

International Journal of Management Cases

**ENTERPRISE EDUCATION POLICY FUTURE DIRECTIONS:
EXPERIENCES AND SUGGESTIONS ON FAMILY BUSINESS
EDUCATION**

**AN ANALYSIS OF THE CURRENT DENOTATION AND ROLE
OF WAX FABRICS IN THE WORLD OF AFRICAN TEXTILES**

**COMMUNICATION APPROACHES IN KNOWLEDGE
DEVELOPMENT EMPIRICAL EVIDENCE FROM AN ITALIAN
INDUSTRIAL DISTRICT**

**CONSUMERS REACTIONS TO TESCO'S MARKET ENTRY IN
TAIWAN A COMPARISON WITH THE UK EXPERIENCE**

**MEASURING AUDIENCE ENGAGEMENT WITH CORPORATE
BRANDS, THROUGH THEIR MOBILE PHONE**

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ENTERPRISE EDUCATION POLICY FUTURE DIRECTIONS: EXPERIENCES AND SUGGESTIONS ON FAMILY BUSINESS EDUCATION

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Abstract

The aim of this policy paper is to describe the current role of academic family enterprise education in Finland. Family business centers and family business programmes have been started around the world to offer education for family entrepreneurs and next generation members. MBAs, master's degrees in science, and other degrees are offered for key members of the family businesses. At the same time, we are having a debate on are entrepreneurs born or made? The role of entrepreneurship and enterprise education at university level is unclear, and many might believe that entrepreneurship does not even belong to the academic world. This policy paper presents the academic family enterprise programme offered in Finland, at the University of Jyväskylä.

Creating a full family business Master's degree programme takes a long time to design and implement. Enterprise education policy needs resources to support planning and designing such programmes, because there exists a need to learn more about family entrepreneurship and family business management. Also, interdisciplinary collaboration helps family business education development. National and international visibility

and collaboration between family entrepreneurs, family business associations, and universities is needed to achieve enterprise education policy goals. Family enterprise pedagogy does not exist, which creates a demand to activate the discussion on family enterprise education strategy for the future years.

Key words: family entrepreneurship, enterprise education, learning, family business.

INTRODUCTION

This study is a description of a family business master's degree programme offered at the University of Jyväskylä in Finland. It offers, as a single case, a possibility to understand a Master's degree programme lectured in English. The programme has been chosen for the paper, because it combines both interdisciplinary family entrepreneurship and family business management questions into the same degree. At the same time, academic family business education is discussed nationally to offer a complete perspective of a European Union member county in the field of

academic family business education. The paper aims to activate the discussion on family enterprise pedagogy, and family business education in the context of enterprise education policy. The theories presented in this paper are presented to create an understanding of enterprise education and academic family business education, which are relevant in understanding the profile of family business education's future direction. The study does not cover national economics or family business characteristics because the focus of this paper is on understanding only the academic family business education characteristics in a single European Union member country and the future directions of family business education.

Family business education has been synonymous with entrepreneurial education and over the past number of years it has evolved into its own legitimate academic discipline. The dramatic growth of interest in teaching and research on family business evolved due to the large number of family firms created post World War II being faced with challenges to their survival (Birdthistle 2007). Additionally, higher education institutions recognized that family businesses represented an important business niche that traditional college and university business schools were not serving. It is from the initiatives of these educators that the family business education movement was created.

Entrepreneurship education has had a practice driven role of new enterprises and intrapreneurial behavior. Doubting scientific universities' role as entrepreneurship educators has been typical among "street-smarts". This paper attempts to answer these doubts by presenting entrepreneurship, and more precisely, an academic family business programme in Finland, which combines scientific interests and education in the same master's level degree. This country has been chosen for the study to understand academic family business education in a European Union member country. At the same time, Finland has been chosen for the study to have nationally contexts of active entrepreneurship policy and education. The topic, family enterprise education, needs more discussion. As Steier and Ward (2006) mention, academic family business education can be found only in few business schools. Mainly, family business education has covered topics like generational issues, conflicts and harmony, family business corporate governance, and succession.

One of the goals of entrepreneurship education has been to foster the intention to become an entrepreneur. Also, desirability to choose an entrepreneurial career, as well as feasibility of business planning and business ideas have been the main concerns in entrepreneurship education (Peterman and Kennedy 2003). Family business education and family enterprise education have been covered only during the recent years at business schools. This paper reflects the difference between academic family business education and more traditional entrepreneurship education. Seeking the special soul of family enterprise education will be one of the main contributions of this study.

In Finland, about half of all the medium sized businesses are family businesses. Among the large companies, 30% are family corporations. Finnish family businesses are on average smaller than non family businesses (Tourunen 2008). The percentage of family businesses among all small businesses might be higher than among medium and large companies. It has been estimated, that the number of family businesses might be 80% of all Finnish firms (The Finnish Family Business Association 2008). Family businesses possess characteristics which make them different from non family business. Similarly, family enterprise education creates its position in business education.

According to Fayolle and Klandt (2006) entrepreneurship education has focused primarily on culture, behaviour and contextual situations both at individual and organizational levels. Educating and studying topics such as how to influence entrepreneurial attitudes, values, and mindset have triggered the attention of researchers. Aiming to increase cognitive attitude and thinking, intention, competencies, and skills have characterized entrepreneurship education, like Fayolle and Klandt mention. Entrepreneurial intention has been seen as a continuum of entrepreneurial behavior and will to become an entrepreneur (Fayolle and Degeorge 2006). This learning process takes years, and it needs commitment and patience both from the senior and next generation.

Acting and learning in practice has been seen as a part of the entrepreneurship and enterprise education legacy. This challenges pedagogically universities to adopt strategies and resources which meet the demand to learn entrepreneurial thinking and acting (Blenker et al., 2006). The

role of entrepreneurship education has been to promote business planning by competitions, writing, and presenting. Interdisciplinary projects with technology and other fields of science has been often the educational context of business planning (Gailly 2006). Entrepreneurship, as a discipline, combines both practice and theories at university level pedagogy. Increasing project based teaching and active interaction with entrepreneurs enables entrepreneurship pedagogy to answer its expectations made by students and the local businesses.

ENTERPRISE EDUCATION: REFLECTIONS FROM THEORY

Education is a critical shaper of attitudes. How one is educated today will determine the successes of tomorrow. Education is thus central to the debate about enterprise. Enterprise and entrepreneurship are terms that are used interchangeably and it is vital to recognise the distinction between them. Enterprise involves measures to encourage individuals to become entrepreneurs and equip them with the necessary skills to make a business successful (Mason, 2000). Nixon (2004) further states that enterprise is in essence about spotting opportunities, creating new ideas and having the confidence and capabilities to turn these ideas into working realities. Entrepreneurship however is an activity that leads to the creation and management of a new organisation designed to pursue a unique, innovative opportunity (Hindle and Rushworth, 2000). Since enterprise involves equipping entrepreneurs with the necessary skills for entrepreneurship, the main focus of this paper will be on enterprise education rather than entrepreneurship education.

Like Kickul (2006) mentions, entrepreneurial self-efficacy has been also one of the goals internationally in entrepreneurship education. Encouraging students to adopt skills which enable them to manage risks, stress, and opportunity recognition is the start of the entrepreneurship process. Through early training and adoption of skills students might have competencies which enable them to search and exploit new ideas, and finally start new business ventures. Self efficacy needs a certain entrepreneurial spirit, which is born in interaction with attitudes, emotions and beliefs, as Verzat and Bachelet (2006) mention. Promoting attitudes, and intention to become an entrepreneur, creates a basis for theoretical

entrepreneurship education. Learning to become an entrepreneur is a long process: it contains desirability (ideas, attitudes, beliefs), feasibility (business planning), and creation of businesses. It challenges entrepreneurship educators to teach students at different stages of their career (Gasse and Tremblay 2006).

During the recent years, European enterprise and entrepreneurship education programmes have covered topics such as creation of skills, small business start-ups, business planning, and entrepreneurial orientation (Hytti 2008). Seikkula-Leino (2008) mentions that teacher-training should on focus on improving entrepreneurship education nationally. Integration of knowledge, goals and teachers' skills are needed. Planning entrepreneurship education is also one of the main goals in entrepreneurship education.

Universities might create more active roles in supporting commercialization of business ideas. According to Rasmussen et al., (2008) this means also a mediating role of transferring ideas from academic culture to business culture. In other words, universities can create platforms and projects where academic results and contribution can be turned into new business ideas and new businesses. Universities role in entrepreneurship education can be to educate and to conduct research on topics which are important for society.

Politically the decade of entrepreneurship in Finland was celebrated between 1995 and 2005. During the ten years, entrepreneurship was promoted in the Finnish education system. Recently, Finnish entrepreneurship education policy challenges in comprehensive and secondary schools have been characterized by the lack of knowledge in teaching, and the lack of entrepreneurial pedagogy methods in teaching (Seikkula-Leino 2007). At the academic universities, the Ministry of Education wants to foster scientific research on entrepreneurship internationally and nationally. Also, universities have a role in society to support regionally entrepreneurship (Yrittäjyyskasvatuksen linjaukset ja toimenpideohjelman 2004).

Entrepreneurship in Finnish universities has been seen as an interdisciplinary subject which can be built on certain subjects. Overall, universities seem to have a positive attitude toward entrepreneurship. Entrepreneurship teaching differs among the Finnish universities.

Different topics are taught, and universities have adopted different kinds of roles individually based on the local interests of researchers and communities. Academically, entrepreneurship education has promoted intrapreneurship, entrepreneurial orientation, and entrepreneurial mindset. Academic entrepreneurship teaching has been networked nationally and internationally. In the future, entrepreneurship education policy might be influenced by increasing platforms and organizations to meet the expectations of local businesses, and by more interdisciplinary teaching and research. Also, universities of applied sciences, i.e. polytechnics, are teaching and developing entrepreneurship locally (Paasio et al., 2005).

Enterprise education should encourage the growth of new businesses thus exploiting the creative potential and depth of knowledge within higher education. De Faoite et al. (2003) found that entrepreneurship education provided for the integration of a variety of business subjects, promotion of improved decision making skills and an increase in technology transfer between education establishments and the market place, thus creating improved synergy and added value between both entities and the potential to add value to other non business and technical programmes. The need to broaden enterprise education outwards has also been endorsed by the European Commission (2003) and Galloway et al. (2005). Galloway et al. (2005) suggests that a "cross disciplinary approach" to enterprise education can influence a range of industry sectors including the arts, science and technology disciplines. Hytti and O'Gorman (2004) in their assessment and evaluation of a number of entrepreneurship programmes found that the better or more successful programmes were those which had the ability to integrate learning across the general educational experience of the student and those introducing enterprise education into other courses.

The focus and objectives of enterprise education programmes should involve the acquisition of a broader set of life long skills and not simply training for business start up (Martin 2004; DfES 2002; Audretsch 2002) and in developing enterprise capacity (DfES 2002, 2003; NCIHE 1997). Enterprise education should contribute to the development of a range of skills, including the ability to innovate and to provide leadership, which pays dividends for the individual and the economy in any employment context. It should instil an interest in and the potential of starting a

new business (Galloway and Brown 2002). The innate abilities of an individual, coupled with the overall socio-economic environment (ease of establishing a new business, access to finance and advice as well as the prevailing cultural attitudes to entrepreneurship) are extremely important factors in determining whether they pursue an entrepreneurial path. However, the innate ability can be greatly enhanced by education.

The role of the educational system in achieving this is acknowledged by Galloway et al. (2005) who suggested that educators "have an obligation to meet students' expectations with regard to preparation for the economy in which they will operate". Krueger et al. (2000) argued that career related decisions reflect a cognitive process, which is influenced by the attitudes, beliefs and intentions which are in turn influenced by the knowledge and experience base of the student. The educational system influences the knowledge base, the acquisition of skills, competencies and attitudes on which future career choices are based. Since these decisions are fundamental to the future of the individual, this paper will argue that it is incumbent on the educational system to inform and expose students to a broad range of career options including entrepreneurship. The success of enterprise programmes is very dependent on the level of commitment and the knowledge and skills base of the teacher.

ACADEMIC FAMILY BUSINESS EDUCATION CHARACTERISTICS

Family entrepreneurship research is one of the topics which have been lately seen as one of the current interests among politicians and researchers. Jaffe (1998) suggests that family businesses have certain key questions which should be answered. According to him educators might help family businesses by enhancing understanding on family and business combination, professionalism increase, networking, and learning. Family enterprise education might benefit from understanding the role of family, familiness, and family social capital in business. These characteristics make family businesses, and their educational needs special in comparison to non family businesses.

Family makes family businesses different from non family businesses. The family can have a synergic impact on family business operations. The family

can collect and utilise resources and capabilities from the existing environment. Especially family business founders, have resources in the form of alliances and networks, which represent unique family resources and expertise locally and industrially. According to Heck et al., (2006, 86), sustainability is one of the family business goals that must be based on resource exchanges. The family and its networks can gather flexibly resources when the family firm needs them.

The family business can have non-financial resources among key members and networks which are adopted and nurtured over decades. Tokarczyk et al., (2007, 29) call these resources 'familiness', and they suggest it has an influence on the business operations and marketing in family firms. Familiness can be a reflection of family interaction and key family members' expertise. Aldrich and Cliff (2003, 590) have analysed the role of family profile in the context of creating new ventures in family business. They argue that not only changes in family relations (marriages, funerals, birth of children, divorces and economic changes in the family), but also cultural dimensions have an impact on family business venture processes. Family characteristics challenge also resource allocation and opportunity recognition and seizing in the family business. According to Olson et al., (2003, 659-660) family impact on business operations in the family business is much greater than the influence of business and industry on family.

