that provide them an accommodating level.

Myrtha Casanova, president and founder of the European Institute for Management of Diversity, affirms that this is so near that who take decisions sometimes wonder the need of managing it. However, the problem comes out when this happening has such an accelerated impact that it starts to generate conflicts. The difference so it becomes in a developing fact must be managed. It is recommended for this the use of tools such as

searching for sources of selection in different places, creating suitable programmes of incorporation to receive these professionals that go apart from the classical stereotype and ease the harmonization of private and labour life. However, according to the White Book about this subject, IESE (2007), only 13% of the European companies have started politics of diversity. In Spain this is a phenomenon that is starting, from the promulgation of the Law of equality in March 2007.

Finally, we are going to refer to the Management of Talent understanding it as the potential that a person can have in the development of the set of abilities/competences¹. The manager of Human Resources must manage these talents in order to make the results help to grow in a professional and personal way. Sánchez Galán, president of Iberdrola, affirms that "the key person in the company in the XXI century is the one who discovers and manages talent¹". The employee's talent, apart from watching and analysing him/her, requires to investigate about his/her interests, to know the values by which he/she is ruled and to contribute to make his/her loyalty towards the company increases. For example they require that the company takes care of their reputation in order to be more involved in their work. Money is not their main motivation but they require a good atmosphere to be comfortable at work and to feel an important part of the managerial project and not only pieces of a whole. They defend the environment and they demand the same worry from their company.

In addition, they ask for measures of Corporate Social Responsibilities started by the organization and want to interfere in tasks of corporate voluntary work. All this needs some requirements from the managerial leader and by the own organization. The first one has to have the necessary training and energy to satisfy its collaborators' non economical demands, starting from gaining their confidence. A survey from the advisory Harris in U.S.A. showed that while in 1966 55% of American citizens showed their confidence in their leaders, this percentage had decreased to 16% in 2007.

From its part, the company must act with ethics and be worried by social themes and environmental, apart from the economical ones. About ethics it is spoken as something essential in the personal life and in business but it is not always followed. In fact,

the current economical crisis that flogs the world in these moments has its origin in the lack of ethics of certain executive tops, putting in the market the sadly famous mortgages sub occupy and their embezzlement through the offers of fraudulent investment. The decision of the president of the United States of establishing controls to certain managerial wages, seems to want to come back to the economic ethics

The managerial worries by the social environments, environment and the corporate voluntary work, with pure economical matters, are what it is called Corporative Social Responsibilities. In this circumstances of recession of confident of the clients, is when Corporative Social Responsibilities can act as an differentiating element helping to make that confidence to be stronger and to overtake this threatening conjuncture. In spite of Spain is heading the countries with Corporative Social Responsibilities practices thanks to the great companies, the Small and Medium Enterprises have not entered in that dynamic of responsible practices, as at least 50% of the ones that do not have ten employees know the Corporative Social Responsibilities. According to Forética (2008) more than 40% of the Small and Medium Enterprises do not carry out these practices because of unknowing them because they do not think they are necessary or because they have other priorities.

The question that is displayed is if the companies of sports/touristic/leisure services must take this practices and because. We think that the answer is affirmative as it is not only something altruistic but of strategies that give benefits. If this crisis has anything positive is that it is going to be useful to clear out the managerial panorama so that the companies bet for creativity, discipline, innovation and good practices to end stronger. The Corporative Social Responsibilities can help our small and medium enterprises of services to fidelize their external and internal clients. For these last ones it can offer to be involved in the tasks of managerial volunteer, so that the sports/leisure or touristic small and medium enterprises to become in social referent in its environment by making stronger its introduction and development in a medium/long time.

To end with we coment the ten capital sins which the manager of Human Resources must not fall in, Farache (2008):

1. The boss does not decide, he orders. The lack of order is very damaging for the company.
2. The boss orders, but he does not lead. The leader must look for and find the complicity of his/her team.
3. The boss is overbearing. It usually meets with a bad behaviour, a fault of humanity or of honesty.
4. He/she hears but not listens. It is a pernicious fault if it is exercised in the company.
5. The boss looses his/her own control. Self-control is an emotional quality that leaders must grow.
6. The boss is resultish. The result is always first to having things well done.
7. The boss does not dismiss harmful workers or executives. This attitude takes to a feeling of "being useless to make an effort" among those employees that are integrated and fight for the organization.
8. The boss does not think in the clients. If the external clients are the reason to be of the company, the internal ones are the producers of quality that projects on the outside. It is difficult to transmit external quality if it is not produced internally.
9. The boss is afraid. Reflex of an inferiority complex that takes to choose collaborators that considers they are worse than him/her.
- 10The boss is unfair. Especially when compensating workers.

We have laid some basic functions and abilities of the management of Human Resources that help sports/tourism/leisure companies to adopt strategies which lead them to keep in the market, facing the crisis and getting ready to get out strong from it.

We want to point out that some functions considered as innovating in the management of people are appearing nowadays. It becomes clear in the prizes of Innovation of Human Resources summoned from 2003 by Expansion and Employment. In 2008 the eighty initiatives presented were reflecting 1 as priorities recruiting and capitation of talent, corporative training, motivation, loyalty of workers, support, conciliation and health in the company.

The final conclusion of the jury, which we agree with, was that it is not only to innovate but to start initiatives that impact in the staff and improve the results of business.

BIBLIOGRAPHY

Comunidad de Madrid (2006). Demandas sociales en materia de horarios. Centro Universitario de Estudios Sociales Aplicados (CUESA). <http://www.empresaconciliacion.com>

Farache, L. (2008). Los diez pecados capitales del jefe. Ed. Almuzara. Córdoba. España.

Forética (2008). Evolución de la Responsabilidad Social de las empresas en España. Ed. Forética.

Gajo, J. (coordinador) (2009). Consejos de Empresarios para Empresarios. Forum Millora Continua. Difusión Jurídica. Madrid. España.

IESE (2007). Libro Blanco sobre la Gestión de la Diversidad en las empresas españolas. Universidad de Navarra. www.iese.edu/en/files/LibroBlancoDiversidad07

Paredes, E. (2009). ¿Las empresas invierten lo suficiente en la Formación de los empleados? En Consejos de Empresarios para Empresarios. Pág. 79.

Quesada, S. y Díez, M.D. (2006, 2ª ed.). Dirección de Centros Deportivos. Principales Funciones y Habilidades del Director Deportivo. Ed. Paidotribo. Barcelona. España.

Watson Wyatt Worldwidwe (2000). The human capital index : linking human capital and shareholder value : survey report 2000

GREEN ENTREPRENEURS – THE ITALIAN WAY

KAREN GREIG
MANCHESTER METROPOLITAN UNIVERSITY, UK

ANTONELLA REITANO
UNIVERSITY OF CALABRIA, ITALY

CARLA SPOSATO
UNIVERSITY OF CALABRIA, ITALY

DAVID TAYLOR
MANCHESTER METROPOLITAN UNIVERSITY, UK

Abstract:

The aim of this paper is to explore the motivations of those starting green businesses or greening established businesses in Italy. Taylor and Walley's Green Entrepreneur Typology (Taylor and Walley, 2004, Walley et al, 2008) is used in the research as a framework for comparison of established businesses and start-ups.

Despite the growing perception of the role of green entrepreneurs as crucial change agents in the sustainability transformation process (Walley et al, 2008), until recently, research into the motives of and influences on green entrepreneurs has been quite limited (Walley et al, 2008, Schaper, 2005). There is evidence however that in the UK and internationally there are as many new green businesses set up with entirely economic motives as there are green start-ups established because of wider sustainability goals (Walley et al, 2008) many of these encouraged by initiatives designed specifically to encourage green entrepreneurship (Schaper, 2005). When classifying UK green entrepreneurs according to the Green Entrepreneur Typology (Taylor and Walley, 2004), Walley et al, (2008) also identified a possible link between the industrial sector and the type of green entrepreneur.

According to Bianchi and Noci (1998), the approach of Italian SMEs to greening has been reactive rather than proactive in that they have responded positively when required to by key stakeholders. This approach is attributed to a number of factors including a lack of resources

and knowledge (Bianchi and Noci, 1998). The EU and the Italian Government are actively encouraging sustainable business but their focus appears to be primarily on the "greening" of existing businesses, in particular SMEs, rather than the encouragement of green start-ups.

The focus of this research was limited to Italian SME's in the Calabria region of Italy leaving room for further research in other Italian regions. The purpose of the research was to provide insights for policy makers and educators in the UK and Italy into ways to foster green entrepreneurship. Questionnaires were sent to SME owner-managers in the Calabria region of Italy, who were listed on the website of Confindustria Cosenza, the regional branch of Confindustria, a national business association representing both manufacturing and service enterprises throughout Italy.

The age of the businesses in the sample meant that we were unable to speak directly to the company founder. Consequently, the focus of the research was on the influences on and motivation of current owner/managers to 'green' their existing businesses. The results indicate that whilst profit is still a key determinant of the business approach, sustainability is playing an increasingly influential role.

Key Words

Green Entrepreneurs, Italy, Sustainability, Greening

Introduction

Until recently, investigation into the motives of and influences on green entrepreneurs amongst the wealth of research on entrepreneurship has been quite limited (Walley et al, 2007, Schaper, 2005). This is a cause for concern given the growing perception of the role of green entrepreneurs as crucial change agents in the sustainability transformation process (Walley et al, 2008).

Following a detailed analysis of general entrepreneurship typologies (including Chell et al, 1991; Dana, 1995; Thompson, 1998), structuration theory applied to the greening of business (Giddens 1984; Walley & Stubbs, 2000) and different conceptualisations of green businesses (Elkington, 1999; Isaak, 1998), Taylor & Walley (2004) constructed a conceptual typology representing the drivers, or inspirations of green entrepreneurs (See fig. 1 below).

Because there had been limited empirical evidence to support not only the Green Entrepreneur Typology but also much of the research on green entrepreneurs that preceded its introduction, in 2007, Walley et al embarked on primary research – in the form of interviews with green entrepreneurs - to test the appropriateness of the Green Entrepreneur Typology they had presented in 2004.

The founders of 10 SMEs (less than 250 employees) located in North West England from the Energy, recycling & pollution (1), Food and farming (2) and Toiletries & cosmetics, clothing, fashion (3) sectors were interviewed about their motives and circumstances at the time they set up their businesses. The businesses were selected from “The Green Guide” a national online database containing both self-declared and nominated ‘green’ businesses. When the interview data had been analysed, the businesses were mapped onto Taylor & Walley’s (2004) ‘Green Entrepreneur Typology’ (fig. 1). This resulted in a roughly equal distribution of the companies between the four types on the typology. Two of the three toiletries sector entrepreneurs were placed in the ethical maverick category, and similarly two of the three food/farming entrepreneurs were placed in the accidental enviropreneur category. All of the food/farming and toiletries companies

identified predominantly soft structural influences and therefore appear in the bottom half of the typology. The renewable energy sector entrepreneurs were either innovative opportunists or visionary champions where hard structure is most influential. The results suggest that in the UK there are as many new green businesses set up with entirely economic motives as there are green start-ups established because of wider sustainability goals.

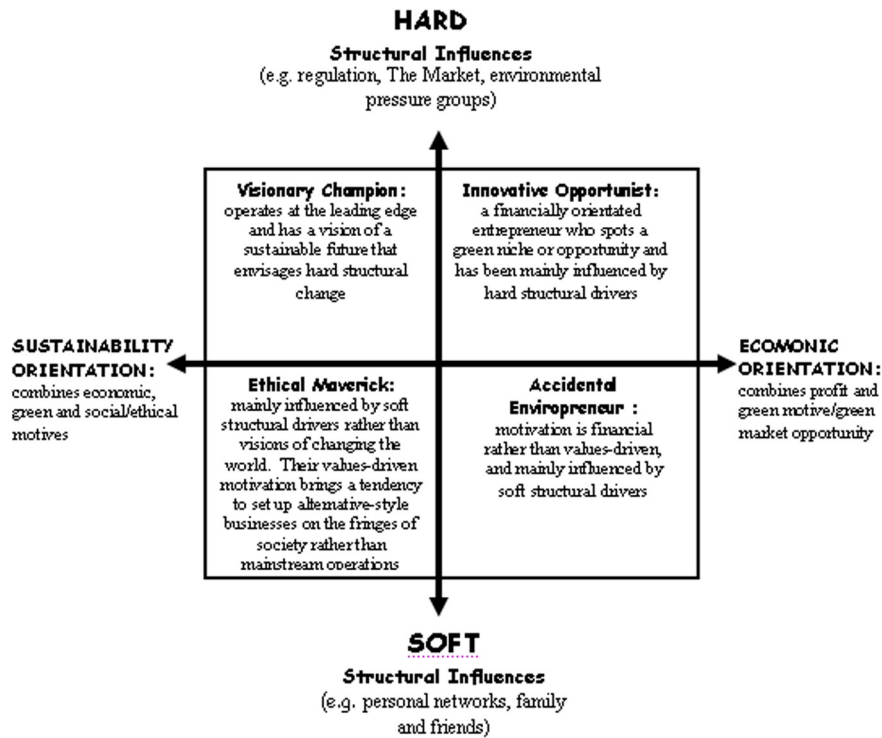
A review of current research revealed that there had been limited attention paid to developments in the approach to sustainability of Italian business owner/managers since the Bianchi and Nocci (1998) research. A research team was therefore established, comprising colleagues from the University of Calabria and the Manchester Metropolitan University, to identify what motivates and influences those starting up green businesses or those greening existing businesses in Italy, specifically the Calabrian region.

Background

The approach of Italian SMEs to greening has traditionally been reactive rather than proactive in that they have responded positively when required to by key stakeholders (Bianchi and Noci, 1998). This approach is attributed to a number of factors including a lack of resources and knowledge (Bianchi and Noci, 1998). More recent research (Hitchens et al, 2005) suggests that although environmental concerns amongst European SME’s are voiced, there is no evidence to suggest that this has triggered more environmentally responsible behaviour. Furthermore, the lack of improvement in environmental behaviour generally is attributed to the absence of sustained pressure on European SME’s to improve their environmental performance (Hitchens et al, 2005).

In 2008, the EU and the Italian Government turned their attentions to the renewable energy sector in an effort to actively encourage more sustainable business performance. Their focus however appears to be primarily on the “greening” of existing businesses, in particular SMEs, rather than the encouragement of green start-ups.

Fig. 1 Green Entrepreneur Typology (Taylor & Walley, 2004)



The aim of this research therefore is to establish the level of take up of EU and national Government 'greening' initiatives by established Italian SMEs and business start-ups. It explores the motivations for and influences on the greening of businesses and start-ups using Taylor and Walley's Green Entrepreneur Typology (2004), and as well as assessing the environmental and attitudinal changes that have taken place in Italy since 1998, provides data for a UK-Italian comparison.

Although a similar approach to the UK research was taken we were unable to apply the Walley et al (2008) interpretation of the term 'green entrepreneur', that is to say, an individual founder of a new, for-profit, significantly green business ('significantly green' meaning green either by virtue of the nature of the product, e.g. renewable energy, or the significantly green /ethical policies and practices of the business) or a business which is a primarily an ethical/social business but includes some green credentials. This is because the Walley et al (2004) definition does not include within its scope existing businesses that have or are taking steps to green their products and/or processes. Our interpretation of the term green

entrepreneur has therefore been broadened to include businesses that have taken steps to green their products and/or processes.

Research Methodology

Specific evidence of greening is not always identifiable from sources of secondary published data such as a company website. The authors decided therefore to embark on primary research in the form of questionnaires that would be emailed to the businesses in the sample. An introductory email was sent to the company requesting the contact details of the owner/manager. On receipt of these details, a personalised email with the questionnaire attached was sent. Questionnaires were chosen on the basis that they would provide us with the information we required within the limited timescale we had been set for the research.

The focus of the research was the Calabria region of Italy so the first challenge was to identify a listing of companies in that region from which an appropriate sample could be selected.

Confindustria Cosenza (<http://www.assindustria.cs.it>) is an association established over 60 years ago with the aim of promoting the spread of the entrepreneurial culture in the province of Cosenza in the Calabria region of Southern Italy as well as providing advice and guidance (on matters concerning, for example, safety and quality, internationalization, scientific and technological research, and economic and environmental concerns) and representing the interests of the associated enterprises.

The Confindustria Cosenza website features a list of 57 companies in a range of industrial sectors, all of which are located in Cosenza. These companies constituted our initial research sample. Preliminary screening based on a comparison between our definition of a Green Entrepreneur and the company profile published on the company website and, in line with Walley et al's (2008) research, only including SME's (< 250 employees) provided us with a sample of 25 companies in 3 industrial sectors; agriculture & food (1), manufacturing (2) and electronics (3).

It became apparent during the initial screening process that the majority of the companies were family businesses that had been passed down from a previous generation and that making contact with the original founder would be problematic. The contact was in fact more likely to be the current owner/manager. The age of the companies in the sample also suggested that those companies that could be classified as green were more likely to be established companies in the process of greening rather than green start-ups. A telephone call was made to each company in the sample during which the details of current owner/manager of the company were requested. This enabled us to email a questionnaire to a specific person/owner-manager.

The questions in the questionnaire were selected from the interview questions used in the Walley et al (2008) UK research. These questions had been designed to obtain sufficient information about the owner/manager's approach to sustainability to allow their position on the Green Entrepreneur Typology to be determined. They included questions relating to the perceived hard and soft structural influences were posed as well as questions aimed at determining their position on the horizontal economic-sustainability axis.

To enable some preliminary assessment of the relevance to the research of the information provided by the respondents, the questionnaire with a covering letter, in which the purpose and nature of the research was explained, was initially emailed to 10 companies. A single response was received which, when analysed, resulted in a number of enhancements to the questionnaire being made. These included reducing the number of questions and where appropriate (for clarity and ease/speed of completion) including a number of closed questions.

The enhanced questionnaire (see fig.1) was emailed to 24 companies, including the 9 companies that were sent, but did not reply to the original questionnaire. 8 of the 24 companies contacted replied to the enhanced questionnaire, a response rate of 36%.

Quite clearly we did not achieve our initial aim of identifying a sample of Italian Green Entrepreneurs whose motivations and influences at start-up we could analyse in order to position them on the Green Entrepreneur Typology (Taylor and Walley, 2004). The founders of the businesses in the sample were unavailable for comment, in most cases because the business had been in the family for generations. In such cases, a profit motivation at start-up could reasonably be assumed. The apparent lack of Italian Green Entrepreneurs is not that surprising given the reactive rather than proactive approach to greening of Italian Businesses reported by Bianchi and Noci (1998). This does however raise questions about the completeness of the Confindustria Cosenza website company listing and the need to perhaps resort to more than one source in any future research.

The questionnaires that were returned were completed to different degrees and although follow up questionnaires were sent to companies who had failed to respond to all questions, only one of these was returned. Whilst telephone interviews would have provided us with more opportunity to obtain the required information from the company owner/managers, it was logistically more efficient and financially more feasible to adopt the method we did.

Not unlike the Walley et al (2008) UK research, our methodology did not include any other perspectives than that of the owner/manager and our interpretation of that perspective. We

have not, for example considered the role of or interviewed any support organisations. Unlike the Walley et al (2008) UK research however, we are looking at what happened next (Beveridge & Guy, 2005) rather than the influences/motivations as perceived by the individual entrepreneur at the time the business was conceived.

Fig. 1 Enhanced Questionnaire (see Appendix 1 for English translation)

1. In quale anno é stata fonadata la vostra azienda?
2. Al momento dello start – up avete dato vita ad un’attività di tipo “verde” orientata verso la sostenibilità ambientale?
 - Se SI, quali sono state le motivazioni che vi hanno spinto a fare questo?
 - Se NO, siete interessati ad intraprendere azioni che vi conducano a raggiungere obiettivi in termini di sostenibilità? Cosa vi piacerebbe fare?
3. Da cosa siete stati ispirati e quali sono state le vostre motivazioni nel momento in cui avete deciso di avviare la vostra attività d’impresa?
 - Interesse Economico (profitto).
 - Interesse Ambientale (sostenibilità).
 - Entrambi.
4. Quali sono stati i fattori chiave che hanno influenzato e vi hanno portato a dar vita alla vostra attività d’impresa? Esempi: agevolazioni statali (aiuti previsti nel vostro settore che hanno incoraggiato l’avvio della vostra attività), domanda dei consumatori, tradizione familiare, educazione ricevuta, passata esperienza, valori etici (rispetto dell’ambiente) ecc.
5. Com’ é possibile classificare l’ attività svolta dalla vostra azienda in relazione al settore e alle richieste del mercato e dei consumatori?

- Completamente Verde.
- Leggermente Verde.
- No Verde.

6. Dove vi piacerebbe trovare maggiori informazioni/guide che vi permettano di acquisire maggiori conoscenze in termini di sostenibilità?

7. Se avete già tali informazioni e conoscenze quali fonti avete utilizzato per acquisirle?

Results

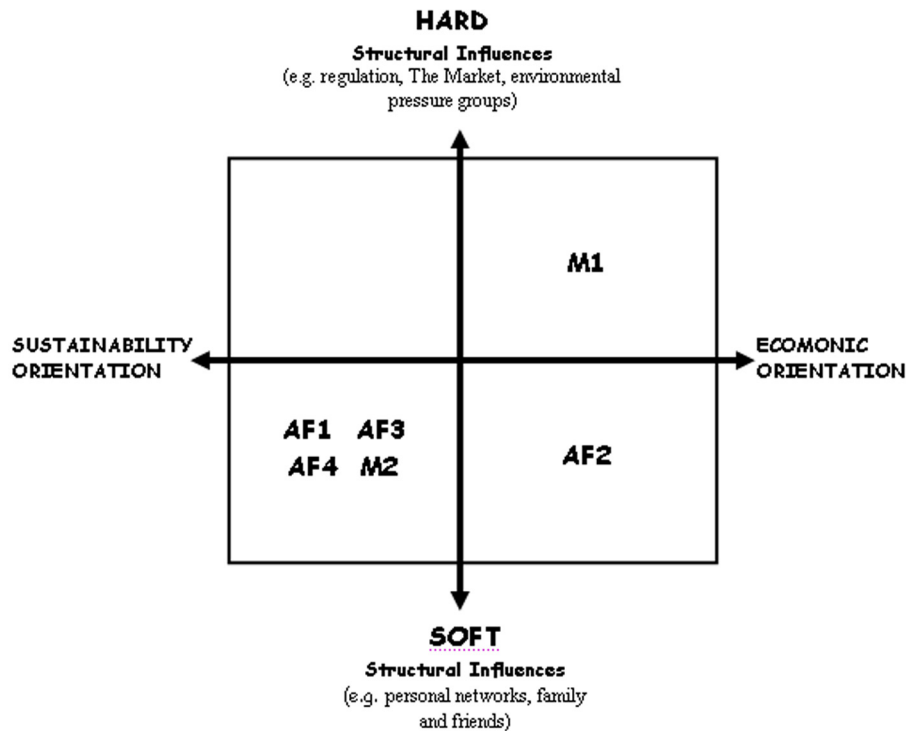
Completed questionnaires were received from businesses in the following sectors/sub-sectors: Agriculture & Food (5 responses), Manufacturing (2 responses). One of the Agriculture & Food respondents was in fact a co-operative society so the information that they had provided was not relevant to our research.

The questionnaire data was analysed in order to identify the orientation (profit or sustainability) and to classify the influences cited as either soft or hard structure. In cases where both hard and soft structure influences were cited, it was necessary to determine which was the dominant set and where appropriate identifying the dominant set. At the end of this exercise we were able to position the entrepreneur concerned on the Green Entrepreneur typology (See fig. 2).

Innovative Opportunists	1
Ethical Mavericks	4
Accidental Enviropreneurs	1

AF1 – AF4 are the agriculture & food sector cases; M1 – M2 are in the manufacturing sector. The position of the case within each box is random – in other words, there has been no attempt at this stage to finely grade each case within the respective type box.

Figure 2: Classification of Pilot Case Studies



The analysis of the questionnaire data has provided us with a mix of 'types' however we (one could say, predictably) have not identified amongst our sample of green entrepreneurs any Visionary Champions. This would appear to support research suggesting that Italian SME responses to the green agenda are reactive rather than proactive (Bianchi and Noci, 1998). Reactive companies are unlikely to "operate at the leading edge" or to have "a vision of a sustainable future that envisages hard structural change" as are the visionary champions envisaged in the Green Entrepreneur Typology (Taylor and Walley, 2004).

Given the high proportion of family businesses amongst the sample, the prevalence of soft structural influences was predictable. What was less predictable was the claimed sustainability orientation of four of the companies. This contradicts previous research which has suggested a reluctance amongst European and Italian SME's to adopt a sustainable approach to business unless legislation or the market demands it. SME's are less likely to have the resources (human and financial) and skills necessary to engage with or in more sustainable tools and behaviours (Borga

et al, 2006; Hitchens et al, 2005; Castka et al, 2004).