Family business education might have been tailored to key family and non family managers, like any business consultation. However, as Hoy (2003) mentions, only little has been studied in the context of family business management education and family enterprise education. Still, family business education has not been the main concern in academic business schools, although interest in family business research and education is increasing internationally (Sharma et al., 2007). Like Kuratko (2005) mentions, university level entrepreneurship has grown during the recent decades. Hundreds of universities and colleges are offering entrepreneurship courses. Still, as Kuratko argues, there does exist quantity in entrepreneurship context, but not enough quality in terms of high quality research. Also, entrepreneurship discipline, just like Kuratko says, is not found in many business schools nor has it

found its way into the university management or strategy. However recently, several European Union member countries have been active in promoting entrepreneurship in all levels of the education policy.

Entrepreneurship is still a newcomer in business schools. At the University of Jyväskylä in Finland, entrepreneurship combines with multidisciplinary topics like education, psychology, history, and sociology to business studies. This is inline with what Stewart (2008) has recently suggested on family business research collaboration. According to him this kind of unique partnership might also add value to family business research. Typically, family business research has been made in collaboration with entrepreneurship, strategy, management, and other business school disciplines. However, family business education and research need also multidisciplinary attempts with human, social, and education sciences. This might help to increase understanding on how family influences, through ownership and management, to business. Kirby (2006) suggests that business schools should try to foster change. In other words, enterprise education might benefit from developing pedagogies and contents which help entrepreneurship students to adopt competencies to cope and manage changes. Also, in family enterprise education the skills and mindset to cope with changes is needed. Family business managers might benefit from possessing competencies to make and to manage changes in daily business operations and more long term strategy making.

To conclude, family enterprise education might differ from business studies by offering more understanding and knowledge on topics like family business management, succession planning, ownership, and family dynamics. The interest to study and educate family business topics is increasing internationally which increases quality of the family business education and research. At the same time, family business discipline reshapes its position academically. New projects, degree programmes, guest issues and journals, and conferences increase the visibility and significance of family business research.

CURRENT FAMILY BUSINESS ACTIVITIES IN FINLAND

Studying entrepreneurship in Finnish as a major subject at the School of Business and Economics at the University of Jyväskylä (in Finland) has been possible from 1995. In the same year, a single course called “family business” started at the Master’s degree level in Finnish. A Master’s degree programme in Family Business, which is totally lectured in English, started in 2005 and it was accredited 2007 by the Ministry of Education in Finland as an official international master’s degree programme. This programme, officially titled as “Master’s Degree Programme in Entrepreneurship in Family Business” is strongly based on entrepreneurship and family business curriculum, but in addition the students are able to take minor subjects from the wide variety of disciplines offered at the University of Jyväskylä to complement their studies. The students who start their studies in this two year programme have already a bachelor degree from some other discipline.

For this policy paper family business education in other Finnish universities were examined. Although most of the universities have departments of business and economics and for example Turku School of Economics even has family business as a distinct research area, family business-related studies are not very typical in other universities in the country. Usually family business education is organized in the form of single courses like “Family Entrepreneurship” at the Swedish School of Economics (Helsinki) and “Basics of Family Entrepreneurship and Succession” in the University of Kuopio. Partially family business related courses in entrepreneurship can also be found in the University of Joensuu, the Turku School of Economics and the Lappeenranta University of Technology, but more extensive studies including several advanced level courses are currently organized only in the University of Jyväskylä.

THE CASE OF JYVÄSKYLÄ UNIVERSITY MASTER’S DEGREE PROGRAMME IN FAMILY BUSINESS

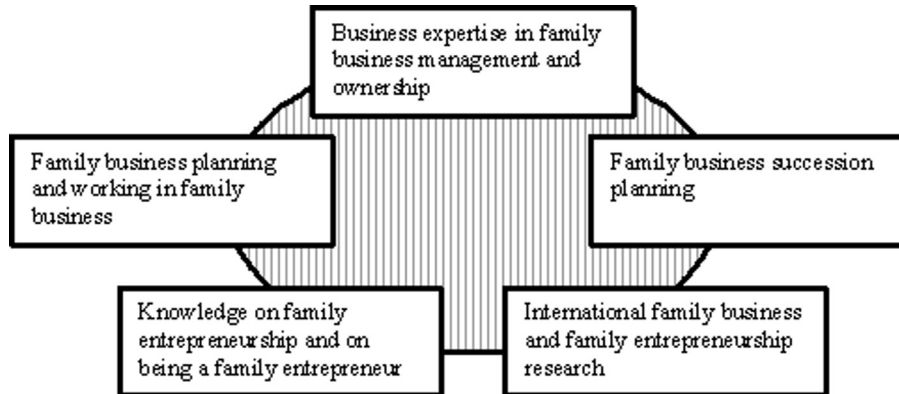
The Family Business programme strives to make a contribution to learning in both entre- and intrapreneurial capabilities in the context of family business and is also aiming to offer extensive

knowledge on business operations that can be related to a specific subject. The main objective of the Family Business programme is that the graduates have a comprehensive understanding of entrepreneurship and enterprising behaviour. Skills in entrepreneurial project management and family business management as well as self management and self development in one’s career are also highlighted. Furthermore, entrepreneurship graduates should have the required abilities to actively seek information, think critically and to do scientific research.

The Family Business Studies curriculum is a structurally flexible combination of numerous different courses and projects. Compulsory, selective and optional studies, thesis seminars, practicums and the wide variety of minor disciplines offer two different tracks to master’s degree in entrepreneurship, Family Business Track (taught in English) and Entrepreneurial Society Track (taught in Finnish only). Since this paper focuses on family business education, the family business oriented programme is highlighted.

On the Master’s Degree Programme at Jyväskylä University the Family Business modules are taught through English which is the working language of seminars for master’s thesis as well. The Family Business track offers the student an opportunity to learn about the challenges of family businesses. The programme is tailored for present or forthcoming family business owners, successors, family members and key non-family managers and advisors. The issues that are central both in education and in research are specified in the figure 1 below.

In family businesses, business principals and actors are related by kinship or marriage, ownership is combined with managerial control and family relations, and ownership and/or management are transferred to the next generation. Gradually, at least two generations are present or have been in business. New entrepreneurial firms are not often started with the explicit objective of becoming a family business. They rather evolve into a family business if and when a new generation becomes involved in operations. These special characteristics reflect the need to offer individual master’s degree programme on family business.

FIGURE 1 The main points of interest in the Family Business programme

Running family businesses requires special attitudes and capabilities that can be learned. Owning and operating a family business is both rewarding and demanding whether it is large or small. The track has been designed to enhance the birth, development and continuity of family businesses. A special challenge for family firms is to maintain their entrepreneurial drive over generations. The continuity necessitates strategic renewal, and, consequently, every generation should re-invent entrepreneurship in owning and managing the family business. Business and family issues which so often overlap will be examined and discussed. Thus, another major challenge is to keep the family dimension in harmony with the business and ownership dimension. The master degree studies contain courses on family dynamics, as well as family business owner management.

Studying in the Family Business Master's Degree Programme and Other Current Activities in the Field of Family Business

The family business degree programme is located at the School of Business and Economics, which is one of the seven faculties at the University of Jyväskylä. Its core in entrepreneurship discipline shapes the programme contents. Interdisciplinary nature of family business degree programme is not just that it covers topics closely associated with family business management and leadership, marketing, and finance, but also other topics found outside typical business school disciplines. In Finnish, commercial law studies specializing on family business questions are possible to take as a minor discipline at the master's degree at the School of Business and Economics. Also,

individual courses on family business have been organized together with sociologists, historians, and statisticians. As a minor discipline, just few students start family business studies annually. The role of the family business studies are more on offering a possibility to study in English a master's degree in science by specializing to family business topics.

The Master's Degree consists of 120 ECTS in Entrepreneurship in Family Business, which includes 80 ECTS major studies, 11 ECTS general studies, 10 ECTS language studies and 19 ECTS minor studies. The entry requirement for applying for the Master's Degree Programme in Entrepreneurship in Family Business are: an undergraduate degree (Bachelor) at a scientific university or university of applied sciences, or equivalent studies at the Open University or in a related field in Finland or abroad. Fluency in English is an additional entry requirement. Each September approximately 20 students are enrolled on the programme. The decision on who is given a place on the course is influenced by the application form, the motivational letter, CV, the language skills, and family business working experience. Some students are required to take psychological tests and are called for an interview. Feedback from students indicates that students enjoy the flexibility of the course and the academic atmosphere. The main challenge, which students face in their studies, is the master thesis, and partly some methodological studies. Writing a scientific master thesis in English is a challenge which is supported in many courses with intensive writing exercises. For a fulltime student it takes approximately two years to obtain the master's degree. So far, since 2005, 67 students have been chosen for the programme (see appendix 1). Fifteen

students have been graduated with the master's degree prior to September 2009. In September 2009, 13 new students started the studies the programme. Hundreds of students have taken the family business courses as exchange and minor students since 2005.

The degree programme produces nationally and internationally experts in the field of family business topics such as family business advisory services, family entrepreneurship, next generation training, family business management, and new business start up. The Family Business programme creates a base also for doctoral students.

The discipline of entrepreneurship and family business in the University of Jyväskylä has pursued to advance family business education also in other venues. In August 2008 the department organized the International FBE 2008 Conference, which examined family business and entrepreneurship education and research possibilities in greater detail. The purpose of this event was to offer a forum to discuss the different teaching practices in family business and entrepreneurship that institutions of higher education have. Universities and universities of applied sciences presented their latest undertakings in family business and entrepreneurship education and research in Jyväskylä.

The keynote speakers at the conference were researchers in the aforementioned fields including Professor Johan Lambrecht (EHSAL, Brussels, Belgium) Professor Leif Melin (Jönköping International Business School, Sweden), Executive Director Andrew Keyt (Loyola University, Chicago, U.S.A.) and Professor Matti Koiranen (University of Jyväskylä). Also various organizations, such as OED-research group, Oy Uniservices Ltd., Jyväskylä Open University, Harvia Ltd. and Muurame Entrepreneurship Secondary School shared their educational and research practices. In addition, a peer reviewed book based on the conference presentations was compiled and published to introduce the international research on the field. Also the Electronic Journal of Family Business Studies published a peer reviewed special issue based on the conference. The Electronic Journal of Family Business Studies (EJFBS) publishes online theoretical and empirical articles, book reviews and case studies on family business research. Publication is available with open access worldwide at the website of the Library of University of Jyväskylä. The journal's

main function is to report the latest results on Family Business research through a double-blind review process.

LESSONS LEARNT: WRAPPING UP THE EXPERIENCES

The family business master's degree programme has benefited by its early start. The first single family business courses were taught in Finnish in the early 1990s. The time horizon has enabled faculty to develop further the idea of complete master's and Ph.D. degrees in family business. The development has suffered from some challenges synonymous with new disciplines emerging: student recruitment, legitimizing the degree nationally, combining both practical and scientific interests into education, and finding enough human, social, and financial resources to run the programme annually. Being an interdisciplinary university, but also committed staff members, offers a context to develop new initiatives like family business degrees.

Educationally, the degree offers some mandatory courses which have been developed to give a comprehensive understanding of key family business issues (courses like family business and its governance, preparing for a family business succession, value-creating and sustainable ownership) and entrepreneurship discipline (like traditions of entrepreneurship research). However, strong emphasis has been given to optional advanced level studies which cover relevant and up-to-date topics (like family business risk taking and elaborating a family business plan). Mainly, the staff members of the School of Business and Economics have taken the main responsibility for lecturing the courses. However, annually several visiting lecturers are invited to teach family business and entrepreneurship topics.

Research combined with education enriches teaching by combining the two. Lecturers conduct research at the same time, and family business master's degree courses are always partly based on exercises which increase research skills of the participants. Having a balance between theories and latest scientific research, and practice, characterizes family business programmes. Annually, some of the master's degree student's work also on research projects run by the School of Business and Economics, and after finishing the master's degree, join the doctoral programme in entrepreneurship and family business. The Ph.D.

degree in family business can be studied in Finnish or in English.

The international studying atmosphere promotes new innovations and networks globally. Family business courses are open for exchange students who visit 6-12 months in Finland. Sometimes, these students want to study even the whole degree and continue at the master's degree programme. However, the main recruiting channels are globally students who come from outside the University of Jyväskylä and who are interested to study family business topics. Students from Finland and its neighbouring countries in Europe are the main recruiting areas. Also, increasingly, all countries of Asia like China, southern Europe, and Southern America seems to offer possibilities to recruit students for the programme. The number of international students is increasing. While in the first few years of the programme students recruited for the programme were primarily Finnish and in recent years most of the annually recruited students have been international.

Students find employment in all business sectors, but also get employed in the public sector as researchers, project managers, and teachers. The employment rate among the graduates has been high. Business degrees have offered several opportunities to find interesting open vacancies.

The number of applicants for the family business programme is increasing. At the same time, family business next generation members are interested in studying on the programme. Both practice and research oriented students start their studies in family business discipline. Family business research has been activated globally in many business schools. It seems that there will be possibilities for even more lecturer and researcher exchange initiatives.

RECOMMENDATIONS FOR THE FUTURE

One of the future challenges for the University of Jyväskylä is how academic research and enterprise education can support family entrepreneurs in their career. Collecting tacit knowledge, and preparing for succession early on, represents topics which can help family businesses to survive in the global economy. Politically, fostering family enterprise education might advance to answer the complex needs family businesses produce. In several

countries the number of family businesses is more than half of all enterprises. This increases the need to understand also pedagogically how family business topics should be taught.

Educationally, family business programmes can provide answers to specific educational needs by society. Administration, like the Ministry of Education, could recognize more flexibly the need to start new programmes. After three years and three application rounds, the programme was finally accredited officially as an international master's degree programme by the Ministry of Education. This reflects the need to recognise more innovatively the educational needs such as those of family businesses. This is among the nationally important questions, which should not be neglected.

Interdisciplinary teaching and research might be encouraged even more at universities. A borderless university offers more possibilities to start programmes which reflect knowledge on family, entrepreneurship and ownership. Especially family business education benefits a lot of psychology, education sciences, history, and sociology. Offering platforms and possibilities which extend the interaction with other faculties than the business school might create even more innovative courses, and unique profile for the programme. Family business programmes need interdisciplinary pedagogy to understand family dynamics as well as family ownership and management.

Recruiting and visibility are not challenges only for one master's degree programme, but for the whole university. This is a university specific question. However, visibility of international family business degrees for applicants who are interested in studying at scientific business schools might also benefit from the international collaboration with family business associations. Education policy which supports internationally visibility of master's degree programmes, is needed nationally even more.

Family businesses might benefit from collaborating more intensively with the degree courses. Maybe incentives by government or university which could motivate family business owner managers to network more actively with the course lecturers would help also to offer even more practical courses. Universities are capable to offer education based on high quality research. Often, students

also expect the courses to cover practically relevant information. Possibilities to extend the collaboration with family business associations might increase the dialogue between practice and theory in family business programme.

A business school which offers family business degrees should try to achieve complete internationalization. Having an international business school environment offers possibilities to conduct high quality research and the opportunity to create a brand which is seriously taken not just internationally, but also at the same time nationally. Family business research and education should be done in international teams of the committed researchers who share interest to study and to learn more about current family business dilemmas.

Research, which has its origins in family enterprise education, is needed even more. Projects which support the increase of family enterprise education quality, should be addressed. Moving the target away from family business succession and corporate governance does not mean that the "classic" topics should not be studied. Family business research needs both practice, and theory driven, but what is also important, but neglected at the moment, are education driven research projects. Any specific attempts to discover the nature of family enterprise pedagogy does not exist. However, in practice, we notice that family business topics can be taught differently than other entrepreneurship topics. Family dynamics, succession, and ownership structures, just to name a few, shape the family business pedagogy every time when family businesses are discussed.

This paper was the first attempt to describe the elements of the annual international family business master's degree programme. This study is a description of family business teaching and activities, in the case of one Finnish university. In the future, programme evaluation and learning experiences by the student might offer opportunities to analyse more pedagogic contributions of the family business programme. There exists an electronic system for the students to give feedback on their studies. Students follow a personal study plan, and they meet with a programme assistant and their professors often. This gives the possibility to study programme evaluation and individual learning experiences in future studies. Also, conducting a cross country analysis across the European Union would provide more in depth perspective into the possibilities of developing

family business education and benchmarking systems.

As a vision, family business master's degree programmes should be based on online nonstop recruiting, active international collaboration with key family business researchers, constantly updated courses, and different kinds of pedagogical styles. As such, universities focus on certain key themes nationally. The family business master's degree which started in 2005 offers possibilities for the University of Jyväskylä to offer nationally, and at the same time internationally, unique programmes for students who are interested in family businesses. Creating a network of universities which offer family business degrees at different levels can enhance and promote the quality and future outcomes of global family business pedagogy.

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APPENDIX 1. Students majoring and minoring entrepreneurship, started at the family business master's degree programme

Starting year of the studies	N	Graduated with master's degree in science (majoring entrepreneurship, family business programme ¹)	Students participated for the family business courses (incl. majoring, exchange and minoring students)
2005	10	9	113
2006	8	3	495
2007	13	3	301
2008	13	-	385
2009	13	-	N/A yet

The studies last from 2-4 years. Most of the students work at the same time, which influences on graduation.

APPENDIX 2. The structure of the family business master's degree programme

Structure of the studies 2008-2010

MASTER'S DEGREE IN ECONOMICS
GENERAL STUDIES min 11 ECTS
<p>4 ECTS FILY027 Ethics and Economics 3 ECTS FILY024 Basics of argumentation and rhetorics 4 ECTS YRIS181 Methodological choices in entrepreneurship research</p>
LANGUAGE AND COMMUNICATION STUDIES min 10 ECTS
<p>7 ECTS Compulsory language studies 3 ECTS XENT003 Communication Skills 4 ECTS XENX009 Integrated Research Communication</p> <p>3 ECTS Optional language studies</p>
ADVANCED LEVEL STUDIES IN ENTREPRENEURSHIP min 80 ECTS
<p>65 ECTS Compulsory major studies 8 ECTS YRIS131 Research Traditions in Entrepreneurship 6 ECTS YRIS321 Preparing for Family Business Succession 8 ECTS YRIS541 Family Business and Its Governance 6 ECTS YRIS571 Value-Creating and Sustainable Ownership 2 ECTS YRIS992 Master Level Research Tutorial 35 ECTS YRIS989 Master's Thesis 0 ECTS YRIS998 Maturity Examination</p> <p>15 ECTS Optional advanced level studies in entrepreneurship 6 ECTS YRIS146 Innovative Business Lab 4 ECTS YRIS311 Entrepreneurship and Market Mechanisms 6 ECTS YRIS321 Preparing for Family Business Succession 4 ECTS YRIS331 Practicum I 8 ECTS YRIS341 Practicum II 6 ECTS YRIS377 Failing Forward 6 ECTS YRIS541 Family Business and Its Governance 6 ECTS YRIS571 Value-Creating and Sustainable Ownershuip 4 ECTS YRIS591 Advanced Ownership Assignment I 10 ECTS YRIS592 Advanced Ownership Assignment II 6 ECTS YRIS821 Evolutionary Economics 6 ECTS YRIS861 International Entrepreneurship</p>
MINOR AND OTHER STUDIES min 19 ECTS
<p>The students are required to take optional courses with any language (in entrepreneurship or in other subjects) in order to reach the minimum extent of a master's degree (120 ECTS). These optional courses do not have to be advanced level ones.</p>

Supplementary studies
<p>In addition to the above (depending on their prior studies), the students may need to do supplementary studies that will not be included in the minimum requirements of a Master's degree (120 ECTS credits).</p>

Structure of the Studies 2008-2010

Master's Degree 120 ECTS in Entrepreneurship in Family Business

80 ECTS Major Studies

65 ECTS Compulsory major studies

8 ECTS Research Traditions in Entrepreneurship

Learning outcomes:

On successful completion of the course, students will be able to:

- be aware of the extensive research tradition in entrepreneurship
- identify the main themes of research and recognise the validity of process thinking in entrepreneurship
- evaluate connections of the main themes to entrepreneurship generally, as well as to industrial and enterprise structure and its development.

Content:

Entrepreneurship in economic theory. Discovery and exploitation of business opportunities. The phenomenon of new venture creation. The evolution of industrial structures. Business plan. Firm growth. Moreover, some special issues like intrapreneurship, franchising, internationalization of SMEs, and family business.

Literature: Reading package.

Completion possibilities: Open book exam: spring semester 4th period.

6 ECTS Preparing for Family Business Succession

Learning outcomes:

On successful completion of the course, students will be able to:

- understand how to prepare for a succession in family business.
- reflect educational and managerial skills, abilities and expertise family business needs when planning a succession.
- analyse needs of succession planning in family business.

The course describes also the nature of family business advisory services in succession.

Content:

Succession as emotional, managerial and financial processes. Next generation upbringing and learning in succession process. Family business continuity and longevity as strategic and managerial characteristics.

Literature: Article package.

Completion possibilities: Lectured course: autumn semester.

8 ECTS Family Business and Its Governance

Learning outcomes:

On successful completion of the course, students will be able to:

- understand the special nature of family business as a context of corporate governance
- understand the need and use of governance structures as a family business competitive strategy.

Content:

Theoretical frameworks for family business; elements and evolution of the family business system; balancing family needs and business requirements; strategic planning for family firms; the board of directors as the key governance body: tasks, structure, and operations; governance of family: family institutions and their roles in supporting the family-business interface; change management in the context of family business governance.

Literature: Materials from the lecturer.

Completion possibilities: Lectured course: autumn semester.

6 ECTS Value-Creating and Sustainable Ownership

Learning outcomes:

The main goal is to deepen the understanding of various dimensions and implications of ownership.

On successful completion of this course the students have:

- familiarize themselves with the key issues of value-creating and sustainable ownership. By frequently using family business as a context, the course contributes to learning that ownership, in its widest meaning, is a relationship between the subject (the owner) and the object (the owned target), and also a responsible task
- learned that ownership is not just a legal-economic construct, but has also psychological and social dimensions, particularly in a family business context, where the ownership typically means legacy over generations.

Content:

Multidimensionality and implications of ownership. Constituents of value-creating and sustainable ownership. Dynamism involved in family business ownership. Becoming and being a good owner. Family Business as a legacy over generations.

Literature:

Astrachan, J. (editor). 2007. Family Business Casebook Annual.

Ward, J. 2004. Perpetuating the Family Business (in English)

OR

Koiranen, M. 2007. Hyvä omistajuus. (in Finnish, only)

Completion possibilities: Lectured course: spring semester 3rd period.

2 ECTS Master Level Research Tutorial

Contents: Research traditions in business studies and corporate environmental management. Research strategies and methods. Successful academic research practices. Seminar sessions.

Prerequisites: Compulsory Advanced level studies.

Completion mode: Seminar

Goal: On successful completion of the course, students will be able to: - successfully complete an individual academic research project; - form a theoretical framework for an academic study; - identify and critically evaluate the appropriateness of research methods in different types of research settings; - justify the choice of the research methods of their own Master's thesis; - analyse and evaluate research results; - plan and deliver an academic research related presentation; - take active part in academic discussions as a presenter, commentator or opponent; - produce a research proposal and report.

35 ECTS Master's Thesis

Independently, or as a pair work written, thesis based on the research project.

0 ECTS Maturity Examination

The Maturity examination is an essay-type task, in which the student is expected to demonstrate his/her competence in English as well as mastery of his/her particular field.

15 ECTS Optional major studies (family business and entrepreneurship courses)

Family Business, 6 ECTS

Contents: Economic and social importance of family firms. Family, business, and ownership as interlocking and change-producing subsystems. Succession as an opportunity and challenge of family business. Owners' rights and responsibilities in governance. Family business consultancy as a profession.

Literature: Carlock, R. & Ward, J. 2001. Strategic Planning for the Family Business.

Poza, E. 2007. Family Business.

Selected journal articles, www-texts for assignments, and lecture hand-out.

Completion mode: Lectured course

Goal: The main goal is to familiarize students with the basic knowledge of Family Business and to enhance positive attitudes to it. On successful completion of the course, students are expected to be enthusiastic to learn more about it and able to: - Understand better how a family business system works from the viewpoints of family, business, and active ownership - Understand better the nature and implications of family business dynamics over time, as well as to see some multi-rationalities typical to family businesses - Know better how to plan and realize in a more competent manner strategic changes, like the ones needed in succession processes - Recognize the importance of family business in economy and society - Have some elementary skills to work in management, governance or advising in family firms.

Risk Taking in Family Business, 6 ECTS

Contents: Risk taking behavior. Risk management in family business. Entrepreneurs and risk taking in business. Emotional and financial risks as opportunities and threats in family businesses.

Literature: Elvin, Mike (2004): Financial risk taking: an introduction to the psychology of trading and behavioural finance. Chichester, West Sussex : John Wiley & Sons Hoboken, NJ , 277 pgs.

Titterton, Mike (2005): Risk and risk taking in health and social welfare, 1st American pbk. ed, Philadelphia : Jessica Kingsley Publishers. Philadelphia : Jessica Kingsley Publishers , 160 pgs.

Kets de Vries, Manfred F. R (2008): The family business on the couch : a psychodynamic-systems perspective. Chichester, West Sussex, England : John Wiley & Sons , 297 pgs.

Completion mode: Online Learning Portfolio on Risk Taking.

Goal: On successful completion of the course, students will be able to: - be aware of the risks in family business - recognise as an entrepreneur how to take risks in business - identify conceptually risk taking in entrepreneurship research - conduct research in family business risk taking

Advanced Ownership Assignment I 4 ECTS

Learning outcomes: On successful completion of the course, students will be able to:

- analyze and utilize the information of interviewed wealth-management consultants and services such as banks and insurance companies regarding investing and ownership
- understand the needed expertise of ownership consultancy services through inquiry-based pedagogical methodology
- develop skills to collect and use information on investing and maintaining ownership
- work together as a team
- implement problem based learning skills.

Content: Consulting ownership and investors. Active ownership as a citizen, an investor or as an owner. The questions of investing and managing wealth. Planning the ownership management: choosing the investments, comparing the opportunities and estimating risks in ownership. The role of advisory services in wealth management. Creating a personal ownership route map for planning wealth management.

Literature: Reading package on ownership.

Completion possibilities: Lectured course: autumn semester.

Advanced Ownership Assignment II 4 ECTS

Learning outcomes: On successful completion of the course, students will be able to:

- analyze and utilize the information of an interview about a company acquisition
- become familiarized with the process of management-buy-outs and management-buy-ins
- enhance knowledge on the company acquisition process through inquiry-based pedagogical methodology
- work together as a team

- implement problem based learning skills.

Content: How to plan and conduct a company acquisition. Takeovers, buyouts, leveraged buyouts, mergers and acquisitions. Reasons and motives for management-buy-outs (MBOs) and management buy-ins (MBIs). Steps involved in company acquisition. Feasibility in corporate acquisitions. Creating a company acquisition plan.

Literature: Reading package on company acquisition.

Completion possibilities: Lectured course: autumn semester.