Although the sample is too small to draw any significant more generalisable findings, there does appear to be a link with the Agriculture and Farming sector and the resulting green entrepreneurial type. Three out of the four respondents were found to be Ethical Mavericks. This was not the case however in the manufacturing sector where one of the entrepreneurs was an innovative opportunist and the other an ethical maverick. The manufacturing innovative opportunist appeared to have finely balanced combinations of both hard and soft structural influences, but it was an economic orientation of the business that placed it in the 'innovative opportunist' rather than 'visionary champion' category.

Unsurprisingly, the companies that are inherited appear in the bottom half of the matrix. Almost by definition, these companies will be more influenced by soft structure factors such as family, personal networks and education. In the manufacturing sector however, one of the two entrepreneurs

appears in the top half of the matrix where hard structures is most influential.

Finally we asked the enterprises what sources they had used to find information or guidance for improving their sustainability performance. Most of them had found the information on the Internet but all respondents agreed that the issues around green entrepreneurship needed to be put forward and that relevant and updated information should be made more easily available for everyone. They all expressed a high level of interest in finding out more about this topic through newsletters, conferences and courses because for them it is important to know what the market needs regarding "sustainability products".

Conclusions

Whilst we set out to replicate, in an Italian context, the research undertaken by Walley et al (2008), into the influences on and motivations of Green Entrepreneurs at the time they started their business, the age of the businesses in our sample (most of which are family businesses that in some cases have been passed down from generation to generation) has meant that we have not been able to speak to the founder of the company. Our research has therefore focussed on the influences on and motivations of current owner/managers to 'green' their existing businesses.

Our results have shown some positive developments in the current approaches of Italian businesses to the environment. Whilst profit is still a key determinant of the business approach, it is clear that sustainability is playing an increasingly influential role. The businesses in the sample have attributed their rather belated recognition of environmental concerns to a lack of resources (human and financial), not uncommon in the case of many SME's, and also limited availability of advice and information which is indicative of a lack of improvement since Bianchi and Nochi's research in 1998.

It is perhaps surprising that a number of the businesses involved in the research who indicated

a lack of information available to them on ways to improve their environmental impact were amongst the businesses who claimed an increased sustainability orientation. This is however encouraging for the Italian Government who are currently promoting environmental performance improvements in specific industry sectors.

It was apparent during the analysis stage of this research that the businesses questioned did not always fit exactly into the categories on the typology unless a clinical approach to the response analysis was taken. For example, a business that cites 3 hard structure influences and 2 soft structure influences is automatically positioned in the top part of the model. The significance of each influence is not assessed. In the case of the orientation axis, the business is positioned either at the sustainability end or the economic end and this does not always reflect the strength of the particular orientation. Whilst we do not believe that our approach has resulted in inaccurate outcomes, we do believe that more strategic positioning on the typology would reflect more accurately the approach of the businesses questioned.

Our analysis has not resulted in a 'complete' mix of green entrepreneur types (see fig. 1). From the analysis of the questionnaires the results were: four ethical mavericks, one accidental enviropreneur and one innovative opportunist.

The questionnaires results suggest that the stated motives for establishing the business were both economic and sustainability driven. In some cases therefore we had to make a judgement based on both the overall balance of factors to determine whether we placed them on the hard or soft end of the 'influences' axis and on which 'type' description seemed to best fit the individual.

Our research has highlighted significant developments in the greening of existing businesses in the decade since the publication of the Bianchi and Nocci research (1998). There is, however, scope to broaden the research to a larger number of cases within the Calabrian region, and across different regions in Italy.

Table 4.2

Case A F1	Case AF2	Case AF3	Case AF4
duction of the liquorice from raw material to final product. Business founded in 1931.	Production of various kinds of cold meats and salami. Four generations of the Falcone family have been committed to rediscovering the values of cold cuts and sausages traditionally made in Calabria.	Production and distribution of organic farming. The founder that established the company in 1987 owned a mill: "La Molazza", now the management of the company has passed on to his sons.	Production of the Extra Virgin olive oil. Since 1909 oil-mill Gabro has produced Extra Virgin olive oil of high quality, known and appreciated throughout the world.
According to the Managing Director, a Amarelli, since the business was established it has been a "green business". The Amarelli family was rooted in the roots of this medicinal plant (liquorice) and in particular to extraction the juice of beneficial plant.	The "secret" of the Falcone family's success lies in knowing how to capture the magic of Sila's mountain environment, infusing it with meat processing expertise handed down from rural traditions.	The company respects the Brundtland report. This report was studied in the University from the marketing manager Alberto Bua. The group follows the guidelines of this report and they are considering the Sustainable Development as the development which meets the needs of the present without compromising the ability of future generations to meet their own needs.	Their production philosophy is based essentially on the natural raw material, on the quality, innovation and service, which they manage to incorporate in their products. Their agronomic department runs continuous and time based controls during all the production phases according to theirs and ICEA (Institute for the Ethic and environmental Certification) standards and practices. Since 1986 the Gabro's olive plantations have been recognised as "organic production plantations".
Personal Networks (family). Market.	<ul style="list-style-type: none"> o Personal Networks (family). o Knowledge. 	<ul style="list-style-type: none"> o Personal Networks (family). o Education. o Regulation. 	<ul style="list-style-type: none"> o Personal Networks (family). o Beliefs.
Sustainability. Economic.	<ul style="list-style-type: none"> o Economic first. o Sustainable through economic necessity. 	<ul style="list-style-type: none"> o Sustainability. o Economic. 	<ul style="list-style-type: none"> o Sustainability. o Economic.

Table 4.3

Manufacturing	Case M1	Case M2
Company Profile	Production food preservation and house cleaning items. The business was established in 1995 with purely economic (profit) motives, the company manager claims that a sustainability orientation is now evident.	Manufacture, service and repair of the buses, minibus, school bus and special vehicles.
Green Credentials	According to the manager, the company have now adopted the most advanced technologies that enable the production of high-quality products, with the utmost respect for the environment: this is now the business's philosophy. They only use materials showing the "non-toxic hygienic and odourless" mark, in order to produce re-usable products that are of excellent quality and that meet the new demands. Now, they want to introduce into the market a new product, a "sustainable aluminium packaging" 100% recyclable like all their products.	The products that are used in the paint and gluing phases are chemicals, for these reasons the company takes environmental precautions for the nature's respect. Some of these environmental precautions include: 1) Disposal of container's solvent in special collectors. 2) Use of filters inside the cab painting to purification of the air that carry out. 3) Collection.
Main Influences at Start-Up	<ul style="list-style-type: none"> o Demands of the Market. 	<ul style="list-style-type: none"> o Personal Networks (family). o Business Ethos.
Orientation	<ul style="list-style-type: none"> o Economic first. o Sustainability. 	<ul style="list-style-type: none"> o Sustainability. o Economic.

References

- Bianchi, R. & Noci, G. (1998) "Greening" SMEs' Competitiveness', *Small Business Economics*, Vol. 11, No. 3 pp 269–281
- Beveridge, R. & Guy, S. (2005) 'The rise of the eco-preneur and the messy world of environmental innovation' *Local Environment*, 10:6, pp.665-676
- Borga, F., Citterio, A., Noci, G. & Pizzurno, E. (2006) 'Sustainability reporting in small enterprises: case studies in Italian furniture companies' *Business Strategy and the Environment*, Published online in Wiley Interscience (www.interscience.wiley.com) DOI: 10.1002/bse.561
- Castka, P., Bazarova, M., Bamber, C. & Sharp, J.M. (2004) 'How can SMEs effectively implement the CSR agenda? A UK case study perspective' *Corporate Social Responsibility and Environmental Management* Vol. 11, pp140-149
- Chell, E., Haworth, J. & Brearley, S. (1991) *The Entrepreneurial Personality*, London: Routledge
- Dana, L-P. (1995) 'Entrepreneurship in a Remote Sub-Arctic Community' *Entrepreneurship Theory and Practice*, Vol. 20, No. 1, pp 57-72
- Elkington, J. (1999) *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* Oxford, UK: Capstone

Giddens, A. (1984) *The Constitution of Society: Outline of the Theory of Structuration* Cambridge, UK: Polity Press.

Hitchens, D., Thankappan, S., Trainor, M., Clausen, J. and De Marchi, B (2005) 'Environmental performance, competitiveness and management of small businesses in Europe' *Tijdschrift voor Economische en Social Geografie*, Vol. 96, No. 5, pp. 541-557

Isaak, R. (1998) *Green Logic: Ecopreneurship, Theory and Ethics*, Sheffield, UK: Greenleaf

Schaper, M (ed), (2005), *Making Ecopreneurs: Developing Sustainable Entrepreneurship*, Aldershot, Ashgate Publishing Limited

Taylor, D. W. & Walley, E. E. (2004) 'The green entrepreneur: Opportunist, Maverick or Visionary?' *Int.J.Entrepreneurship and Small Business*, Vol.1, Nos.1/2, pp 56-69

Walley, E.E., Taylor, D.W. and Greig, K. (to be published 2008) 'Beyond the visionary champion: testing a typology of green entrepreneurs', in Schaper M. (Ed.), *Making Ecopreneurs: Developing Sustainable Entrepreneurship*, Aldershot, Ashgate Publishing Limited

Walley, L. & Stubbs, M. (2000) 'Termites and Champions: case comparisons by metaphor' *Greener Management International*, Issue 29, pp 41-54, Spring

Thompson, J. L. (1998) 'Will the Real Entrepreneur Please Stand Up!' *Professorial Inaugural Lecture*, October 1998, University of Huddersfield

The Confindustria Cosenza (2008) [Online] [Accessed June 2008 - <http://www.assindustria.cs.it/module/Home/page>

Appendix 1

English Translation of Enhanced Questionnaire

1. When was the business established?
2. Did you set up a 'green' business?
 - If yes, what motivated you to do this?
 - If no, would you like to improve the sustainability performance of your business and how would you do this?
3. How would you describe your motivations when you started the business?
 - Economic (profit).
 - Sustainability
 - Both
4. What were the key influences at the time you started the business, for example, Government Legislation (taxes, subsidies that encouraged the business idea), consumer demand, family tradition, your education, past experience, your own ethical values (respect for the environment) etc.
5. How would you classify your business in relationship to the market/sector?
 - Deep Green.
 - Light Green.
 - Not Green
6. Where would you go to find information or guidance on improving the sustainability performance of your business?
7. If you already have this information, where did you find it?

SOCIAL RESPONSIBILITY AND RETAIL MARKETING: THE FAIR-TRADE PRODUCTS IN THE OFFER OF LARGE RETAILERS

MARIO RISSO

UNIVERSITY OF ROME "TOR VERGATA", ITALY

Abstract

In the face of marketplace polls that attest the increasing influence of corporate social responsibility (CSR) on consumers' purchase behaviour, this paper examines when, how, and for whom specific CSR initiatives work in retail business. In particular, it investigates the motivations of retailers to engage in corporate socially responsible (CSR) activities, offering fair trade products in their assortment. The enquiry is followed by a series of in-depth interviews with key decision makers in retail companies, alternative trade organizations (ATOs) and fair-trade labelling organizations to reveal strategies and policies of retailers on fair trade products offer.

The findings show that retailers approach fair trade with different aims and in different ways. The fair trade range of retailers may be composed of products labelled by various operators such as ATOs (Alternative Trade Organization), organizations for fair-trade certification (e.g. FLO), traditional industrial companies and retailers with their private label brands. Consequently, retail-marketing policies on fair trade products vary in terms of pricing, promotion and merchandising.

The results also highlight that, by addressing the fair trade market in their offer, retailers have not only the opportunity to develop their profile in terms of corporate social responsibility, but also a chance to develop a competitive advantage in a new niche market. This path is not simple and can generate misunderstanding in consumers' perception, especially in consumers who are more sensible to ethical issues. Only if properly managed, the fair trade products offer can improve retailer's image and brand, build up better positioning in front of competitors, increase attraction of point of sale and enhance and encourage trust and loyalty of customers in retail companies. More specifically, only inspired retailers find that fair-trade initiatives

can be a driver to amplify and support their trends and invest wide resources to become providers of a complex "product" composed of goods, services, commercial value but also ethic and human values.

Keywords: Corporate Social Responsibility, Large Retailer, Fair-Trade Products, Retail Marketing

Large retailers and CSR

The increasing interest for ethical issues and CRS, which encompass environmental and social concerns, among consumers (Dagnoli, 1991; Shaw and Clarke, 1999; Shaw and Shui, 2001) and companies (Maignan and Ferrel, 2004) has been well documented in marketing literature.