International Entrepreneurship 6 ECTS

Learning outcomes: Successful completion of the course implies that the students are able to:

- describe international entrepreneurship as a field of research
- describe, compare, criticize and apply internationalization theories presented in the course
- describe, compare, analyze and report factors affecting foreign market entry and entry mode selection
- be aware of international opportunity recognition and social capital in the context of internationalization

Content: The course introduces the students to the field of international entrepreneurship. International entrepreneurship combines ideas from entrepreneurship and international business. It focuses on the research of the internationalization of entrepreneurial firms. The thematic entities of the course are: international entrepreneurship as a field of research, Uppsala internationalization model, Network model of internationalization, International new venture theory, international opportunity recognition, internationalization process, market and entry mode selection, psychic / cultural distance, network relationships, and social capital

Literature: Collection of articles

Completion possibilities: Lectured course including a written exam and a written pair assignment

Failing Forward 6 ECTS

Learning outcomes: On successful completion of the course, students will be able to:

- account and identify elements in personal thinking and action connected with entrepreneurial success
- assess and determine their own level of entrepreneurial thinking and action patterns especially concerning adversity, challenge, success and potential failures
- evaluate and compare different ways to deal with adversity and determine the outcomes in each case
- plan a specific set of interventions for themselves to increase their own well being and success in working life.

Content:

Determinants for success, entrepreneurial success, adversity management and effective ways to deal with failures in life.

Literature: Collins, J. 2001. Good to great. NY: Harper Collins.

Maxwell, J. 2000. Failing Forward. Turning mistakes into stepping stones for success. USA: Thomas Nelson. OR

Canfield, J. & Switzer, J. 2005. The success principles. NY: Harper Collins OR

other literature agreed upon at the first meeting.

Completion possibilities: Lectured course: autumn semester 1st period.

Innovative Business Lab 6 op

Learning outcomes: On successful completion of the course, students will be able to:

- construct and utilize the elements of business start-up process
- identify and reflect upon their own potential (knowledge, skills, strengths, personality, networks, life-plan etc.), entrepreneurial self-efficacy and orientation towards entrepreneurship
- analyze and distinguish between the difference between the business start-up process and the business plan as a specific type of communication between interested parties
- independently choose, evaluate and create needed documentation using different types of information
- formulate and present their own innovative ideas in an effective way as executive summary, one page plan, feasibility plan, business plan and final presentation
- feel confident using specialized programs and tools for business planning.

Content: Opportunity identification. Business start up process. Business planning / Family business planning. Entrepreneurial self-efficacy and orientation towards entrepreneurship as a career choice.

Literature: Hisrich, R., Peters, M & Shepherd, D. A. 2007. Entrepreneurship. 7 Rev Ed. Singapore: McGraw-Hill Education.

Timmons, J. & Spinelli, S. 2006. New Venture Creation. Entrepreneurship For The 21st Century. 7th edition. Singapore: McGraw-Hill Education.

Timmons, J., Zacharakis, A. & Spinelli, S. 2004. Business plans that work. A guide for small business. New York: McGraw-Hill.

And materials delivered during the course.

Completion possibilities: Lectured course: autumn semester 1st and 2nd period.

11ECTS General Studies

4 ECTS Ethics and Economics

Course literature: The student should choose two of the following three books:

SEN, On Ethics and Economics

STAVEREN, The Values of Economics: An Aristotelian Perspective

O'NEIL, The Market: Ethics, Knowledge, and Politics

Completion mode: Book exam, or essays (the essay topics have to be agreed with the examiner)

Goal: To provide general knowledge and basic insight about the connections between economic theory and philosophical ethics.

3 ECTS Basics of Argumentation and Rhetorics

Course literature: "Argumentation and critical decision making" by Richard D.

Rieke and Malcolm O. Sillars (Also an older book titled "Argumentation and the decision making process" by the same authors is acceptable)

Completion mode: Book exam.

Goal: The goal is to improve argumentation skills and gain knowledge on basic questions: what is argumentation, how to argue reasonably, what sorts of arguments are there, and how to criticize arguments.

4 ECTS Methodological Choices in Entrepreneurship Research

Learning outcomes:

On successful completion of the course, students will be able to:

- understand the methodological variety of choices in entrepreneurship research
- choose methodological solutions for writing a thesis / paper / report
- write and formulate research setting and research plan.

Content:

To give a picture of the possibilities in conducting empirical research in entrepreneurship and in family business. To train students to conduct empirical research in practice with the help of existing research material. To guide the students in familiarizing themselves with the existing scientific discussion on the topic, defining the research aims, as well as reporting the results together with their critical evaluation.

Literature: Given by the lecturers.

Completion possibilities: Lectured course: spring semester 3rd period.

10 ECTS Language Studies

7 ECTS Compulsory language studies

3 ECTS Communication Skills

Overview: Students will enhance their oral communication skills in academic and professional situations relating to their own field and future profession. Students will become familiar with the conventions and cultural considerations associated with spoken production and interaction. In addition students will develop communication confidence and team working skills.

Status: Compulsory for some undergraduate degrees, and also for some Master's degrees - check the requirements for your faculty

Target groups: Primarily second year (Finnish) students

Prerequisites: Academic Reading where required

Proficiency level: B2 -> C1 (upper intermediate)

Modes of study: General and small group discussions, field-specific individual presentations, problem-solving tasks, may also include interactive studio work.

Assessment: Continuous assessment based on active participation in group setting and successful completion of assignments, and preparation and delivery of a field-specific presentation. Self-, peer- and teacher assessment. Scale 1-5.

Learning outcomes: After completion of the course students should be able to: Communicate orally, with confidence, in informal and formal situations within an academic and workplace context Make a professional presentation that follows internationally accepted norms Find and use electronic resources to facilitate and support the above Recognize, understand and adjust to basic intercultural differences in communication.

4 ECTS Professional Reporting

Overview: The course enhances academic and professional reporting skills and subject-specific oral and written communication skills. Content varies according to discipline. The course may also be integrated with subject studies.

Status: Students pursuing the MSc (Econ) degree; primarily third year (Finnish) students. Compulsory for all students of Corporate Environmental Management.

Target group: Compulsory course for Bachelor's / Master's degrees in economics at the School of Business and Economics and Faculty of Information Technology

Prerequisites: XENT001 and XENT003

Proficiency level: B2 -> C1 (European Framework)

Modes of study: Both written and verbal assignments address the types of professional documents and communication skills commonly found in working life situations, as well as academic texts. Typical writing assignments include e.g. a synthesis, position paper, project plan or an annotated bibliography, and spoken activities include e.g. presenting an academic paper and acting as a critical reviewer in a seminar discussion. Contact teaching, lectures and workshops, simulations and academic writing and oral presentation assignments.

Assessment: Assessment is based on active participation and successful completion of the written and oral assignments and consists of self-assessment, peer assessment and teacher assessment (on a scale of 1-5).

Learning outcomes: After completing the course students Understand the types of knowledge and information management needed for professional and academic writing Understand intercultural differences and effectively communicate in group and cross-cultural person to person settings Have developed skills in synthesizing and evaluating professional and research information both orally and in writing Are familiar with the conventions, language and register, and principles of professional and academic writing in the field Know how to assess and edit their own writing, how to do peer evaluation, and provide constructive feedback.

3 ECTS Optional language studies

19 ECTS Minor Studies

The students are required to take optional courses with any language (in entrepreneurship or in other subjects) in order to reach the minimum extent of a master's degree (120 ECTS). These optional courses do not have to be advanced level ones.

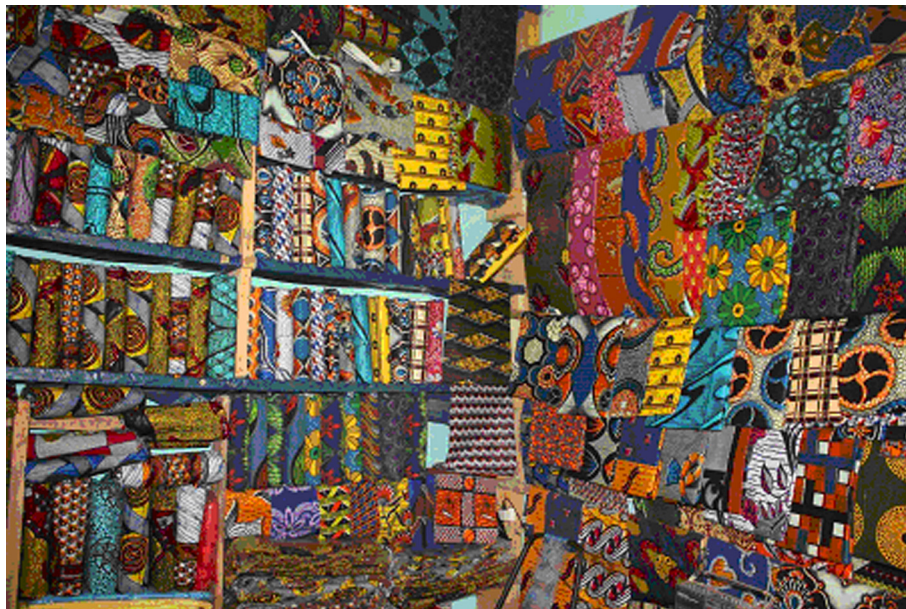
Supplementary studies

In addition to the above (depending on their prior studies), the students may need to do supplementary studies that will not be included in the minimum requirements of a Master's degree (120 ECTS credits).

AN ANALYSIS OF THE CURRENT DENOTATION AND ROLE OF WAX FABRICS IN THE WORLD OF AFRICAN TEXTILES

SILKE JURKOWITSCH
ALEXANDER SARLAY

Figure 1: Wax & Fancy shop in Mali



Project introduction

The literature reveals that traditional and cultural textiles are becoming more and more part of international fashion. Especially, locally produced and imported Wax fabrics are an important element of the cultural landscape of twenty-first century West Africa. It represents economic potential as well as a kind of national identity and personalization. These fabrics are still a source of inspiration and the subject of innovation for designers, artists and entrepreneurs. In addition, various studies and projects have shown that the actual situation of the West African textile market changes rapidly. The motivation for this project is based on learning from history of more than 500 years of trading with textiles between West Africa and Europe. Accordingly, the purpose of this

article is to describe the actual situation in West Africa holistically for all participating partners of the supply chain (producers, sellers, consumers, etc). Therefore, it examines Wax fabrics in a comprehensive manner starting with the definition, due to misleading definitions, and its history, the production as well as the actual marketing and distribution situation in West Africa.

The methodology for this project is divided into three levels using both primary and secondary data: Yesterday – Today – Future. The “Yesterday” part is developed based on existing literature in the fields of ethnography, cultural aspects, African textiles, textiles in general, art, strategy, global business and marketing. This is followed by the “Today” part, which is a concentration on the actual situation in the textile markets of West

Africa done in a qualitative way (e.g. observation, interviews, and photo documentation). Finally, the “Future” part consists of the combination of chances and risks for Wax fabrics in West Africa and the world. This research project is limited to Wax fabrics and restricted to West Africa, since these are the regions to which these textiles are primarily exported.

The main results will be the derivation of the definition for Wax fabrics based on theory of existing literature and practical execution inside the textile markets as well as the description of the actual situation in the West African textile markets. Subsequently, the contribution to knowledge will be an extract of influencing factors for textile companies working in the field of traditional and cultural fabrics. These influencing factors are provided for the first time to be able to establish a suggestion of a model for so-called traditional textiles in West Africa in future.

The article demonstrates that in addition to achievable fabrics in latest fashion design, the traditional and cultural roots of these kinds of textiles should not be underestimated when trying to improve or change the Wax market due to global influences. Furthermore, it is not clear if Wax fabrics of high quality will be part of West African tradition and culture in future.

Part 1 YESTERDAY

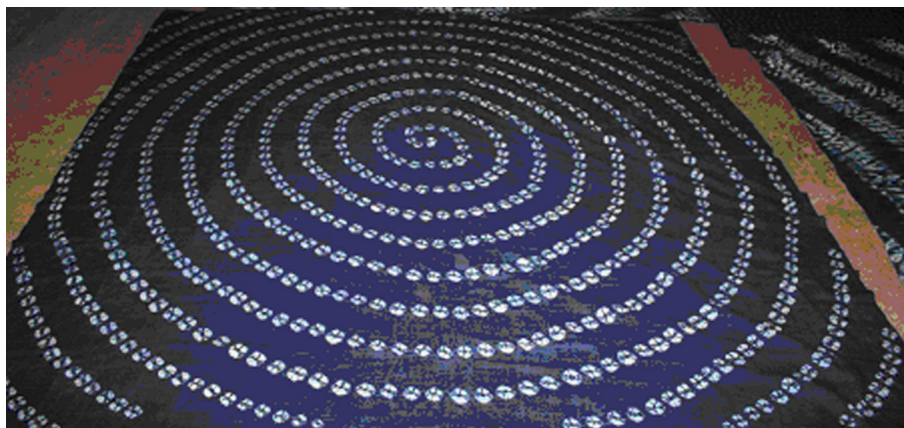
Wax fabrics the main textile in West Africa, is an interesting research object. Furthermore, “clothing

and other treatments of the body surface are primary symbols in the performances through which modernity - and therefore history - have been conceived, constructed, and challenged in Africa” (Hendrickson 1996, p. 13). Wax fabric “serves as a parameter of authenticity” (Sylvanus 2007, p. 201) and “are part of a set of meanings and social practices that have located this object with distinct social, cultural and economic value” (p. 211). To be able to understand the existing complex situation with Wax fabrics, it is necessary to define exactly what is understood in general by African people when talking about and using Wax fabrics today. Especially, “the complicated post-colonial history of African and Europe played out in this textile now has the dimension of modern globalization and commercialization” (Brien 2007, p. 43).