As it has grown in status throughout the world, corporate social responsibility (CSR) has evolved from a nice idea into a critical business function, especially for consumer goods, manufacturers and retailers. Like other business functions, such as finance and marketing, CSR has developed its own objectives, reporting, and tools.

Today's brands and companies mirror more about the business' activities than they did at their mass-marketing beginnings. In the past, the brands of products symbolized just the consistency in product quality or selection, and included an implicit promise of satisfaction. The influence of a brand did not go much further than the point of purchase, or point of consumption. But today's aware well-educated consumers are not only interested in new products, they want to know more about the company that produced it, the labour conditions under which it was produced, and how its production impacted the environment and economic growth of local community, above all, of the south of world. Consumers want the brand and its corporate owner to reflect their own

social and environmental attitudes, as well as their personal tastes. (Caldewell, 2006)

Corporate social responsibility (CSR) has become the new corporate buzzword, particularly in retail, with companies investing huge amounts of cash in promoting their ethical stance (Whysall, 2000; Jones et al., 2005).

CSR is now expanding from company policy to product selection and promotion, with many important retailers who are ensuring that ethically sourced or CSR-friendly items are included in their brand mix.

However, there seems little evidence that customers are actually demanding such products, although many want retailers to be CSR-friendly in their business practices. Instead, CSR is often used more as a marketing tool than a serious business driver.

Customers may like to think they want environmentally or socially responsible products, but few actually buy these products and an even smaller minority go out of their way to demand it. Studies found that just over a third of customers actively looked for or bought ethical products and only 11 per cent of customers always bought them (Morrell, 2005).

A recent British Retail Consortium conference on CSR highlighted the difference between these perceived consumer demands, what retailers are doing to meet them and the reality of what customers actually do when they shop.

For retailers, the difficulty of putting together a corporate social responsibility (CSR) policy is the volume of business aspects that they need to consider. Most of the biggest CSR issues come under the broad heading of sourcing, ranging from factory conditions to sustainability, but environmental, social and employment strategies at home also fall under the CSR banner.

At the same time, while manufacturers are often involved in scandals concerning economic abuse, violations of human rights, pollution crimes and unequal redistribution of value in supply chains, consumers seem to consider retailers less involved in these events.

For retailers, CSR is more significant than manufacturers for two following reasons:

- retailer is closer to consumers than other subjects of the supply chain
- retailer is channel leader in a lot of supply chains.

Retailer is the first subject of the supply chain that meets consumers. Thus retailers are called to respond their customers about quality and respect of ethical issues in the products they offer. Large retailers company, above all in the food sector, have introduced innovative communicational strategies focused on the improvement of relationship with consumers and customers loyalty programs. Now, retailers represent for consumers the best guarantee for quality of products and its ethical values.

The channel leadership of retailers allows retailers to control and manage whole supply channel (Gereffi et al., 2005). Consumers know this role and perceive retailers able to orientate business strategy and ethical stance of whole supply chains. "Retailers are most important subjects in supply chains and so, they are most responsible" (Pepe, 2003)

Some innovative retailers take this opportunity to enhance their image and consumer perception improving their CSR strategies and marketing policies. In particular, by entering the fair trade sector and offering fair-trade products, retailers can quickly increase ethical perceptions in their customers.

Fair-trade offer should be a halo over all retailers' activities, and consumers could prefer to trust an enterprise directly involved to cope inequity in economic development of the world.

Methodology

Primary research was carried out in 2005 and 2006. It consisted of in-depth interviews with prominent senior representatives of large retailers responsible for the commercial development of fair trade products in UK, France and Italy as well as with important managers of Alternative Trading Organizations (ATO), fair trade wholesaler of fair trade and fair trade certification agency (Italian branch of Fair Labelling Organization). The outcome was appreciated in the light of the relevant information derived from literature on fair trade.

Fair trade as pro-active approach to cope customer demand on CSR

Nicholls (2002) explains that there is a typology of strategic options for any business responding to pressure from ethical consumerism. In particular, when managers respond to ethical consumer demand in a proactive way, retailers offer fair trade products and develop fair trade supply chain relationships.

Innovative retail companies are more customer-oriented and they perceive better customer demand. Retailers are also conscious of their capabilities to manage and control supply chains, and often decide to deal with fair trade initiatives.

In recent years, many retailers are increasing quality and tools in fair trade offer. It is clear that ethical retail strategies can be commercially driven as a response to the opportunities offered by being a major player in an emerging niche market.

Retailers use a pro-active approach in the management CSR activities when they insert fair products in their offer and active fair-trade supply chain relationships are located (Nicholls, 2002). The best examples of a retailer working with this strategy are M&S, Coop Italia, Tesco plc, which currently offer not only the largest range of fair trade products on the high streets, but they are also developing a range of own brand fair trade products dealing with producers directly.

There would appear to be a distinct competitive advantage in using fair trade products. Providing fair trade products, retailers could achieve more quickly and effectively the following goals:

- market differentiation (Piacentini et al., 2000);
- customers and workers loyalty (Pepe, 2003)
- eligibility in a stock-market index that includes only companies deemed to be socially responsible.

Retailers deal with fair trade offer considering consumer awareness of ethic issue and strategic importance for retailers. In particular, by matching the different levels of consumer awareness with the importance given to ethical offer in the trade strategies followed by retailers, it is possible

identify different typologies of fair trade products (fig. 1).

When retailers want to insert ethical products in their own offer but they are reluctant to make huge investments, perceiving the customers' awareness on ethic issues as limited, they are mostly inclined to assign a low strategic importance to fair trade products. In this case, retailers opt for a reduced interaction with fair trade sectors and limit themselves to choose ethical products that are realised by manufacturers (i.e Lavazza Tierra). In the opposite case in which the customers' awareness on ethic issues is high, retailers are willing to offer fair trade products that are realised by Alternative Trade Organizations.

In both cases, retailers are not deeply involved in fair trade activities because they do not exercise any activity in fair trade supply chain, confining themselves to sell products in their shops.

The more the importance of the role attributed from retailers to ethical issues in retail business grow, the more the relations with the fair trade sector intensify and originate an enlargement of private label range to fair trade products following two different organizational models. If the retailers' strategic vision looks at fair trade products as a way to differentiate their activity and at the same time as an incisive marketing tool in order to value the relationship with customers, but still customers' awareness on ethical issues is deemed to be low, they will be inclined to offer fair trade retailer brand self-certified products. Retailers realize fair trade retailer brand self-certified products converting their private label supply chain in fair trade supply chain, without submitting to any specific control by fair trade organization. By so doing, retailers can improve their positioning adding ethic value to their brand and, at the same time, they remain free to manage supply chains and avoid paying any royalties or report to organizations of certification (such as FLO).

When retailers feel the pressure of the media, fair trade organizations and consumers and the consumer awareness on ethical issues is elevated, retailers decide to enlarge their private label range including fair trade products with FLO certification to face customers' concern over the actual fairness of the products.

Fig 1 Typology of fair trade product in retailers strategy

Fair trade strategic investments	High	Fair trade retailers own self-certified brand products	Fair trade retailers own FLO certified brand products
	Low	Ethical brand products	ATOs products
		Low	High

These categories of fair trade products are not mutually exclusive: when retailers offer fair trade own brand products with certification of FLO Organization, they can also provide other kinds of fair-trade products. Thus, while generating fair trade assortment, retailers choose a combination of all fair-trade products available. The presence of different types of fair-trade products increases customer attention to the category and provides more possibilities to improve marketing policies.

Indeed, only a wider fair-trade range allows a more suitable marketing tools implementation and is consistent with the strategic aims of retailers in fair-trade offer.

Retail marketing in fair-trade offer

Main innovative retailers are developing specific marketing strategies in fair-trade offer.

Assortment

Many retailers, especially grocery ones, are increasing their assortment with fair-trade products. For retailers, the offer of fair-trade products means generating an adequate range of products able to have an appeal on the consumers' demand. To achieve this goal, retailers are obliged to collect a selection of fair-trade products that must be visible in the shops but fair-trade available in the market are still limited. In 2004, UK consumers spent

more than £2 million a week on ethically traded coffee and tea (Wood, 2004) and sales of fair-trade products ran at a significant annual rate in UK as in France. Shoppers can choose from more than 250 products but retailers still find it difficult to identify references to create a suitable fair-trade range. While on the one hand, sales growth aside, products are a drop in the grocery ocean and it is hard to insert them in the general assortment, on the other few producers realize production suitable for customer demand and retailers' needs.

In the past, retailers used to sell in their shop only coffee and tea. In recent years, retailers have been extending their range of fair-trade products to different categories. In particular, they are increasing sales of cocoa, cane sugar, honey, fresh fruit, as well as, bananas, pineapples, mangos, avocados and grapes and, lately, wines and rice. One of the most exciting range enlargements opportunities has been the development of composite products, which must contain at least 20% Fairtrade ingredients, such as cakes, muesli, fresh fruit salads, ice cream and biscuits.

More innovative retailers are enhancing their fair-trade range trying to convert to ethical products some conventional supply chains, especially private labels ones, where they are channel leaders. In this way, some grocers are introducing non-food items. For example, Tesco has inserted

Kenyan roses in assortment, the Italian Coop has enriched fair trade range with Indian balls and M&S is selling fair-trade cotton T-shirts. Retailers are also stimulating producers of the South to improve the variety of their offer (Nicholls, 2004) but supply often is not available. One sector that is particularly badly affected is fair trade cotton. It has become hugely popular, M&S sells a range in 36 stores, but is restricted in how quickly it can roll out the range because of the very limited supply (Dahaner, 2006).

Furthermore, the growth of fair-trade range can be further developed by the market trend to join organic and fair-trade values in the same products (Briand, 2006). Organic supply chains of less developed countries can often be suitably converted in fair-trade ones with only few changes and, where required, adding the relative certifications.

Price

Pricing of fair-trade products can change in relations to the strategic aims of the retailers. When a retailer sells only ethical product of conventional manufacturers (imitating fair-trade products) and fair-trade products of Atos, price policies are oriented to maximize the margin of the products and the price of fair-trade ones are higher than the same conventional items. In particular, retailers adopt distinct typologies of ethical products to differentiate the range and respond to a customer niche. In this case, retailers apply the highest mark-up that consumers are available to pay for ethical products. Generally, the price variation between ethical and conventional products is due to fair trade premiums that are paid to local producers but also to margin policies of retailers. At the beginning of the fair-trade market, Atos supplied fair-trade products to large retailers fixing sale prices to consumer (i.e. the package of fair-trade products presented the final price to customers). In this way, large retailers could not manage the margins of the product and, subsequently, they limited fair-trade products in their assortments. This pricing approach has quickly changed, allowing more independence for retailers in determining price choices.

In recent years, most retailers have provided fair-trade own brand products with FLO certification or self-certification. In this case, retailers are completely free to identify margin and pricing policies of fair-trade products. Margins are tight

across the retail business and, in the pricing process, retailers consider following elements:

- degree of the development of fair-trade market;
- willingness to make fair-trade premium prices be paid by consumers
- margin mix and general pricing strategy;
- general strategic choices in providing fair-trade products to their customers.

In a start up phase, retail companies do support fair-trade offer and are willing to accept lower margins on fair trade products but retailers, which are fundamentally committed to fair trade, have to manage margins in order to ensure it is commercially sustainable.

At the same time, retailers have to analyse the customers' willingness to pay fair trade products more than conventional products and take it into account in their general pricing strategy. The higher price is a reflection of the fact that it is more expensive to procure fair-trade products but retailers could use fair trade as an opportunity and, hence, as a margin-enhancer. In so doing, the pricing policy has to align with strategic aims of fair-trade offer because too high a price could generate a distorted image of CSR activities of retailers and produce a negative feedback in customers' perception.

Most inspired retailers strike a balance among these different elements by adopting a price similar to the same conventional own brand products because it is not socially responsible to "earn too much money by fair trade products".

Communication

Retailers have to support the introduction of fair trade product in their assortment by realizing suitable communicational campaigns. Consumers' awareness and demand of fair trade products are increasing but it is still insufficient to generate a classical communicational campaign including conventional advertising, information programs via leaflets, in-store promotion etc..

The communication investments for fair trade products are limited because fair-trade is a niche market and sale turnover is too small to generate a successfully communication system.

Often conventional advertising is too expensive for a small fair-trade range in assortment and communicational campaigns are realized only inside store via leaflets, product labelling and in-store marketing activities. Retailers should also pay attention while making recourse to price-cut promotion because consumers may perceive an inherent conflict between low prices and the endorsement of an 'ethically responsible' buying strategy of fair-trade. Furthermore, fair-trade offer is directed only to consumers who are already customers of the retailer. Promotion on fair trade products could increase store loyalty but it does not generate new customers. To expand consciousness of fair-trade products offer in consumers' demand and to develop the niche market, retailers should be more active to participate to fair-trade initiatives realized by ATOs, NGOs and certification companies (FLO). In this way, the partnership with all the main fair trade groups and the gain of governmental support can reduce promotion cost and, consequently, facilitate the engagement in education and information programs via brochure, the Internet, and conventional advertising.