Characterization of a Wax fabric

In West Africa resist dyeing techniques are part of traditional methods of dyeing textiles to design special designs on the ground. They are still very popular with the Edo and Yoruba (e.g. adire) (Schaedler 1987). Adire is cassava-starch batik where “the starch fuses chemically with natural indigo dye that is set with a type of wood ash” (Wenger/Chesi 1983, p. 17). According to Osinowo and Meilach in Amubode (2009, p. 246) “the resist dyeing technique is a process of protecting some areas of the fabric from the penetration of dye to create a light pattern on a dark background”. Two methods are mainly used to produce resists dyeing fabrics: tie-dye or batik.

Figure 2: Yoruba Indigo dyed cloth



First, tie-dye is the creation of patterns by tying or stitching the cloth. One of "the commonest methods of tie-dyeing is the formation of patterns of large and small circles in various combinations (...) for the larger circles the binding thread is wound tightly around bunched-up area of cloth and tied securely (...) for the smaller circles, the binding thread is used to tie in a seed or a small stone" (Picton/Mack 1989, p. 148).

Secondly, "batik is an Indonesian term for a resist dyeing technique that uses manioc paste, rice or wax" (Bouttiaux 2008, p. 311) instead of tying or stitching. "Batik involves applying millet or manioc paste, starch or (more recently) wax to the fabric by hand or by using various instruments (such as stencils, stamps, brushes, combs and spatulas) in order to create the pattern" (Mbow 1998, p. 146). Batik is of Hindu origin and "its sacred importance was associated with women's birth, initiation, marriage and death (...) African prints were developed from batik" (Akinwumi 2008, p. 181). "In the commercial parlance, African print is a general term employed by the European textile firms in Africa to identify fabrics which are machine-printed using wax resins and dyes in order to achieve batik effect on both sides of the cloth, and a term for those imitating or achieving a resemblance of the wax type effects (...) (and so the prints are) disregarded as authentically African, but rather European "African Cloths"" (Akinwumi 2008, p. 179). Nielsen (1979, p. 467) argued more precisely: "Specialty African prints" is a broad term used interchangeably with "Manchester cloth" and "African prints" to describe cloth made in Europe for the African market". So, the main characteristic for Wax fabrics is that the cotton fabric or plain weave is applied with hot wax and the design/image is equally the same on both sides of the cloth (Amubode 2009; Giuntini 2008; Nielsen 1979; Powerhouse Museum 2009). "Wax prints are wax batiks which imitate the genuine Java batiks and they are machine-printed rather than hand-painted" (Nielsen 1979, p. 478). Besides the main characteristic element of the same pattern on each side, further elements for Wax fabrics are apparent to make every fabric a unique piece: Primary, the

often used "crackle effect". This effect is made by machines when they break off the wax and look like thin and irregular vein-like lines. Additionally, the white dots on the fabric resulting from remnant wax. Some authors stress also as a characteristic the imperfection of the dyed design because the various colours do not exactly fit in (Steinglass 2000; van Koert 2007).

In Africa wax resist dyeing was originally practiced by the Yoruba tribe in Nigeria, Soninke and Wolof in Senegal. Nowadays, the fabrics in the markets "bear names such as abada, Ankara, Real English Wax, Veritable Java Print, Guaranteed Dutch Java Hollandis, Uniwax, ukpo and chitenge" (Akinwumi 2008, p. 179). In particular, the production process of industrial batik is very complex due to the several production stages needed (Giuntini 2008; Steinglass 2000).

Besides the Wax fabrics a cheaper version of printed cloth is available: the so-called Fancy or roller prints. These fabrics are printed only on one side of the cloth in a continuously process (Nielsen 1979; Powerhouse Museum 2009).

What is Africa?

Until now the image of Africa in the world is still heterogeneous and sometimes scary. Especially in the Western world, Africa is often seen as "a construct of European fantasies as Europe itself is the result of an epistemological, historically informed construct" (Sylvanus 2007, p. 202). Furthermore, "Africa constitutes a crucial stake when considered as a source of creation, of diffusion and of commercial valorisation in a burgeoning market of cultural 'regeneration'" (Sylvanus 2007, p. 203). According to Gerlich (2004, p. 26) "the African is a person of sophisticated tastes, not ready to accept any kind of inferior fabric, crude design or garish colour. Whereas the East and South Africans tended to accept the Western-style clothing originally introduced by missionaries, the West African held to more traditional styles".

Figure 3: Production process for Wax fabrics (Steinglass 2000; Van Koert 2007)

Thus, the concept of “Africanity” is often cited in connection with the textile context. Africanity is about all the unique cultural heritage and features which unite Black Africa including their problems around the world. This includes themes as religion, worldviews, politics, family, society, marriage, etc. and their social, historical and geographical bonds. In other words, Africanity can be described as the acquisition of knowledge and understanding of African worldview (Akinwumi 2008). Africanity is seen as a concept in the same way as the existing concepts for the Western and Asian world. An example by Ranger (1997, p. 602) of a concept clash follows: “In comparing European neo-traditions with the customary in Africa the whites were certainly comparing unlike with unlike. European invented traditions were marked by their inflexibility. They involved sets of recorded rules and procedures – like modern coronation

rites (...) The assertion by whites that African society was profoundly conservative – living with age-old rules which did not change; living with an ideology based on the absence of change; living within a framework of clearly defined hierarchical status – was by no means always intended as an indictment of African backwardness or reluctance to modernize”.

As a matter of fact the concept of culture needs to be mentioned. One of the definitions for culture is: “culture consists of patterns, explicit and implicit of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artefacts. The essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values. Culture systems may, on the one hand, be considered as

products of actions, on the other, as conditioning element of future action” (Kroeber/Kluckhohn in von Stamm 2008, p. 242). Due to our research with African textiles three aspects of culture are important for us as well as for other researchers (von Stamm 2008):

- Cultural patterns are implicit, eventually not all of them
- Cultural patterns evolve over time
- Cultural patterns influence future behaviour

Figure 4: Tradition in Africa (Chesi 1990, p. 5)



African Textiles and its denotation

As mentioned in various African market places, textiles are directly connected with the person’s identity. This circumstance leads to the creation of an individual African identity (van Koert 2007). It is therefore obvious, that “clothing is a highly visible marker of cultural identity and provides one illustration of this conception of tradition” (Rovine 2004, p. 192). Moreover, “whether we convince cloth as symbol or as metaphor, what is important to keep in mind is the notion that cloth, whatever else it may be, is a document which records, when considered in its proper social setting or cultural context, the historical, ethnographic, and aesthetic qualities of an individual, group of individuals, or nation as a whole” (Steiner 1985, p. 103). This includes that “dress and fashion have been

centrally implicated in the forging of a distinct African modernity” (Allman 2004, S. 5) and “Africa, by virtue of its reinvented ‘culture’, becomes an essential stratum in the creation of identity – as much by its music and its fabrics as by its masks and shea butter cosmetic products” (Sylvanus 2007, p. 203).

In connection with a person’s identity is the person’s social status. According to Orla (2006) “there is no greater indicator of prestige or class than wearing clothes made from fine-quality African fabric”. Without doubt “traditional clothing hardly expresses individual personality as it indicates group membership and is timeless. So, it separates social classes and regional groups. The costumes symbolize a community and constancy” (Kalu 2007). This leads to the focus that cloth and

textiles are a status symbol especially in West Africa. What people wear is “an indication of socioeconomic status, age, education, and marital status” (Salm/Falola 2002 in Gerlich 2004, p. 2). Furthermore, cloth and textiles connect around the world, it “is critical in the representation and reproduction of society (...) (and it) is often a critical link between social groups across space and through time” (Hendrickson 1996, p. 8). So, personal identity, status and cloth as metaphor might be one of the reasons why Wax fabrics are important to the identity of West African fashion and keeps its position since more than 100 years (Brien 2007).

Besides the cultural traditional roots, “fashion is closer to personal identity than other material objects. It reveals significant social change at several levels, and subtle links between changes in individual and historical processes” (Allman 2004, p. 5). Accordingly to Rovine (2004, p. 190) “the garments that have emerged out of Africa’s engagement with fashion are extraordinarily varied, reflecting the many Africa’s that exist both in reality and in the imaginations of designers”. On the other side, also imported cloths are still an important inspiration source with impacts directly into the dyeing and weaving industries in Africa (Perani/Aronson 1979).

Wax fabrics conquer (West) Africa

Textiles were always included in the African trade mechanism as one of the major trade items (LaGamma 2008). This can be dated back until the 9th century where “the earliest evidence for woven textiles in West Africa is provided by fragments of bast-fibre cloth in Igbo-Ukwu” (Picton 2000, p. 49). With the help of the history of imported Wax fabrics the trade relationships and the West African markets between the triangle Africa, Asia and Europe can be observed (Brien 2007; Sylvanus 2007). “In the 15th century, African rulers and merchants had established trade links with the Mediterranean world, western Asia, and the Indian Ocean region. Within the continent itself, local exchanges among adjacent peoples fit into a greater framework of long-range trade. The merchants from Britain, France, Portugal, and the Netherlands who began trading along the Atlantic coast of Africa therefore encountered a well-established trading population regulated by savvy and experienced local rulers. European companies quickly developed mercantile ties with these indigenous powers and erected

fortified “factories,” or warehouses, on coastal areas to store goods and defend their trading rights from foreign encroachment. Independent Portuguese merchants called *lançados* settled along the coasts and rivers of Africa from present-day Senegal to Angola, where they were absorbed into African society and served as middlemen between European and African traders” (Bortolot 2003).

The 17th century at the West African Coast contains “fierce competition among the forty-odd trading posts along the Gold Coast representing Britain, Holland, and Denmark” (LaGamma 2008, p. 20). Far more east in Java a new ruler, the Dutch, followed after the influences of the Indians, Chinese and Islamic clerics. The consequence was that the “Javanese were influenced by an influx of new ideas from the cultures of their overlords” (Akinwumi 2008, p. 181) which could be manifested in their Javanese batik. In Holland, these new fabrics, called “Wax print”, were introduced as well as in many parts of Europe with less success due to its exotic design. The design motives were taken from the nature (e.g. plants, animals) and drawn in European style (Akinwumi 2008). Nevertheless, historians found that wax printing “originated from China and spread, along the “silk way”, to Malay islands and Indonesia” (Qingdao Phoenix 2009).

During the 17th and 18th century Indian hand-painted cotton were very popular in Europe and in West Africa. They “came to Europe (...) along with other cargoes such as spices, perfumes and embroideries” (Storey 1974, p. 20). In West Africa this commodity was “in great demand for its bright, non-fading colours and its affordability” (LaGamma 2008, p. 20). As a result of the African needs, European manufacturer, merchants and companies started “to study different ‘indigenous styles’ in order to facilitate the flow of their goods” (Sylvanus 2007, p. 207). Accordingly to the trade experiments in Manchester a new industry developed with textiles prints to suit African customer’s needs colouring-wise and quality-wise. In the 18th century, huge quantities were produced, adapted to the local style but not real African design and exported as imitation of Indian printed cotton with the effect of the displacement of the original Indian prints. There was a big pressure on the market shares between English and French companies and merchants. So, the African market came into the focus of companies like the Royal African Company or the English East India Company who established leading commercial

positions in the African trade networks (Akinwumi 2008; Gerlich 2004; LaGamma 2008; Sylvanus 2007; van Koert 2007).

Since the 17th century Wax prints are available in West Africa produced by European companies. At the end of the 19th century, the Belgian printer, J.B. Previnaire, invented the “Perrotine” the original wax printing method, also known as “Javanaise”. “Perrotine” is the name for a French banknote-printing machine, which was used to apply hot resin to both sides of cotton cloth. Thus, the resin was cracked and left fine lines of colour on the cloth. Therefore, an industrial manufacturing process for Javanese-type batik was possible and the industrial imitation of batik was achieved (Brien

2007; LaGamma 2008; Sylvanus 2007) “Previnaire had produced his batiks for Indonesia and other markets and (...) he was the first to make machine made batik for West Africa in 1893” (Nielsen 1979, p. 474). Through the invention of the “Perrotine” “the Dutch had produced industrialized batiks for the Dutch East Indian market – present-day Indonesia – where they attempted to undercut the prices of local handmade batiks. But the industrialized reproduction process was poor in quality as it left fine lines on the fabric that resulted from the cracking of the wax technique. Largely unappreciated by the Javanese, these signs of imperfection became highly appreciated in West Africa” (Sylvanus 2007, p. 207).

Figure 5: Market Situation in Mali



Summing up, the European production of Wax prints for the African market increased rapidly in the early 20th century due to the following reasons:

1. through the European wax print producers and their initiative for new markets
2. by European missionaries through their trading company Basler Handelsgesellschaft
3. through the thousands freed slaves from the Dutch East Indian Army that had served in Java returned to Africa dressed in batik cloth.
4. cloth was still an article of exchange
5. production of special colours and patterns suited for West Africa increased
6. cloth quality improved
7. cheaper materials brought lower prices
8. foreign cloth became a status symbol in parts of Africa
9. means of communication and transportation improved (Akinwumi 2008; Nielsen 1979; Sylvanus 2007).

Unilever forge ahead

“At the beginning of the 20th century, Unilever had acquired the majority of the West African colonial trade companies, and held monopoly power over imports of Dutch and English wax-prints” (Sylvanus 2007, p. 214). At that time the United Africa Company (UAC), which is a subsidiary of Unilever, is “the dominant trading house in West Africa with the bulk of its activities in the Gold Coast and in the area that will become Nigeria. However, under the name of Compagnie du Niger-Francais (CNF), UAC also maintains trading interests in the Ivory Coast” (van Koert 2007, p. 13). The main interest of UAC in Africa is to safeguard its profits made with textiles (van Koert 2007).