Merchandising

Space allocation in retail shop is a meaningful tool in developing fair-trade sales. In early launch of fair-trade offer, retailers put fair-trade products altogether on the same shelf. This solution was a good idea to make more visible the fair-trade range but it was less suitable to increase sales. The customer found fair-trade products on the head of shelf walking on store perimeter but he was not able to compare them with other similar products; fair-trade range was isolated. Now, main large retailers insert each fair-trade product in its category, mixing conventional and fair trade products. In this way, buying process is more facilitate and fair trade range becomes a real alternative to conventional products. Standing in front of the same shelf, consumers can compare and analyse the difference among products and they choose fair-trade product in alternative to conventional. Customer response seems to be better than that of previous solution.

Conclusion

This paper has shown that there is a growing interest for fair trade products in retailers' business strategy. In particular, retailers offer different

typologies of fair-trade products improving their positioning in customers' perception and enhancing differentiation from competitors. Retailers' strategic choices have been explained to explore the drivers behind this expansion that are characterising retailers' offer. Interviews with significant players in the commercialization of fair trade have allowed the construction of a matrix that describes strategic retailers' options in offering fair trade products. The matrix can be applied to retailers that use a proactive strategy in offering fair-trade range. Finally, the operational marketing options in providing fair trade product by retailers have been highlighted and some solutions recommended.

References

- Briard C. (2006a), « Les consommateurs friands de traçabilité », *Les echos*, 6 décembre, p. 13.
- Caldwell R. (2006), "The real economics of Corporate Social Responsibility". *Reatil Market Insider*, April.
- Dahener T. (2006), "Responsibility and opportunity", *Retail Week*, May 26th.
- Jones P., Comfort D., Eastwood I (2005), "Retailers and sustainable development in the UK", *International Journal of Retail & Distribution Management*; Volume: 33 n.3.
- Gereffi G., Humphrey J., Sturgeon T. (2005), "The governance of global value chain", *Review of International Political Economy*, vol. 12, n. 1
- Maignan I., Ferrel O.C. (2004) "Corporate Social Responsibility and Marketing: An Integrative Framework", *Journal of the Academy of Marketing Science*, Volume 32, No. 1, pages 3-19.
- Morrell L. (2005), "The ethical premium", *Retail Week*, 4th February.
- Nicholls A. (2002), "Strategic options in fair trade retailing", *International Journal of Retail & Distribution Management*, Volume 30 . n. 1, p.6-17
- Nicholls A. (2004), "Fair Trade New Product Development", *Service Industries Journal* (2004), 24.2, pp 102-117
- Pepe C. (2003), "Grande Distribuzione, globalizzazione e responsabilità aziendale", *Corporate Responsibility & Market-Space*

Competition, Symphonya Emerging Issue in Management, vol. 1

Piacentini, M., MacFadyen, L. and Eadie, D. (2000), "Corporate social responsibility in food retailing", International Journal of Retail & Distribution Management, Vol. 28 No. 11, pp. 459-69.

Shaw D., Shui E. (2003), "Ethics in consumer choice: a multivariate modelling approach" European Journal of Marketing Vol. 37 No. 10, 2003, pp. 1485-1498

Shaw, D. and Clarke, I. (1999), "Belief formation in ethical consumer groups: an exploratory study", Marketing Intelligence and Planning, Vol. 17 No. 2 and 3, pp. 109-19.

Whysall, P. (2000), "Addressing ethical issues in retailing: a stakeholder perspective", International Review of Retail Distribution and Consumer Research, Vol. 10 No. 3, pp. 305-18.

Wood Z. (2004), Supermarkets are edging closer to a fair trade utopia, Retail Week March 25th.

SHOPPING AT A FOC IN ITALY: AN EMPIRICAL STUDY

KATIA PREMAZZI
BOCCONI UNIVERSITY (IEGI) – SDA BOCCONI, ITALY

MARCO RINDONE
NESTLÉ ITALIANA S.P.A.

Abstract

Italy has a long tradition of proximity retailing, organized around some places and streets in smaller towns as well as bigger cities. The last decades have witnessed the development of shopping centers that have raised a strong opposition by traditional neighborhood retailers who were considering them as a threat. In very recent years, Italy has been interested by the development of Factory Outlet Centers (FOC), with expansion plans in the near future. FOC tends to be in strategic locations, suitable to attract visitors from large surrounding areas. Any new opening, although presented as an opportunity for the local economies, is rarely welcome by incumbent retailers.

As an effect, different aggregated retailers are “seen” as competing to gain shoppers’ time, share of mind and, ultimately, wallet.

Research into how the availability of all these alternative one-stop shopping destinations is changing Italian habits is currently scarce.

This empirical study aims at investigating who, why and how shoppers are currently patronizing FOC in Italy, and discovering how this is related to their perceptions and habits of visiting shopping streets, stores located in town centers and shopping centers.

156 face-to-face interviews at the end of a visit at an Italian FOC are conducted, in order to survey shopping and patronage motivations, expectations and experiences. The data-collection has been conducted, in July 2006, at the first FOC opened in Italy.

Based on shopping motivations (factor analyzed), clusters of FOC shoppers are identified. The need to visit a FOC seems to be driven, to a different

extent in different clusters, by functional as well as recreational and hedonic reasons.

Behaviours while visiting the FOC (such as how they manage the time spent here, how do they use the different areas and types of offers, how do they organize the visit if they do) as well as its retail shops (including interaction with sales assistants, bargain seeking, purchasing or permanence beyond what expected) are then surveyed and compared.

To complete the analysis of the shopping experience at the FOC, emotional states at the end of the visit are investigated (based on a translated version of Havlena and Holbrook, 1986’s scale), and then used to clusterize shoppers.

To grasp an insight into how FOC are perceived by their potential customers in Italy, the interviewees were asked to express their opinion about the typical profile of a FOC shopper. There is consensus in expecting brand and price sensitivity as qualifying traits of FOC patrons.

Visitors’ perceptions of FOC, out-of-town shopping centers, and other retail aggregations (both spontaneous and planned) are, finally, investigated and contrasted. Some maps showing the relative perceptual positioning of these alternative one-stop-shopping destinations are useful to understand the current strengths and areas of further improvement in making them more appealing to customers (not included in this paper).

Based on the empirical results, some comparisons with international studies about FOC patronage behavior permit to discover if there are localism effects.

From a managerial perspective, implications are drawn in terms of managing a FOC in Italy.

Key words: FOC; One-stop-shopping destinations; Italy; Shopping motivations and behaviours; Perceptions.

INTRODUCTION

The retail landscape and consumer-shopping behavior have both undergone transformations during the past few years in the US (Reynolds et al., 2002: 687) as well as in most European countries. Retailers experimenting with new formats have increased the array of shopping alternatives available to consumers. The Factory Outlet Center (FOC) is one of the most recent and increasingly popular alternatives (e.g. Binole, 1998; Birkett, 2000; Karande and Ganesh, 2000; Meyers, 1995; Norris, 1999). It seems that the academic research on FOC shopping behavior is following the same geographical path of the format-internationalization. Most studies have been restricted to the US market, where the FOC concept first appeared and is currently in a relatively maturity stage. More recently entered European markets (such as UK, France, Netherland, Italy and Spain) have received less attention. Given some differences in retail landscapes (e.g. prevailing formats) and the potential influence of geographical and cultural aspects on patronage behavior, local and comparative research could be required. Our contribution is intended to generate additional knowledge about Italian peculiarities, building on the limited available literature (Mattiacci and Ceccotti, 2005).

The objectives of our empirical study can be summarized as:

- to develop FOC shopper typologies based on shopping/patronage motives, and to identify the similarities and differences;
- to provide profiles of the shopper subgroups based on additional characteristics (socio-demographic, emotional, and behavioral);
- to discover how the FOC is perceived by its patrons with respect to the most typical alternative one-stop shopping destinations available in Italy (shopping streets, traditional downtown and other shopping centers);
- to suggest some guidelines for retail-strategy formulation for FOC managers, based on overall results.

This paper is organized as follows. First, we briefly review the FOC patronage behavior research at an International level, in order to position the current study. Next, we describe the research methodology, followed by a discussion of the findings (with the exclusion of the perceptual positioning for length constraints). Finally, we discuss the managerial and strategic implications of the findings, identify the limitations, and provide some suggestions for future research in this area.

BRIEF LITERATURE REVIEW: FOC PATRONAGE BEHAVIOR

Despite the fast rate of growth of FOCs as a format, they have received little attention in the academic research (Karande and Ganesh, 2000: 30; Reynolds et al., 2002: 688; Whyatt and Berman-Brown, 2006), especially with respect to demand side factors.

The scholarly literature has sought to unravel customers' motivations for shopping at a FOC, the importance attached to, and the appraisal of different attributes of this retail offering, in an attempt to identify distinct segments in terms of characteristics, expectations and patterns of shopping. Sometimes, in the same study FOC have been compared to other formats (e.g., traditional shopping malls and department stores).

Data collection so far has been mainly restricted to the United States, the pioneer country in the development of the factory outlet malls.

Karande and Ganesh (2000), Reynolds et al. (2002), and Parker et al. (2003) are, to our best knowledge (based on a search in online databases), the only studies involving the demand-side currently available in academic journals written in English.

Regarding Italian literature, Mattiacci and Ceccotti (2005), for the first time, investigated FOC. The second part of their study aimed at understanding the perceived identity of the FOC and of its visitors, the reasons for patronizing a FOC, and the shopping behavior. It was based on semi-structured interviews at a sample of shoppers visiting a FOC in the Centre of Italy (opened one year before). This field study was qualitative in nature. Most questions were open and frequency of citations was used to derive conclusions.

Following the authors' suggestion, our intention is to build on their first effort and on the other studies conducted abroad, to propose an empirical study (survey) of a more quantitative nature, in a different location.

Our purposes partially overlap those of Mattiacci and Ceccotti (2005), as we investigate both FOC patronage motivations and shopping behaviors, but the approach is different as we used a structured questionnaire with a scale which allowed a cluster analysis of the interviewees. In this respect, our approach is more similar to Karande and Ganesh (2000) than to Reynolds et al. (2002). The collected data will hopefully increase our knowledge about who, why and how is currently patronizing FOC in Italy.

RESEARCH METHOD

Data collection

A FOC intercept survey was used to collect data in this study. This method of data collection has been used in previous studies (e.g., Reynolds et al. 2002; Mattiacci and Ceccotti, 2005).

One large FOC in the North of Italy agreed to be the field for the study. This is Italy's first scheme, opened in 2000 by the first operator who entered mainland Europe, and it is the largest one. To ensure the representativeness of the sample, the data were collected at alternative times during weekends, in July 2006. The researcher intercepted customers who were shopping when they were leaving the FOC.

A total of 156 usable face-to-face interviews, based on a structured questionnaire, were completed. This is a not probabilistic and convenient sample of adults who, at least once in their life, have shopped at a FOC. As shown in table 1, both genders were represented, with a higher proportion of young and singles, mostly employees, coming especially from the nearest big cities only few times in a year, with relatives and friends.

Measures

The questionnaire was designed based upon existing studies. In addition, the insights from

two preliminary focus groups have been used to develop some questions (especially those related to shopping behaviors). The questionnaire was pre-tested for clarity and relevance, by surveying 10 students enrolled in graduate marketing classes.

DATA ANALYSES, RESULTS AND DISCUSSION

FOC Shopping Motivations

The motivations that drive a shopper to visit a FOC were investigated through an indirect question. The interviewees were asked to express an importance appraisal (9 point scale where 1=the lowest importance, 9=the highest importance) of 17 possible shopping motivations related to economic/rational as well as psychosocial dimensions, and emerging from previous studies and from the preliminary focus groups.

An a-posteriori segmentation for homogeneity (classic procedure) was then performed, by applying a factor and a cluster analysis.

Factor analysis has been used to summarize the motivations in macro-elements, which identify the pillars around which patrons create their judgments. A six components solution was selected (Table 2a).

Motivations correlated to the first component (Table 2b) seem to indicate the existence of a "search of stimulus" factor. The variable "go for a pleasant walk" is rightly correlated (with lower intensity) also to the third factor that picks the "search of sociality".