Parallel to UACs activities, Swiss, French and Japan companies produced Wax prints and “fierce competition ensued to develop designs that would appeal to local tastes and reflect topical concerns” (LaGamma 2008, p. 21). Furthermore, in nearly every West African country textile factories were built. This set-up was often done with British, Dutch, Indian or Chinese assistance and expertise. “One inevitable consequence of this was the decline (but not the demise) in demand for European printed cloths, as the local factories began to produce both wax and fancy prints that were cheaper in price than the imported fabrics” (Picton 1995, pp. 28-29). It is also important to mention that Fancy prints came into fashion in the 1930s. They were “produced exclusively in Europe for African markets until the late 1950s, fancy-prints represented a cheaper alternative to the expensive Wax prints while drawing on a distinct iconographic repertoire” (Sylvanus 2007, p. 213). The consequence of this incidents were that in the middle of 20th century “African-style” Wax prints were made in Europe, Japan and local West African factories (Brien 2007).

In 1960 Unilever acquired 40 % of the shares in the Vlisco factory, situated in Helmond in the Netherlands, from the van Vlissingen family (van Koert 2007). From this time on, “the localization of centres of production shifted under the effect of Unilever’s development policy – in response to increased competition, it relocated parts of its production to West Africa” (Sylvanus 2007, p. 208). More than 20 years later, “UAC Ghana’s textile division has lost much of its earlier importance. Due to sky-high import tariffs, Dutch wax prints enter the country through neighbouring Togo” (van Koert 2007, p. 67). Nevertheless, Unilever

owns more than 40 % share of Vlisco’s holding company, Gamma Holding” (van Koert 2007). In 1997, “Unilever sells the remainder of its West African distribution network to Gamma Holding. The transfer of Unilever’s interests to Gamma Holding is complete when the Anglo-Dutch multinational transfers the remainder of its distribution network to Gamma Holding” (van Koert 2007, p. 113).

Part 2 TODAY

Based on the historical fundamentals of tradition, culture, trade and fashion, the following chapter focuses on the actual situation of Wax fabrics in Africa. Nowadays, wax fabrics can be found nearly all over the African continent, originals, which are imitations of the Javanese and imitations, which are imitations of the originals. The main trade centres are in particular all West African countries especially Ghana, Nigeria, Togo, Benin, Cote d’Ivoire, Senegal and Mali. In eastern and southern Africa the Wax fabrics are mainly used by fashion designers to state their Africanity, also for their foreign customers. Furthermore, the second main market is the African Diaspora, in North and South America as well as in Europe, Asia and the Caribbean islands (LaGamma 2008; Sylvanus 2007).

Actual situation of the textile industry on the example of Ghana

With the independence of Ghana in 1957 changes and modifications occurred in West Africa. President Kwame Nkrumah promoted the development of a local textile industry with the result that in 1959 “the establishment of a state-owned company for spinning and weaving cotton” was financed” (van Koert 2007, p. 17). In the year 1964, the Ghanaian “government established a state-owned farm in the north to grow about 660 ha of cotton and built the country’s largest textile mill next to the Akosombo dam” (Hoefter 2001, p. 155). The textile mill is known under the name Akosombo Textiles Ltd. (ATL). Since that time, the textile industry is very important for foreign exchange in Ghana. According to Quartey (2006, p. 137) “Ghana’s textile industry is mainly concerned with the production of fabrics for use by the garment industry and also for the export market. The sub-sector is predominantly cotton-based although the production of man-made fibres is also undertaken on a small scale. The main cotton-based textile

products include: African prints (wax, java, fancy, bed sheets, school uniforms) and household fabrics (curtain materials, kitchen napkins, diapers and towels). These products form the core of the sub-sector. The main products of the man-made fibres (synthetics) and their blends include: uniforms, knitted blouses, socks etc.". "Nearly two decades after independence, the textile sub-sector was the major key player in Ghana's industrial sector, contributing significantly to employment and growth in the economy" (Quartey 2006, p. 144).

One year after the establishment of Ghana's first textile mill, a law for copyright protection and industrial property rights of textile designs was established. The designs are registered at the Offices of the Registrar General's Department in Accra. Nearly 30 years later more than 3000 designs are registered (Kwami 1995; van Koert 2007). The motivation for the design registration was diverse, for example: "We registered mainly to prevent our competitor Akosombo Textiles Limited (ATL), a Ghanaian company under Chinese ownership, from copying our designs" explains Gert-Jan van der Marel, in the 1990s Vliisco's commercial director" (van Koert 2007, p. 27).

The peak of Ghana's textile industry was in the mid seventies. 8 textile mills existed with 25.000 employees and a production of around 130 Mio. meters of cloth (Amankwah 2009; Hoefter 2001). In the same year of Ghana's peak, in 1974, "the Multi-Fibre Arrangement (MFA), a quota system (was) established (...) to protect the domestic textile industries of Canada, the U.S. and certain countries in Europe from emerging Asian producers, gave advantages to small textile-exporting countries that were not bound by quota constraints or that enjoyed preferential access to European and U.S. markets. Under the MFA, which created conditions benefiting it, the nascent African textile industry thrived, reaching a peak of over 200 mills in 1985" (Castonguay 2009). 1986 the MFA was cancelled due to trade liberalisation and Ghana was open for cheap import products, especially textiles from Asia. In the following ten years more than 100 textile companies closed down resulting in 5 existing companies with 7.000 employees in 1995. The decline in Ghana's textile industry continued reaching 4 textile companies with nearly 3.000 employees in 2005 (Amankwah 2009; Castonguay 2009; Hoefter 2001; Quartey 2006). In 2008 Ghana Textile Print (GTP), Ghana Textile Manufacturing Company (GTMC) and Printex closed their spinning and weaving

departments. As a result of this, GTP's workforce is around 500 employees, GMTMC's around 120 and Printex employs around 300. Akosombo Textiles Ltd. (ATL) is the only company in Ghana with its own spinning and weaving department and therefore a workforce of more than 1.400.

Until today the textile industry of Ghana faces serious problems and challenges. These are for example: cheap imports, smuggled textiles, low demand for local produced textiles, second hand clothing influence and high cost of local produced textiles with less competition. Meanwhile, "the sector has shown considerable interest to increase production for the local market and also to take advantage of the opportunities provided under AGOA but the threat of cheap imports (including smuggled items) from China and Pakistan remains a major challenge to the survival of the few existing industries" (Quartey 2006, p. 136). So far, the outcome of these activities for the textile industry in Ghana is not clear (Amankwah 2009; Quartey 2006; nnahenkan 2008).

Akosombo Textiles Limited (ATL) was founded close to the Akosombo dam in Ghana in 1967 by the Hong Kong based Cha Textile group. Cha Textiles Group "was founded by Mr. Cha Chi Ming in 1949 in Hong Kong. The Group principally engages in traditional textile manufacturing (covering spinning, weaving, wax-print and dyeing) and nonwoven industrial products (...) it has consequently built a global network with operations in Hong Kong, China, West Africa, Europe, and the United States" (CHAtextiles 2009a). "In 1969 (...) a group of former Ankersmit designers, at the time employed by Vliisco, accept an offer by the Cha Textiles Group, then Vliisco's main rival. The (...) company funds a design studio in Helmond. As employees of that studio, the Dutch designers produce designs for Kaduna Textiles Ltd in Nigeria and Akosombo Textiles Ltd in Ghana" (van Koert 2007, p. 47). The factory size is 47 acre and nearly 1500 employees are working there. More than 1100 looms produce over 3 million yards per month (CHAtextiles 2009a; CHAtextiles 2009b). The "production emphasis has been largely focused on Real Wax and African Fancy Prints. The prints are extremely popular. ATL also produce high quality materials and designs which receive strong acceptance well beyond the country's borders" (CHAtextiles 2009b). ATLs "designers are locally trained in fine and applied arts departments of schools such as the Kwame Nkrumah University of Science and Technology (KNUST) in Kumasi,

Ghana” (LaGamma 2008, p. 21). “The past decade has seen major reinvestments in machinery and efficiency by the Cha Group, putting in place continuous-process upgrades and technological advancements The Cha Group has created an organization that anticipates and satisfies the needs of African consumers” (ABCwax 2009).

Right from the beginning of the Wax fabrics trade, European companies and merchants took over

a significant role in the trade of Wax fabrics in West Africa. “Printed textiles exported to Africa were of two main types: wax prints (wax batiks) and nonwax prints (fancy or roller prints)” (Nielsen 1979, p. 468). Only 10 percent of the total number of available Wax fabrics in the market originates from Europe (Sylvanus 2007). Nowadays, in Europe only two Wax printing factories still exist: ABCwax in England and Vlisco, as part of the Gamma Holding, in the Netherlands.

Figure 6: ATL headquarter in Accra



In 1908 the first ABC (= A. Brunschweiler & Company Ltd.) Wax fabrics were produced in Hyde in a 1812 constructed conventional textile printing factory. In 1992 the Cha group took over ABC and the head office was moved from Manchester to Accra, Ghana in 2005 (CHATextiles 2009a). “This move has taken years of planning and an investment worth millions of dollars. New machinery has been installed at the Akosombo site and the workforce has been highly trained by ABC technical managers so that ABC’s high production standards are maintained. Standard wax will continue to be designed by our design team in Manchester in order to maintain the look and style of ABC, but from 2006 onwards, production of ABC standard wax will take place in Akosombo. The African influence is of paramount importance in a design, but the design itself is usually created in the UK. ABC has a database of over 35.000 designs. New designs are currently launched at the rate of about 200 per year” (ABCwax 2009).

Likewise, Vlisco is one of the well-known importing companies for Wax fabrics in Africa today. “Vlisco

was founded in 1846 by a famous Dutch merchant family called the van Vlissingens,” explains Joop van der Meij, the company’s CEO. One of the van Vlissingen sons had been in Indonesia, where he discovered the batik method of dying cloth. He had the idea that maybe this method could be industrialized in Europe” (Steinglass 2000). “By the late 1800s they were supplying the bulk of the Indonesian market as well as selling in West African ports where Dutch freighters set anchor” (Taipei Times 2009). The year during the First and Second World War were turbulent: “1919 the factory N.V. Haarlemsche Katoendrukkerij was founded but it was liquidated in 1922 and the machinery was bought by Van Vlissingen at Helmond. Van Vlissingen also acquired the original design collection” (Nielsen 1979, p. 474). According to van Koert (2007, p. 129) “these designs will remain the core of their collection”. “During the Second World War, under German occupation, the factory encountered various restrictions, but secretly continued to produce African wax-prints (...) in 1969 Van Vlissingen, then known as Vlisco,

merged with another large textile manufacturer, Hatema, to form one of the largest printed fabric producers in Europe and became known as Gamma Holding N.V. (...) one of its divisions was devoted to the exotic prints intended for markets in Africa, and acquired participating ownership in five overseas print works located in Ghana, the Ivory Coast, Nigeria, and Zaire” (Nielsen 1979, p. 474).

Today, the main shareholders of Gamma are ING Groep N.V 26,49 %, Kempen Capital Management N.V. 10,59 %, Fortis Verzekeringen Nederland B.V. 8,54 %, Aviva plc 5,49 % and Allianz SE 5,23 % (Gamma Holding 2009). Gamma Holding quoted on the stock exchange “is also promoting growth by increasing its focus on the market and the customer. At Exotic Fabrics in particular good progress has been made in the repositioning process to transform the business unit from a

distribution-oriented organization into a consumer-focused one. The Vlisco, GTP, Uniwax and Woodin brands have each been given their own market focus, not only on fabrics, but on clothing and accessories as well. Two seasonal fabric collections have already been presented for the top brand Vlisco. This brand now also has its own flagship stores in Benin, Togo and Nigeria, where customers can view made-up items and see just what kind of modern clothing they can make out of the fabrics. Bags, belts and shoes are also on sale in these stores. The trendier Woodin brand expanded its distribution network with stores in Nigeria, Ghana and South Africa. The GTP brand has successfully regained the middle segment of the African market with the more affordable GTP Nustyle brand. Uniwax strengthened its distribution network” (Gamma Holding 2007, p. 23).

Figure 7: ABCwax logo



Figure 8: Wax fabrics of the Gamma Holding: Vlisco (left), Woodin (middle), GTP (left)



The West African subsidiaries of Gamma Holding are GTP in Ghana and Uniwax in Cote d'Ivoire. According to Steinglass (2000) the companies "manufacture high-quality, original-print fabrics. But those companies are not privy to Vlisco's secret wax technologies, so they don't produce the jealously guarded Veritable Wax Hollandaise. More important, nearly all of the new designs are created at Vlisco's headquarters in Helmond, and most of the designers there are Dutch—not one of them is African" (Steinglass 2000). In 1969, "Dutch engineers install the wax printing machine, a second-hand machine from the closed down Ankersmit factory's assets (...) as will be the case later at Uniwax, Helmond does not send experienced wax printing machine operators to Ghana. Whether or not this is an act of unwillingness, malicious intent, incompetence or indifference is not clear, but the decision will be the cause of several start-up problems" (van Koert 2007, p. 63). Furthermore, "it will soon become evident that the Dutch are not eager to apply their secrets for the production of the "authentic wax prints" in Africa" (van Koert 2007, p. 40). They wanted to protect their industrial secrets due to their knowledge and position in the market. Also, there was a strong control of all proceedings in Africa. Nevertheless, Vlisco's main market is the third world.

Imported and locally produced Wax fabrics coexist in West Africa for many years. If the textile industry is perceived as local, depends on the individual perspective due to the reason that ATL is owned by a Hong Kong company and GTP by a Dutch

mother company (Brien 2007; van Koert 2007; Steinglass 2000).

Original imitation versus copy of the original imitation

Today, a war trade is ongoing in Africa: the battle between Asian, American and European textile companies. The Western companies struggle with this competition, the Asian factories deliver copies mainly of classic designs of Wax fabrics (Amubode 2009; Brien 2007; Orla 2006; Taipei Times 2009; van Koert 2007). The African governments did not seriously protect the textile industry with the consequence that "unless drastic and far reaching measures are adopted (the) local textile manufacturing industry will be lost to history, and with it, its role in employment creation, revenue generation, and a tradition respected across the entire African continent" (Amankwah 2009). Some governments applied trade tariffs; others are enforced to apply existing laws and regulations on cheap imported Wax fabrics. Accordingly, the situation is out of control. For example, in Nigeria the amount of imported textiles, mainly without duty paying, is four times higher than the locally produced textile amount including brand names and labels (Amubode 2009; Castonguay 2009; Meka-Tie 2005; van Koert 2007). For example, "Real Dutch Wax goes for as much as 70,000 CFA francs (or about \$ 90) for a length of six meters; the Asian imitations, which bear amusingly deceptive

logos like “Real Wax--Printed as Holland,” sell for 6,000 to 7,000 CFA francs” (Steinglass 2000).

The imitations of Wax fabrics appeared in the market in the late 1990s. The procedure is always the same: as soon as a new original textile design is on the market, a sample is bought or scanned, sent for reproduction to China and smuggled into West Africa mainly through Togo. The fabrics look nearly the same as the original design with integrated trademarks. Hence, the reasons, why cheap imported textiles are available in Africa, are manifold: the poor economic situation, the unstable politics, corruption, the depreciation of the US dollar as main currency, Chinese textile companies hire African designers to China, the unscrupulous local and foreign traders which smuggle, pirate the designs, under invoice and evade duties (Amankwah 2009; Castonguay 2009; Meka-Tie 2005; Steinglass 2000; Sylvanus 2007; Taipei Times 2009; van Koert 2007). Following Castonguay (2009) “the smuggled textiles are not wax-resist dyed, but rather high-velocity textile prints produced in half the time for a fraction of the price. The printed textiles “fake” the bleeding effect of the colour and the dye-resistant spots of the authentic product. They use chemical rather than natural dyes”.

The consequences of the battle between “original and copy” are ambiguous:

- the market is diversifying: from cheap to expensive, from original to copy with the results of a more accessible market, an increase of the number of people selling the fabric and the preservation of this African clothing tradition
- the Chinese Wax fabrics are not colour-fast and not as durable as local made textiles nevertheless the quality of these products increases
- Cheap textiles decelerate the influence of second hand cloth
- Cheap textiles help to maintain the tailor’s profession in Africa
- New Asian textile companies appear with their brands on the market with improved designs, like the Chinese company Hitarget Phoenix

- Africans do not buy less cloth but of purer quality, nevertheless they learned cheap is not always for their advantage
- more and more Africans buy the imitations due to their expenses for mobile phones
- Small and large companies, the sub-Saharan cotton cultivation, natural dye-making, the surrounding supporting industries in West Africa are threaten by this war trade (Amubode 2009; Castonguay 2009; Chiahemen 2006; nnahenkan 2008; Taipei Times 2009; van Koert 2007).

Marketing of Wax fabrics

It is important to mention, that the success of imported Wax fabrics is based on various, former unconscious, marketing activities in West Africa. A study by Sylvanus (2007, p. 207) demonstrates that “it took more than a century of circulation and transformation before wax-prints penetrated the circuits of the international market” due to various production places, different cultures and distribution activities around the world. Additionally, more factors which supported the success of Wax fabrics are the integration of “the retailers (wholesalers or semi-wholesale dealers), the detail retailers (fixed sales points or peddlers) and the final customer” (Sylvanus 2007, p. 214). In the course of time, Wax fabrics turned to investment products for Africans, like Indians buy Gold.

A major influencing factor for the marketing of Wax fabrics until today is the name of the design even its success is not predictable (van Koert 2007). At Vlisco for example each design is given a number. For example, a Wax fabric is called “Obama” due to the reason that this design was launched on the election day of Barack Obama but there is not direct link on the design to Obama. This means, as soon as the fabric arrives on the market, it is named to increase its selling potential (Sylvanus 2007). Hence, “attracting indigenous names in form of proverbs, catch phrases, catch words, slogans, maxims and puns were given to each successful design by African traders, although the names had no connection with the designs” (Akinwumi 2008, p. 182). Furthermore, “the name establishes group-specific meanings and metaphors which transform a foreign commodity into an item of local production” (Steiner 1990, p. 60).

Figure 9: Women traders at Cotonou market, Benin

Besides the indigenous names for Wax fabric design, retail traders supported the spreading of local and imported cloth. Mainly European merchants were directly involved in the cloth trade (LaGamma 2008; van Koert 2007). "Between leaving the factory and being offered through the commercial network to the consumer, wax-print undergoes a series of symbolic transformations. While escaping the market economy of the wax-print, this transformative network is vital to the cloth's value and serves as a local leverage point in the context of the informal economy. Each link of the chain of distribution brings various actors into play, in particular, women" (Sylvanus 2007, p. 210).

Since the colonial times, women traders, also called Mammies or Nana-Benz, are common due to their benefit that male labour was recruited in the past. Women are acting as intermediaries between the importing companies and the local businessmen. Without doubt women still take over an active part in marketing textiles from the wholesale level to the retailer, not only in giving feedback about the success of new designs to the producers, also in the conception and adaptation of the product. In former times, successful women traders got design exclusivities. Nowadays, the textile producers use other marketing activities for the promotion of their new designs (Sylvanus 2007; van Koert 2007).

Due to the globalization and its influences, the Wax market in West Africa changed drastically with different consequences for the textile producers, traders and consumers. Especially, the consumers came into the focus in the last years because "it is important for marketers to understand the thought process that consumers use when making decisions" (Kenyon 2008, p. 90). The textile companies are moving away from the marketplaces into their own retail outlets or flagship stores. The opening of this new distribution channel is successful based on the increased sales. With this change, the producers took over the activities of the traders and therefore have the possibility of a deeper impact and influence on their consumers, e.g. by setting trends in fashion and distribution, offering 100 % original branded fabrics (Taipei Times 2009; van Koert 2007).

The shop concept installed by Wax fabrics producers is always supported by the establishment of a brand. So, the textile companies "rely heavily on their trademarks to protect their goods from counterfeiting" (Castonguay 2009). Accordingly to von Stamm (2008, p. 120) "a brand is a name, term, symbol or design (or a combination of them) which identifies one or more products". Moreover, brands are

- "a means of identifying and determining origin

- a means of securing legal protection of unique features
- a signal of the level of quality for the consumer
- a means of enriching the product through unique associations
- a source of competitive advantage
- a source of financial revenue" (Keller in Vranesevic et. al 2008, p. 70).

The advantages for the consumers of brands are as follows:

- "Product origin identification (name, logo, packaging)
- Product manufacturer's responsibility determination
- Risk reduction
- Product search cost reduction
- Promise, guarantee, or contract with the product maker
- Symbol
- Sign of quality" (Keller in Vranesevic et. al 2008, p. 71).

Thus, "in a dynamic economy, brands are not only a guarantee of quality and replicability, they are also the means for delivering innovation. Innovation which depends on long-term commitment of brand-owners to make substantial investment in the future of their brands" (von Stamm 2008, p. 121). A brand is established slowly and only after times it is recognisable in the market. The "appropriate name and logo facilitates the conducting of other marketing activities steered towards brand management" (Vignali/Vranesevic/Vrontis 2008, p. 70).

By using the example of the Gamma Holding, for instance a branding concept for Wax fabrics can be explained. Due to the partial Wax market collapse in 2004 and the wish to better serve the consumer's needs, the brands (Vlisco, Woodin, Uniwax, GTP) were established or refined according to the company's objectives (van Koert

2007). This includes the positioning of Vlisco as a luxury brand like the Western fashion brands Gucci, Armani or Boss. Referring to a study done by van Koert (2007, p. 134-135) "the Vlisco brand (...) is situated in the top part of a pyramid (...) in depressed economic times, the "cotton from Helmond" is out of the financial reach of the occasional buyer. Those consumers aim for the second tier (...) where we find Uniwax, the British from ABC (Woodin) and the GTP brand's top quality. The next tier contains the Chinese-owned Akosombo Textiles Limited together with the majority of the GTP branded cloth (...) at the bottom of the pyramid, the Nigerian manufacturers sell the largest quantities of wax prints for the lowest prices. More than ten years later, in 2007, Chinese have taken the place of the Nigerians".

The brand management is especially supported with various promotional activities for the Wax brands. These activities can be sponsoring of events, designers or celebrities, fashion shows, events, films, music, magazines, blogs, posters, etc. "The basic goals of promotional activities are: information, product differentiation and the emphasis of product value" (Vignali/Vranesevic/Vrontis 2008, p. 199).

Consequently, the brand management led to an expansion of the geographical regions and product uses. "For the first time in 160 years, the company (Vlisco) threw its collection of fabrics onto a Paris catwalk for a crowd of several hundred people in the hopes of grabbing the spotlight in the world's fashion capital" (Taipei Times 2009). In the same way the product use of Wax fabrics has expanded, so-called "reframed commodities, i.e. the object's original use has been altered to fit new functions. These objects, while generating new functions remain, however, attached to the commodity's kitsch dimensions drawing on the notion of the exotic" (Sylvanus 2007, p. 204). Furthermore, "African fabrics, in particular wax-prints desired as much for their 'African' patterns and colours as for their malleable applications in fashion clothing and in furnishing, where they are used for duvet and cushion covers, purses, wallets, toilet bags, scarves, dresses and so on" (Sylvanus, 2007, p. 204-205). Two examples of reframed commodities with Wax fabrics are shown below:

Figure 10: DaViva shop in Accra by ATL (left); Vlisco shop in Lomé (right)



Figure 11: Wax fabrics used for Adidas Sneakers (Adidas 2009) and Furniture by Moroso (Moroso 2009)



Part 3 FUTURE

Using the history and the actual situation in the Wax market as fundament, the future for Wax fabrics in West Africa is amenable. “Nevertheless, the omen for tradition in Africa is good. Tradition will go with the time and adapt to it. Also, status symbols in form of textiles will be kept in the tradition. Now, it is the time for the textile and especially the Wax producers to act based on their long-lasting experiences” (Jurkowitsch/Sarlay 2009, p. 513). During this research project major factors for risks and chances in the Wax market were collected and are presented in a consolidated way:

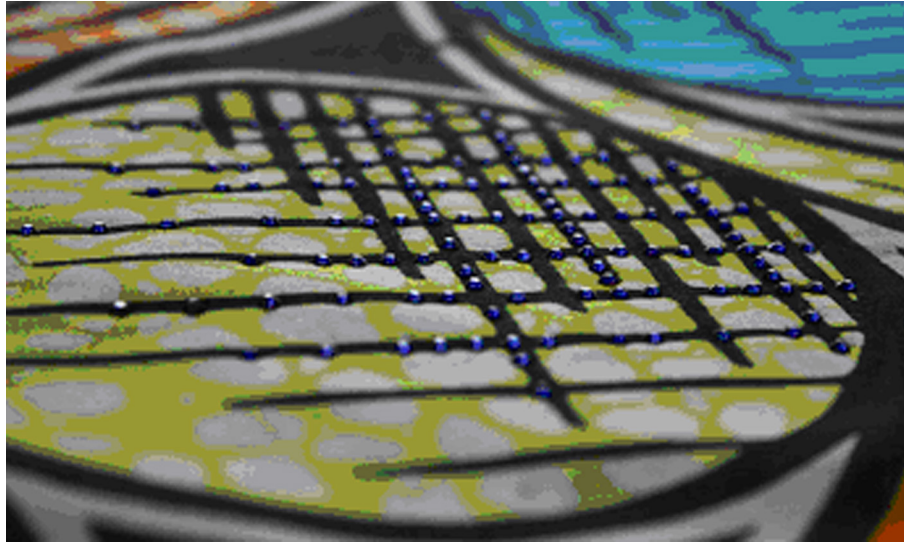
Tradition: As could be observed in the African markets, textiles, especially Wax fabrics lose their symbol of traditional clothes. As Amubode (2009, p. 246) concludes “unfortunately, the influx of

second-hand clothing and cheap new fabrics from Europe and Asia has had a great negative effect on the industry. Consumers no longer patronize locally produced fabrics”.

Design copies: Furthermore, cheap imported textiles from Asia do copy classic Wax designs in a very short time. This procedure scares the participating members in the distribution channel of Wax fabrics because not all consequences are seen or realized at the moment. “Slowly, the last mills are closing their doors, one after the other: wax-resist textile design might soon be a lost art” (Castonguay 2009).

By taking the opposite perspective, chances for the Wax market are still available and need to be realized by the textile companies.

Figure 12: Wax fabric by ATL crystallized with Swarovski crystals for Mrs. Obama



Innovation: As seen in an experiment done by ourselves in West Africa starting in 2008, innovations for Wax fabrics are possible and assimilated very fast based on African requirements and ethnographical aspects. During this experiment we connected local Wax producers with international acting crystal companies. For the occasion of the visit of the American president, Barack Obama, in July 2009 we crystallized Wax fabrics, which were handed over to Mrs. Obama as state gifts. The reactions of this experiment were tremendous. Due to the reason that until this day, Wax fabrics were always crystal-free, a new trend for African fashion was set. Also, the well known Ayekoo Drummers from Ghana used crystallized Wax fabrics during their Europe tour in 2009. Three months after this first presentation of crystallized Wax fabrics at least five designers and companies put their actions into crystallizing their Wax products done mainly in Europe. Vlisco, for example, launched their interpretation of a crystal Wax fabric in November 2009. As stated by Amubode (2009, p. 246) “practitioners lack innovative ideas that can help them in the sustainable growth of their businesses”.