The second component appears as reflecting a "desire of bargaining". The achievement in this activity is useful to gain a superiority status and to communicate a role in the society. The fourth factor indicates the "search of comfort" while the fifth one seems to pick the "search of well-known brands" tied essentially to the quality concept, which they seem to guarantee. The last factor is linked to the economic purchase dimension because it refers to the "search of a good quality-price relationship".

Table 1. – Sample description

SAMPLE DESCRIPTION	
GENDER	
• M	53.2 %
• F	46.8 %
AGE	
• 18-25	32.1 %
• 26-35	37.2 %
• 36-45	16.7 %
• 46-60	12.8 %
• oltre 60	1.2 %
CIVIL STATUS	
• Married/cohabiting	26.9 %
• Married/cohabiting with children	18.6 %
• Single	54.5 %
PROFESSION	
• Housewife	7.1 %
• Employee	45.5 %
• Freelancer	16.0 %
• Retired	6.4 %
• Student	25.0 %
DOMICILE	
• Lombardia	Milano 20.5 % Pavia 7.1 % Bergamo 4.5 % Cremona 4.5 % Lodi 3.2 %
• Piemonte	Alessandria 13.5 % Torino 5.1 %
• Liguria	Savona 7.1 % Genova 3.2 %
• Other	31.3 %
N. of VISITS TO A FOC IN A YEAR	
• 1	14.1 %
• 2	37.2 %
• 3	21.2 %
• 4	14.1 %
• > 4	13.4 %
WITH	
• Friends and/or boy/girlfriend	48.7 %
• Family	37.2 %
• Nobody (was alone)	14.1 %

These components seem in line with those emerging from spontaneous responses in Mattiacci and Ceccotti (2006), thus showing that they are common to Italian FOC visitors in the North and Center of the country. More interestingly, it seems that there is a certain cross-country homogeneity in FOC patronage motives, as the main components resemble those found in the US by Karande and Ganesh (2000). The only unpublished study we found referred to the UK, by Whyatt and Berman-Brown (2006), reinforce this impression.

Wanting to delve more into these motivations, to discover whether a certain heterogeneity exists, a segmentation procedure was applied. A not hierarchical k-means cluster analysis, based on the six factors, allowed the identification of four

homogeneous groups (Table 3a, 3b, 3c; Figure 1).

We can summarize the motivations of cluster 1 as “together, looking for value-for-money”, of cluster 2 as “looking for convenient well-known brands”, of cluster 3 as “stimulated by bargaining opportunities”, and of cluster 4 as “stimulated by self-reward also through well-known brands”.

Overall, two clusters seem more functional-oriented while two appears as more hedonic-oriented when deciding to visit a FOC.

A comparison with foreign studies is not easy because Reynolds et al. (2002)'s shoppers typologies are based on the importance attached to retail attributes rather than on motivations.

Tables 2 – Factor analysis results regarding motivations

Total Variance explained (6 components)

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	cumulative %	Total	% of Variance	cumulative %
1	4,323	25,431	25,431	4,323	25,431	25,431
2	2,474	14,556	39,987	2,474	14,556	39,987
3	1,852	10,897	50,883	1,852	10,897	50,883
4	1,670	9,822	60,706	1,670	9,822	60,706
5	1,190	6,998	67,704	1,190	6,998	67,704
6	1,068	6,281	73,985	1,068	6,281	73,985
7	,842	4,953	78,938			
8	,637	3,744	82,682			
9	,562	3,309	85,991			
10	,527	3,099	89,090			
11	,500	2,939	92,029			
12	,347	2,039	94,067			
13	,265	1,557	95,624			
14	,243	1,431	97,055			
15	,216	1,269	98,324			
16	,154	,908	99,232			
17	,131	,768	100,000			

Rotated Component Matrix with Varimax Rotation (6 components)

VARIABLES	ROTATED COMPONENTS MATRIX - VARIMAX					
	1	2	3	4	5	6
Spending time in a place like this is pleasant	0,866					
Making shopping in a place like this is amusing	0,826					
It's an opportunity for diversion from the daily routine	0,717					
You have the chance to go for a pleasant walk	0,585		0,573			
There are good prices		-0,583				
You have the chance to find bargains/ to save money		-0,497				
It confers status and authority		0,833				
It concurs to communicate a position/role in the society		0,861				
It's a chance of living a social experience out of home			0,758			
It's a chance of fighting the loneliness			0,767			
There is a high stores concentration				0,823		
There is a great goods variety				0,882		
Making shopping in a place like this is comfortable				0,683		
Stores sell branded goods					0,619	
Stores sell quality goods					0,8	
You can learn about new trends					0,72	
It concurs to optimize the purchase choice						0,899

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization; Rotation converged in 11 iterations.

Tables 3 – Cluster analysis results regarding motivations

Anova

	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Search of stimulus	20,638	3	,612	152	33,700	,000
Search of sociality	11,191	3	,799	152	14,009	,000
Desire of bargaining	23,666	3	,553	152	42,823	,000
Search of comfort	6,519	3	,891	152	7,316	,000
Search of well-known brands	19,725	3	,630	152	31,288	,000
Search of a good quality-price relation	13,634	3	,751	152	18,164	,000

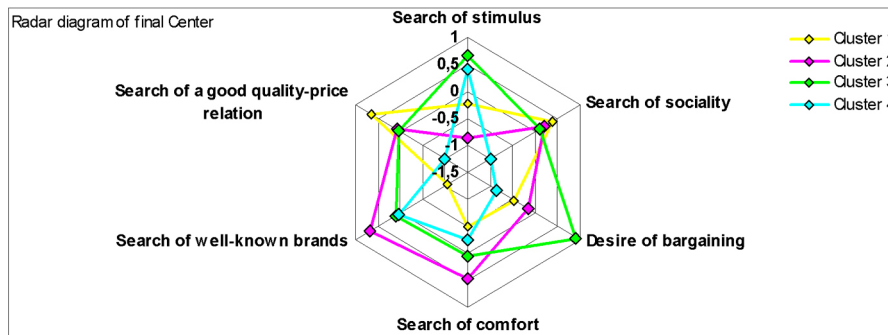
N° of cases in each Cluster

Cluster	1	34
	2	44
	3	51
	4	27
Valid		156

Final cluster Center

	Cluster			
	1	2	3	4
Search of stimulus	-,233	-,855	,679	,403
Search of sociality	,380	,188	,109	-,991
Desire of bargaining	-,476	-,157	,909	-,862
Search of comfort	-,500	,459	,066	-,243
Search of well-known brands	-1,063	,675	,115	,022
Search of a good quality-price relation	,631	,073	,046	-1,000

Figure 1 – Clusters based on motivations



In order to derive some interesting profiles of the motive-based shopper subgroups, the clusters have been compared on their socio-demographic characteristics and frequency of visit. Some differences emerged with respect to age and civil status. The majority of the first cluster is married/cohabiting. The fourth cluster is the youngest (52% is 18-25 years old), made mainly by singles (82%). In the second cluster, 26-35 years old prevail (41%), while no predominant age-classes can be found in the remaining clusters. The frequency of visit is very low for clusters 1 and 2 (65% and 55% answered rarely), and higher for cluster 4.

Shopping Behaviors at the FOC

Shopping behaviors at the FOC have been investigated by asking the interviewees to express their agreement/disagreement (on a 5-point Likert scale) on a list of sentences based on previous studies and on the results of the preliminary focus groups. For clarity, responses are organized by aspects.

Figure 2 shows that a guide is often appraised when visiting the FOC, maybe because most of the interviewees tried to visit the whole center.

Customers visiting only the stores carrying the brands of more interest are not prevailing.

During the visit, comfort areas and lunch/refreshments-points are often used by FOC visitors (Figure 3). Most of those who don't follow this behaviour are shoppers living in the same district of the Center.

During the visit to single stores, most interviewees prefer to scout the offers without the support of salespeople, but this seems not due to their selling skills (Figure 4).

Looking for goods in autonomy does not mean, however, to be alone 83% of the interviewees like to organize the shopping expedition with other people. In fact, 86% of the sample have declared of visiting the FOC together with the family/friends. Furthermore, 80% of those that during the current visit were alone agreed that a visit with others is pleasant.

Comparing the preliminary expectations with the own shopping experience (Figure 5), 67% of the interviewees think the permanence has been longer than expected.

However, this longer staying would not seem to always cause higher purchases considering that, in 44% of the cases, the expense expectation has been confirmed. With respect to the risk of going back home empty-handed, the sample is almost equally divided between those who thinks this is a problem and those who does not.

From figure 6, the confirmation of a "curious" sample emerges: 63% of the individuals disagree with the idea to visit only the stores of brands they already know.

The search of good deals at any costs does not seem to be a general behaviour, also because 26% of the interviewees abstain from expressing judgements. Perhaps this has been seen as a sensitive question.

49% of the sample agrees with the habit to postpone a purchase after visiting a good part of the FOC. Not surprisingly, at least 50% of them are members of the third motivational cluster who

has the "desire of bargaining" as most important motivation.

Post-Shopping Emotional States

Emotional states at the end of the visit have been investigated, based on a translated version of Havlena and Holbrook 1986's semantic differential scale. Factor analysis (Table 4a) confirmed the PAD dimensions. A not hierarchical k-means cluster analysis on these three factors has then been performed, and the solution with three clusters was selected due to the observed significance level of F test (Table 4b) and the homogeneity of cluster dimensions (Table 4c).

Each cluster was characterized by a prevailing PAD dimension: arousal for the first (29.5% of the sample), dominance for the second (38.5% of the sample), pleasure for the third (32% of the sample).

An attempt was then made to profile the emotion-based clusters, in terms of their declared shopping behaviors. The Aroused cluster tend to go around the whole FOC and visiting it in autonomy. Thus, it seems that their higher state of excitement comes from "the curious" attitude that characterizes their visit. The Dominance cluster tend to visit the entire FOC with the help of a map. These behaviors seem to be the base of their higher sense of control. They perceive also a relatively lower pleasure. This could be connected to the unmet expense-expectations: a member on two, in fact, thinks to have bought more things than expected, and this could have brought a subsequent sense of guilt. Within this segment, we have found the higher share of individuals who consider the store assistants as not professional (22%). The importance of the map as control instrument is confirmed for the third cluster. This is the cluster where the percentage of those who do not use it is higher (48%). The Pleasant cluster, in fact, includes interviewees with a lower sense of control. Their higher level of pleasure, like for the second cluster, seems to be connected to the confirmation of the expense-expectations: 60% of the members assert to have purchased as much as they have planned.

Figure 2

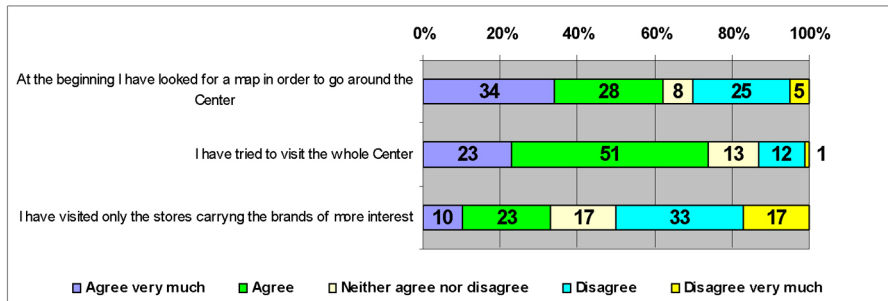


Figure 3

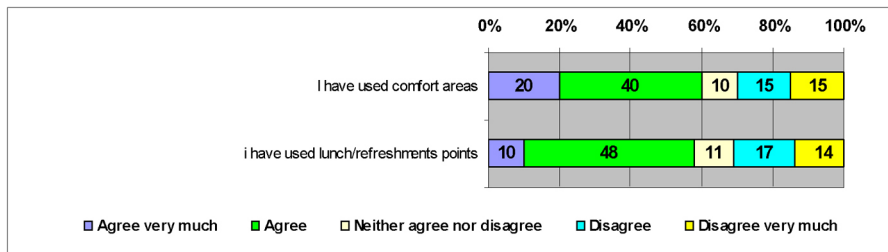


Figure 4

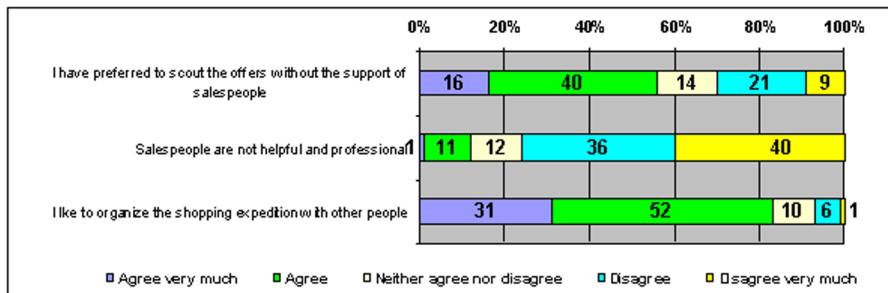


Figure 5

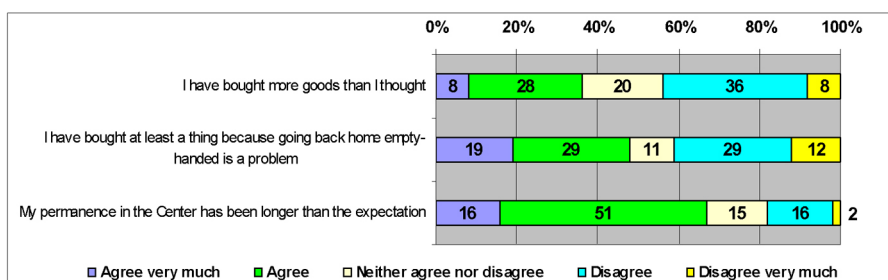
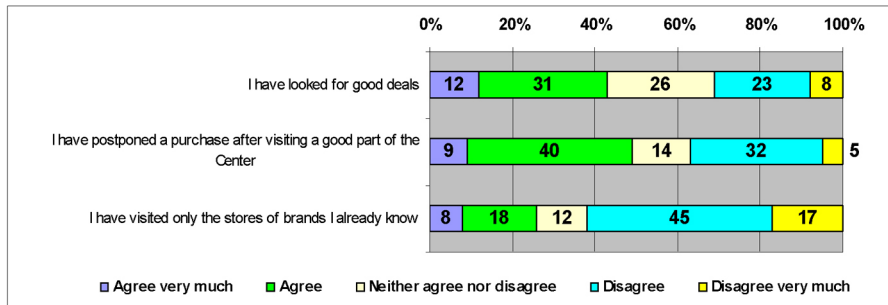


Figure 6



Tables 4.

Factor analysis results for emotional states post-visit

Rotated Components Matrix with Varimax Rotation (3 components)

VARIABLES	ROTATED COMPONENTS MATRIX - VARIMAX		
	1	2	3
Happy/Unhappy	0,875		
Pleased/Annoyed	0,886		
Satisfied/Unsatisfied	0,796		
Contented/Melancholic	0,788		
Stimulated/Relaxed		0,727	
Excited/Calm		0,749	
Frenzied/Sluggish		0,681	
Aroused/Unaroused		0,735	
Controlling/Controlled			0,740
Influential/Influenced			0,751
Dominant/Submissive			0,675
Autonomous/Guided			0,759

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization;
 Rotation converged in 5 iterations.

Cluster analysis results for emotional states post-visit

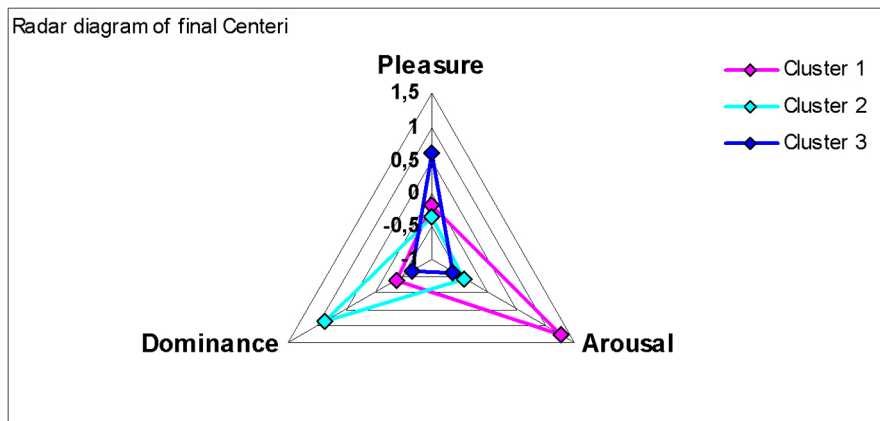
Anova

	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Pleasure	14,063	2	,829	153	16,958	,000
Arousal	49,958	2	,360	153	138,763	,000
Dominance	36,947	2	,530	153	69,698	,000

N° of cases in each cluster

Cluster	1	46
	2	60
	3	50
Valid		156

Figure 7



MANAGERIAL IMPLICATIONS, LIMITATIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

It is critical to stress that this study is exploratory in nature, and, as a consequence, the conclusions drawn are rather broad in scope. The descriptive approach aim is to represent a phenomenon in a determined space-temporal context, thus the results (despite the level of statistic significance) have a partial and relative validity.

This study takes a first step in describing shopper typologies with respect to FOC in Italy, with a quantitative approach.

The segmentation based on shopping motivations has demonstrated that a certain heterogeneity exists. Although the reasons for visiting a FOC seem, overall, very similar cross-borders, their motivating push is relatively different among the customer-base. FOC are patronaged by clusters of individuals stimulated by bargaining opportunities or by self-rewarding needs satisfied through browsing and purchasing of well-known brands. Others are coming in small groups, looking for value-for-money goods (not necessarily branded) or for convenient purchase of well-known brands. Some socio-demographic differences emerges between the clusters, especially in terms of age, civil status and frequency of visit.

The survey has confirmed the validity of the PAD model (Mehrabian and Russell, 1974) in order to describe the emotional states of FOC shoppers. In this respect, a certain variety was found in post-visit emotions, with clusters prevailing in pleasure, arousal or dominance. Furthermore, post-visit emotional states appear to be related to declared shopping behaviour. However the analysis of how a certain shopping behaviour affects the patrons' emotions must be extended, as we have not investigated the emotional states before shopping. So, a further improvement in this respect could be investigating both pre and post-shopping emotional states, and relating them to shopping motivations and behaviors.

A further development of this research may be enlarging the range of shopping behaviour investigated, eventually not relying only on declared actions but using observation.

The behaviours included in our survey are quite common among the visitors. Other aspects (e.g., shopping basket composition in terms of type of merchandise, brand, price-range or time and amount of money spent at the FOC) might show more variations across the motivation-based clusters.

Based on declared behaviour, structural characteristics (such as the FOC layout, illustrated by a take-away map) as well as the tenant mix (variety of both stores and comfort/recreational services) might be important attractors and drivers for FOC patrons' preferences, as emerged in the US. This might also be related to the tendency to visit the whole area (included not-known stores), staying more than expected, often looking for an optimal choice in terms of value or irresistible low prices that might worth the efforts for driving to that location. Nevertheless, stating the relative importance of the FOC characteristics for different clusters of visitors is out of reach for this survey, and requires a purposeful future investigation.

Understanding the similarities and differences in shopper profiles could be useful to design effective segmentation and targeting strategies. FOC managers – who are responsible for formulating strategic business plans – might benefit from a better understanding of consumers in terms of what they are expecting during their shopping trips, especially in comparison to other channels.

Improving the following research might also mean investigating whether different relevant motivations are related to a different importance attached to the attributes of the retail aggregates or to a different appreciations of the elements of the retail mix (following Karande and Ganesh, 2000 or Reynolds et al., 2002).

Overall, our findings confirm the results of the first study referred to Italy (Mattiacci and Ceccotti, 2005) and show some common traits in the comprehensive motivational profile of FOC patrons in markets interested by the internationalization path of this format. No localisms neither life-cycle stage effects seem to affect the typical FOC shoppers' motives.

Opportunities to segment the customer-base, however, do exist. More functional versus hedonic prevailing drivers might require different answers in terms of retail attributes.

A clear limitation of this study is that the data were collected from one FOC. The certain temporal and space limits of the survey could be overcome, through some replications of it, also with a longitudinal perspective. It may prove beneficial to examine the perceptions and behaviors of FOC shoppers in a variety of locations, by measuring the variables at fixed time intervals. This would allow to bring up the survey results with the format development. In fact, we must expect also a qualitative evolution of the format concept while the market will acquire awareness and will be in confidence with the FOC.

REFERENCES

- Alzubaidi H., Vignali C., Davies B.F., Schmidt R.A. (1997) Town centre versus out of town shopping: a consumer perspective. *International Journal of Retail & Distribution Management*, 25(2), pp. 78-89.
- Bellenger D.N., Korgaonkar P.K. (1980), Profiling the Recreational Shopper, *Journal of Retailing*, 56(3), pp. 76-92.
- Berkman H.W., Gilson C.C. (1978), *Consumer Behavior – concepts and strategies*. Dickenson Publishing Company, Encino, California.
- Binole G. (1998) Nike Scraps Glitzy for Low-Key Outlet Stores *Denver Business Journal* vol.

- 49 issue 31 3 April p. 15 A (cited in Parker et al. 2003)
- Birkett N. (2000), *Factory Outlet Across Europe*, *European Retail Digest*, issue 26, June, pp. 47-49.
- Bloch P. (1982), *Involvement beyond the purchase process*, *Advances in Consumer Research*, vol.9, pp. 413-417.
- Bloch P., Richins M.L. (1983), *Shopping without purchase: an investigation of consumer browsing behavior*, *Advances in Consumer Research*, pp. 389-393.
- Boulding K.E. (1956), *The Image*, The University of Michigan Press, Michigan, Ann Arbor, p. 6.
- Buttle F., Coates M. (1976), *Shopping Motives*, *The Service Industries Journal*, pp. 71-81.
- Buttle F. (1992), *Shopping Motives Constructionist Perspective*, *The Service Industries Journal*, 12(3), pp. 349-367.
- Burton H.W., Eccles S., Elliot R. (2001), *Towards a theory of shopping: A holistic framework*, *Journal of Consumer Behavior*, 1(3), pp. 256-266.
- Crask M.R., Olshavsky R.W. (1983), *The Multi-Item, Multi-Stop Store Choice Process: An Exploratory Study*, *Advances in Consumer Research*, 10(1), pp. 351-355.
- Davies G., Brooks J. (1989), *Positioning Strategy in Retailing*. London, Chapman Publishing.
- Dawson S., Bloch P.H., Ridgway N.M. (1990), *Shopping Motives, Emotional States, and Retail Outcomes*, *Journal of Retailing*, 66(4) Winter, pp. 408-427.
- Donovan R.J., Rossiter J.R. (1982), *Store Atmosphere: an Environmental Psychology Approach*, *Journal of Retailing*, Vol.58 (Spring), pp. 35-56.
- Falk M.T. (1998), *European factory outlet center*. Stamberg, Institut fur Gewerbezentren.
- Fernie J. (1995), *The coming of the fourth wave: new forms of retail out-of-town development*. *International Journal of Retail & distribution Management*, 23 (1), pp. 4-11.
- Fernie J. (1996), *The development of a US retail format in Europe: the case of Factory Outlet Centres*, paper presented at the CIRASS/EIRASS Conference.
- Fernie J. (1998), *The breaking of the fourth wave: recent out-of-town retail developments in Britain*, *International Journal of Retail & Distribution Management*, 8 (3), pp. 303-317.
- Fernie J. and Fernie S.I. (1997), *The development of a US retail format in Europe: the case of Factory Outlet Centres*, *International Journal of Retail & Distribution Management*, vol. 25, n. 11; pp. 342-350.
- Forman A.M., Sriram V. (1991), *The Depersonalization of Retailing: its Impact on the 'Loner' Consumer*, *Journal of Retailing*, Vol. 67 (Summer), pp. 226-243.
- Freeman M.A. (1999), *Factory Outlet Centres (FOC) in Germany*. BAA Mc ArthurGlen Germany.
- Frey P. (1999), *Factory Outlet Centres in France*. BAA McArthurGlen France.
- Gerhard U., (2001), *Recent Trends of Factory Outlet Centres and Downtown Arcades in German Retailing*, *European Retail Digest*, March, issue 29, pp. 42-45.
- Hallworth A.G., Johnson R.B. (2001), *The Perceived Impact of an Off-Centre Factory Outlet Mall: The Local Community Dimension*, *International Journal of Retail & Distribution Management*, vol. 29, n. 10, pp. 462-471.
- Havlena W.J., Hlbrook M.B. (1986), *The Varieties of Consumption Experience: Comparing Two Typologies of Emotion in Consumer Behavior*, *Journal of Consumer Research*, Vol. 13, pp. 394-403.
- Hirschman E.C., Holbrook M.B. (1982), *Hedonic Consumption: Emerging Concepts. Methods and Proposition*, *Journal of Marketing*, Vol. 46 (Summer), pp. 92-101.
- Holbrook M.B., Hirschman E.C. (1982), *The Experiential Aspects of Consumption: Consumer Fantasies, Feeling, and Fun*, *Journal of Consumer Research*, vol.9, pp. 132-140.
- Houston M.J., Nevin J.R. (1981), *Retail Shopping Area Image: Structure and Congruency between*

- Downtown Areas and Shopping Centers, *Advances in Consumer Research*, 8(1), pp. 677-681.
- Ibrahim M.F., Leng S.K. (2003), Shopper's Perceptions of retail developments: Suburban shopping centres and night markets in Singapore, *Journal of Retail and Leisure Property*, 3(2), pp. 176-189.
- Jain A.K., Etgar M. (1976-1977), Measuring Store Image Through Multidimensional Scaling of Free Response Data, *Journal of Retailing*, 52(4) Winter, pp. 61-71.
- Jarrat D.G. (1996), A shopper taxonomy for retail strategy development, *The International Review of Retail, Distribution and Consumer Research*, 6(2), pp. 196-215.
- Jones P., Hillier D. (2000), Changing the balance – the ins and outs of retail development, *Property Management*, vol. 18(2), pp.114-126.
- Karande K., Ganesh J. (2000), Who shops at factory outlets and why?: an exploratory study, *Journal of Marketing*, Fall, pp. 29-41.
- LaBay D.G., Comm C.L., An exploratory investigation of the factory outlet shopper in the Northeastern United States, *Journal of Business Economic Studies*, 1991, 31: 10, May 26.
- Lazer W., Wyckham R.G. (1969), Perceptual Segmentation of Department Store Markets, *Journal of Retailing*, 45(2), pp. 3-14.
- Lindquist J.D. (1974-1975), Meaning of Image. A Survey of Empirical and Hypothetical Evidence, *Journal of Retailing*, 50(4) Winter, pp. 29-39.
- Lombart C., *Factory Outlet Centres in Belgium*. Oxford Institute of Retail Management, Templeton College.
- Lord J.D., The Outlet/Off-Price Shopping Centre as a Retailing Innovation, *The Service Industries Journal*, pp. 9-18.
- Luomala H.T. (2003), Understanding how retail environments are perceived: a conceptualization and a pilot study, *International Review of Retail, Distribution and Consumer Research*, 13(3), pp. 279-300.
- Martineau P. (1958), The Personality of the Retail Store, *Harvard Business Review*, 36, pp. 47-55.
- Mattiacci A., Ceccotti F. (2005), Nuove occasioni d'acquisto per i consumatori maturi: un'indagine esplorativa sui factory outlet centre in Italia, *Convegno Internazionale "Le tendenze del marketing in Europa"*, Ecole Supérieure du Commerce, 21-22 Gennaio. (in Italian – New shopping occasions for mature consumers: an explorative survey on FOC in Italy)
- Mehrabian A., Russell J.A. (1974), *An Approach to Environmental Psychology*, MIT Press, Cambridge.
- Meyers C.R., (1995), Attracting Factory Outlet Stores Can Spell Success for A Community, *Economic Development Review*, Spring, pp. 51-55.
- Molteni L., Troilo G. (2003), *Ricerche di marketing*. Milano, McGraw-Hill. (in Italian – Marketing Research)
- Morschett D., Swoboda B., Foscht T. (2005), Perception of Store Attributes and Overall Attitude towards Grocery Retailers: The Role of Shopping Motives, *International Review of Retailing Distribution and Consumer Research*, 15(4), pp. 423-447.
- Nevin J.R., Houston M.J. (1980), Image as a Component of Attraction to Intraurban Shopping Areas, *Journal of Retailing*, 56(1) Spring, pp. 77-93.
- Newman J.W. (1957), *Motivation Research and Marketing Management*, The Plimpton Press, Norwood Mass..
- Norris S. (1999), Factory Outlet Centres into the New Millenium: «Fact and Fiction», *European Retail Digest*, Issue 21, March, pp. 41-45.
- Parker R.S. et al. (2003). An Analysis of Customer Perceptions: Factory Outlet Malls versus Traditional Department Stores, *Marketing Management Journal*, 13(2), pp. 29-44.
- Patton S.G. (1985), Tourism and Local Economic Development: Factory Outlets and the Reading SMSA, *Growth and Change*, July, vol. 16, Issue 3, pp. 64-73.
- Pessemier E.A. (1980), Store Image and Positioning, *Journal of Retailing*, 56(1) Spring, pp. 94-106.

- Reynolds K.E., Ganesh J., Luckett M. (2002), Traditional malls vs. Factory outlets: comparing shopper typologies and implications for retail strategy, *Journal of Business Research*, Vol.55, pp. 687-696.
- Ring L.J. (1979), Retail Positioning: A Multiple Discriminant Analysis Approach, *Journal of Retailing*, 55(1) Spring, pp. 25-36.
- Tauber E.M. (1972), Why Do People Shop?, *Journal of Marketing*, Vol. 36 (October), pp. 46-59.
- Westbrook R.A., Black W.C. (1985), A Motivation-Based Shopper Typology, *Journal of Retailing*, 61(1), pp. 78-103.
- Whyatt G., Berman-Brown R. (2006), Which Factory Outlet Centre? Customer's Selection Criteria, 13th EIRASS Conference, Budapest.
- Wilkie W.L. (1994), *Consumer Behaviour* 3rd edition. Wiley, New York.
- Zimmer M.R., Golden L.L. (1988), Impressions of Retail Stores: A Content Analysis of Consumer Images, *Journal of Retailing*, 64(3), pp. 265-293.

THE DS-SYNDROME AS A MANAGEMENT CHALLENGE

F. VANDAMME

Abstract

The role of the DS-syndrome in the dynamics of an organization and especially its self-destructive impact is discussed. The detection, treatment and follow-up of this syndrome are highlighted.

Keywords

DS-Syndrome, management challenge, Aristophanes, dissocial, dynamics.

Introduction

It is rather standard to mention that a successful organisation (be it a company, a society, a culture, a country) is dependent on the basic structures inside the organisation and in the environment of this organisation. As important is the individual personality of the leaders and responsible people in these organisations. One can pay attention to the main types of personalities and their impact and responsibility for the failures or success of the organisation. In this study we will pay attention to the dissocials (dyssocials) and their syndrome. The early detection, control and treatment of the dissocials are crucial in reaching success, realising progress and especially in avoiding failure and disasters. This is the more true, the more an organisation is hierarchically structured.

The basic types of personalities: their role and impact in an organisation

The most frequent mentioned personality types are the idealists, the opportunists, the dissocials, the parasites, the realists, the workers.

In fact an actor or participant in a specific organisation is at the same time member of several other organisations, his narrow family, his large family, his hobby clubs, his religious organisation, etc.

Mostly the network of organisations, a certain actor belongs to, is hierarchised. One organisation is more important than the other. This hierarchy of organisations is also changing over time. Each of these organisations within this network are also more or less hierarchised.

In each of those organisations, an actor will have specific roles, styles and even a different type of personality: idealist, realist, dissocial, opportunist, parasite, worker, tourist, enabler, etc.

Nevertheless to a certain degree the type of personality of an actor is persisting over the different organisations one belongs to.

With the contemporary financial crises, the opportunist type of personality has attracted very dramatically attention. In particular the banking organisations have generated, attracted and privileged the opportunistic personalities. This is a type of personality, which selects and optimises short-term gains for the organisations they belong to for their (long-term) personal financial benefit. They will prefer for the organisation maximal short-term benefit, even if by this in the long term they endanger the survival of their own organisation. In their network of organisations they can/could easily retreat to other organisations to maximize new gains or in order to enjoy the gains generated. Aristophanes, already in his comic theatre play "The birds", has described (445-386 BC) this type of personality in society.

Another type of personality well known but also not without danger is the idealist. They are inclined to sacrifice themselves, their collaborators, and even the whole present organisation for realising the success, targets and ideals of the organisation. So we can go on and describe the several types of personalities and their impact on an organisation. We want however to discuss the most neglected type of personality in the studies of behaviour and actors in organisations: the dissocials. Although most neglected, they have the most fundamental

impact and responsibility in the failures of an organisation, be it small ones, or be it the large cultural systems: churches, multinationals, cities, countries, etc.

From the moment we have strongly hierarchical organisations, the dissocials proliferate and generate destruction.

The dissocials

To better understand the “dissocial personality type, it is convenient to differentiate the terms “social”, “asocial” and “dissocial” or dyssocials (Grec: dys: bad, difficult). “Social” refers to actors with involvement and attention for the well-being of the group, its functioning, its future, its survival, its progress and development, globally as well as for the individuals within the group, organisation. “Asocial” refers rather to actors with an absence of involvement, interest and attention for the group and its well-being. “Dissocial” however refers to actors with an active involvement in the destruction of the group, the organisation, its progress, its well-being, its survival and development as well as of individuals belonging to the group. The standard procedures of the dissocial actors are called the dissocial syndrome (DS-syndrome). In other words the aggregate or set of concurrent symptoms indicating the presence and nature of a dissocial actor and his growing control, his transformation of the organisation.

But why are dissocials or in general terms, why is the DS-syndrome as dangerous for an organisation and its development. At first view this seems rather surprising. An actor – we suppose - which destruct an organisation will very quickly be detected, attract attention and consequently be isolated, ostracised, eventually be eliminated. But the contrary is in practice the case.

The case of the aid virus is a nice metaphor to illustrate the danger and difficulties to detect the DS-syndrome. The active virus is so potent, and is so dangerous, as it is very difficult to be recognised by the immune systems. It is disguised

as being part of the immune systems itself. Within and under the cover of the immune system the aid virus starts its destructive work. The same is true for the “dissocial actor”. A dissocial looks very friendly, kindly, trustfully. It uses this trust to get a better position into the hierarchy. The dissocial keeps getting higher and higher in the hierarchy but at the same time it ostracises, eliminates, and ridiculises the ones above, besides or under him. This is done under the sophisticated form or cover of supporting, helping, protecting its victim. By that way he/she is strengthening his/her position not only directly (by eliminating the competitors) but at the same time indirectly by getting the support of the environment (by terrorising and by getting admiration for the skilful destruction). Indeed the support from the bystanders (spectators) is generated in several ways. First of all these bystanders who see how others are eliminated are getting anxious that the same will happen to them. Moreover it generates always some ambiguous pleasure that another person with power, influence, perhaps an idealist, which has sacrificed a lot of his time, goods, money for the organisation is being eliminated, ostracised, ridiculised.

In this destructive way, the dissocial is becoming more and more powerful, destructive... He is making more and more progress, up to the point of destructing the whole organisation at least its efficiency. Perhaps the dissocial actor will in time jump to another organisation, where he will continue...

In this perspective it is crucial that an organisation is very attentive for the early detection of the dissocial actor, which enters the organisation. One needs to control them, re-educate etc. But this is not at all an easy job, and not at all without danger. Even the trail of suicides in their environment of the dissocial doesn't help to discover him/her, as he frames his destruction in a disguise of altruism, kindness, combined with a paralysing terror. Probably the antidissocial syndrome strategy has to be a Prigoginean dissipative structure.

Conclusion

When we are making our efforts for the progress and advancement of mankind, of an organisation, we may never forget the structural processes, within the organisation and within its ecological context. We need at the same time have attention for the individual actors with their complex dynamics, styles, roles, and typology.

Some dynamics and especially human dynamics can, in specific contexts and within certain structures, be very constructive but also be destructive without limits. An organisation (like all organisms) can even at the top of its success, be already basically self-destructive. The challenge of the dissocial syndrome we have continually to take into account. Again and again we have to track for dissocial intrusions. After detection, we have to take care for efficient treatment and to spur the dissocial syndrome transformation to avoid organisations cancers!

Bibliography

Inana, G., 2007, *Holistische wijsheid in 366 dagen. 366 gnosten*, Communication & Cognition, Gent

Inana, G., 2007, *Symbolische wijsheid in 366 dagen. 366 gnosten*, Communication & Cognition, Gent

Vandamme, F., et al., 2002, *Destructie van de destructie. Een kennisaudit van de mens*, Communication & Cognition, Gent, pp. 224

Vandamme, F., 2002, *Politics as destruction or as destruction of the destruction*, Communication & Cognition, Gent

Rousseaux, M., & Jamouchi, M., 2008, *L'Enigme fondamentale de l'existence*, Communication & Cognition, Gent, pp. 86

Lin, W., & Inana, G., 2009, *Confucianistische beschouwingen*, Communication & Cognition, Gent

Prigogine, I., 1967, *Structure, Dissipation and Life. Theoretical Physics and Biology*, Versailles, North-Holland Publ. Company, Amsterdam, 1969.