Furthermore, “increase speed is not only observed with regards to individual product introduction rates. It seems that more generally the pace of change in business is increasing, requiring organization to respond to it and adapt. Changes can be induced from within an industry but they

are more likely than not triggered by an event outside” (von Stamm 2008, p. 235). For example this could lead to the consequence, that products for brands can be produced or supplied outside the own factories. “However, successful entrepreneurs must use systematic innovation, which consists of a purposeful and organized search for changes and the systematic analysis of the opportunities such changes might offer for economic and social innovation” (Amubode 2009, p. 251).

Consumer focus: A major result of our observations is the lack of market research on the consumer based on historical and ethnographical facts. Especially when analyzing the marketing activities for Wax fabrics in any African community, “one can be convinced beyond a doubt that what is obtainable in the contemporary time as African print is nothing but a wholesale copy of Indonesian batik style (with its characteristic crackle effect and shadow elements)” (Akinwumi 2008, p. 184). Consequently, “it becomes necessary to understand customers’ needs, practitioners’ capabilities, and their competitive strengths and weaknesses” (Amubode 2009, p. 252) and the “consumers want to feel satisfied with the decision they have made” (Kenyon 2008, p. 87). One solution for focusing more on consumers could be the enforcement of personal selling activities which is “primarily assisting in the search for a solution and optimal satisfaction of the customer’s (buyer’s, consumer’s, user’s) needs and wants

at a given moment” (Vignali/Vranesevic/Vrontis 2008, p. 186).

To be able to support the focus on consumers, a niche marketing strategy is helpful. Consequently, “knowing and working from strengths are essential parts of developing niche marketing” (Amubode 2009, p. 252). As resulted by Parrish et al. (2006, p. 428) “implementing a niche strategy will make firms more competitive because they will focus on the consumer. This helps a company compete against lower priced imports because the company will be able to identify the most profitable market segments. The most important factor on which a firm needs to focus is, understanding the consumer”. Moreover, “the ability of China to produce products efficiently at a lower comparative cost is threatening those textile and apparel industries that are unable to compete solely based on price. Consequently, firms located in these countries, such as Nigeria, are looking for ways to remain competitive. The recommended way forward is

“niche marketing” – a product focus with a better position to compete in the global market place and achieve higher margins for products while yielding greater profitability” (Parrish et al. 2006, p. 420).

A further chance for Wax fabrics exists in the way that textile companies, governments and stakeholders cooperate and coordinate their activities towards to a goal: to change and develop the Wax market further. “West African textile companies need to be as vigilant in protecting their trademarks as European fashion houses that actively defend their rights by sending cease and desist notices to vendors and challenging trademark infringers in court. The creation of a collective trademark for wax-resist textiles mills could bring those concerned together and would create a single entity with which authorities could work to tackle the problem” (Castonguay 2009). Activities for the trademark owners of this cooperation could be

Figure 13: Frozen Dreams 44.A1164.02 by Vlisco, launched in November 2009



- to work closer with customs control and port authorities to be able to recognize and identify the original trademarks
- to make a raid in cooperation with media activities against counterfeited trademarks to learn the vendors and consumers that this selling is illegal
- to improve border patrols across Africa against smuggling of counterfeited trademarks
- to improve international cooperation for the trademark (Castonguay 2009).

Summarizing, one of the main results derived from this observation is that “the history of the circulation of wax-print demonstrates that economic globalization is not a new phenomenon. What is new is the revolution of communication and information technologies – and their effect as leverage points – operating the reduction of distances and the acceleration of flows” (Sylvanus 2007, p. 212-213). Accordingly to Allman (2004) fashion is very close to the identity of each individual. Therefore, it is easy to observe the ongoing individual and historical changes in connection with textiles and fashion. In the case of Wax fabrics, the imported fabrics were absorbed into local traditions and cultures and until today bought as an investment, national costume, status symbol and social prestige.

Derived from history, the roots of Wax printing are in Asia and where imported by Europeans to Africa and back to Europe. “It appears (...) that traders, merchants, missionaries, and returning soldiers all played a role in introducing the wax prints to the West Africans” (Nielsen 1979, p. 470). So, it is not surprising that “wax-print behaves at times as an ‘African’ object, belonging to an ‘African repertoire’, at other times as a ‘hybrid’ object of exotica, requalified by cultural experts to fit to the demand of western consumption” (Sylvanus 2007, p. 212).

The market situation today is ambivalent. Local and European textile importers suffer from cheap Asian textile imports. On the other side, the Asian competitors adapted very fast to the market, consumers and their needs. As a consequence, innovations are needed and stimulate the competition on the Wax market in Africa. Especially for the well established African and European companies there is a high demand of innovation, if they want to keep their major role in the textile

market. “Instead of expanding, integrating and creating more jobs, the industrial sector is shrinking and new investments are almost impossible. This has led to textile factory closures and downsizing, resulting in a large number of textile workers being retrenched and paid off (Muhammad 2003)” (Amubode 2009, p. 250). In the last years, Africa lost more than 250.000 textile workers.

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COMMUNICATION APPROACHES IN KNOWLEDGE DEVELOPMENT EMPIRICAL EVIDENCE FROM AN ITALIAN INDUSTRIAL DISTRICT

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Abstract

In an increasing number of industries, the value proposition is no longer based on discrete transactions, but rather on a continuous exchange of knowledge between the components of the “system of value”. These relationships are the prerequisite to ensure the “mutual survival” of the involved companies. Consequently, in local and global markets dynamics, firms’ competitive position can’t set aside the communication of the intangible assets, as showed in consolidated branches of management studies (the Resource-Based View and competence-based approaches). In this perspective, the role of marketing and corporate communication is crucial both for emerging a corporate culture, fit for knowledge development, and for the implementation of a knowledge-based approach in the use of communication tools.

The main aim of this contribution is the analysis of corporate communication in the process of knowledge development in b-to-b markets. Consequently, a classification is presented to compare the different approaches to communication of industrial companies. The taxonomy identifies specific levels of awareness in engaging in communication activities. Each level of ‘communication orientation’ shows different skills in developing profitable relationships with relevant stakeholders.

On the basis of these premises, we present an exploratory study on a sample of firms operating in the leather tanning district of Solofra. In addition

to a check of the current state of communication in the district, this survey allows to test if frequent coordination mechanisms and/or communication competences exist in b-to-b contexts. Our survey has interesting effects both in terms of managerial implications and for future research directions in these fields of studies (knowledge management and industrial corporate communication), in which many areas are still considered “grey”.

Keywords: communication approach/orientation, industrial SMEs competitiveness, b-to-b markets.

Introduction - Literature review

The industrial goods market is generally characterized by the presence of a limited number of firms, often of small dimensions which achieve highly profitable exchanges by integrating business processes and competences. In other words, it is a market in which its relational perspective and the specificity in terms of timescale and duration of the knowledge exchanges is core to the success of the organization. In that regard, several management/organization studies have deepened the analysis of the link between the capacity of (inte-firm) organizational networks both to increase the value of individual firm-specific competences and to create social capital (Coleman, 1988; Putnam, 2004). Because of this trend, it emerges that the change from “traditional/proprietary” organizational boundaries to “cognitive” boundaries requires a shared network language in order to guarantee the successful development of the relations

among network members and outside the network (Rullani, 2008).

This observation gets the cue from consolidated concepts in the literature:

- knowledge plays a crucial role in the functioning processes of an organization;
- an organization is a cognitive system, able to give economic value to the knowledge generated by organizational actions.

The need for relational continuity is evident, above all in sectors in which competition is based on the possession of specific competences seeing as the continual change of supplier/client would lead to high switching costs and risks linked to the search for a new trustworthy partner and to the re-organizing of previously optimized systems, processes and competences in starting up a cooperation with a different subject.

Furthermore, marked criticism against the predominant paradigm in marketing has been recorded by different researchers (Berry, 1983; Gummesson, 1987; Grönroos, 1989) who, despite their focus on different areas, have all reached the same conclusion: the inadequacy of traditional marketing, which came into being in the context of the American market of FMCG, compared to the specificity of the industrial goods and services market, in which the supplier-client link takes on more and more frequently the connotations of a "relationship" rather than that of a "transaction", typical of consumer contexts (Hultman and Shaw, 2003). The consolidation of a relational approach gives new vitality to b-to-b marketing which is beginning to establish itself as an independent field of study (Fiocca and Tunisini, 2002) suggesting management models which are radically different compared to those of the past (Hakansson and Snehota, 1995).

More systematic and organic research on firms operating in the b-to-b market is not evident, however, in the studies on industrial marketing communication. Originally, the focus of the main academic research was addressed prevalently to the analysis of industrial buying behaviour and to the allocating of budgets destined to communication (Turnbull, 1974; Galper, 1979; Jackson et al., 1985). Webster (1984), for instance, defines industrial marketing communication as "a mix of personal and impersonal communications aimed at industrial buyers". The definition,

like all the previous ones, evidences a role of communication which is extremely reductive, addressed essentially to sales. In more recent years, several Authors (Bunn and Clopton, 1993; LaPlaca, 1997) highlight how the scarcity and extreme fragmentation of this area of research are still its main characteristic. In particular, LaPlaca (1997) in a review of 915 articles published in the context of industrial marketing, accentuates the fact that only 38 contributions are dedicated to the communication process in b-to-b contexts and, more specifically, to the techniques and tools used by the industrial sellers to communicate with their industrial buyers.

If communication is considered the main vector for enhancing business relations and business organizations are seen as viable systems (Golinelli 2000-2008), able to survive through a relational competitive advantage developing relationships with its supra-systems, it is clear that it cannot be confined to mere selling communications. Each area of corporate communication (Siano and Confetto, 2003) leads to the developing of relations with specific groups of stakeholders (suppliers and distributors, investors, local community, the media, etc.) and contribute in creating value in terms of intangible firm-specific resources such as image, trust, credibility and reputation, as highlighted in consolidated strands of research (the Resource-Based View and competence-based approaches). This field of research (branding, organizational identity and corporate reputation) is of great interest in the current debate on corporate/marketing communication, although specific studies relative to industrial SMEs are extremely limited in number (Abimbola and Kocak, 2007; Kotler and Pfoertsch, 2007).

The organization as a system is addressed to its context of reference neither in an occasional way, nor to adaption purposes, but at a structural level due to a continuous exchange that allows its survival (Luhmann, 1990).

To this end, it emerges a fundamental feature of an organization as a system: the constant search to develop interactions and relationships with other systems/organizations. Such feature makes clear the concept of systemic openness, characterized by a continuous input-internal transformation-output cycle. The degree of openness is partial because it depends from the relevance of the systems from which an organization receives inputs, and it is expression of structural elasticity and systemic

flexibility finalized to the adaptability with external contexts. In that way, it becomes clear to propose an approach that allows not only to interpret the reality, but also to favour both the environmental complexity and competitive synergic behaviours.

In short, a significative gap is noted in the literature relative to the use and awareness of the value of (marketing and corporate) communication in industrial SMEs for knowledge development. The aim of the present paper is to analyze and classify the different approaches to communication and consequently verify their effective application in a sample of firms operating in the leather tanning district of Solofra (Avellino, Italy). The final section suggests possible directions for future research in this relatively unexplored field of study.

Research design and methodology

Underpinning the present paper is the concept of firms as social organizations (viable system) whose aim is to create value thanks to their capacity for creating lasting relations with their contexts of reference. A strategic approach/orientation to communication brings about coordination and collaboration mechanisms between the different actors, that lead to differential competitive advantage.

As delineated in the literature review, in the last decades the role of marketing and communication has changed over from individual transaction support tool to strategic orientation, and consequently communication is able to increase the value of corporate culture and philosophy, the expression both of corporate personality and of firm-specific competences.

Communication consequently, has to be considered as a variable of the expression and characterization of relations and not merely in terms of visibility. In other words, the correct approach for defining the contribution of marketing/corporate communication in business management has to abandon mechanistic-linear models in favour of interactive-language type models in which consumers are not only targets but participate actively in the processes of communication (Marsden and Littler, 1996).

In this respect, a classification of the firms is suggested, based on the diverse attitudes held on corporate communication. The scheme reflects the

diverse approaches as regards communication, for developing adequate relations with stakeholders.

Elaborated from empirical studies on marketing concept/orientation (Hooley and Shepherd, 1989; Liu, 1995; Avlonitis and Gounaris, 1997), the classification of industrial SMEs communication approaches is made up of three categories, according to the following levels:

1. value of corporate culture;
2. support for sales;
3. occasional activity.

Value of corporate culture. This approach is part of the guiding values of corporate culture, which become expression of the *modus operandi* of the entire organization. In substance, communication is expressed in the capacity of the firm to activate and stimulate bidirectional relations with the contexts of references (Siano et al., 2006). In particular, this level expresses the firm sensitivity in identifying its market needs, in some cases even creating relations of co-makership finalized to reaching the highest degree of mutual satisfaction. On an organizational level it is often found a department of marketing (or marketing and communication), that welcomes the input on the part of the entrepreneurs, interfacing with communication agencies or consultants, forming a governance group (Siano et al., 2007), in order to devise an adequate communication plan for all the stakeholders. In this case the communication is an integral part of the overall marketing strategy of the firm, envisaging measurable objectives and an adequate definition of the promotional-mix (determination of the operative budget, elaboration of the messages on the basis of communication positioning, media planning, evaluation of performance, etc.). (Morris et al., 2001).

Support for sales. In many SMEs communication is often seen as a useful visual support (leaflets, posters, packaging, etc.) to convey information to customers and prospects. In this approach, the preponderant tactic is that of the short term opportunity of maximizing sales (Spickett-Jones and Eng, 2006). The typically selling-focused orientation on the part of SMEs (McCartan-Quinn and Carson, 2003) renders the confines between marketing, communication and sales often indistinct (Oakey, 1991). On the other hand, the conflict for the day-to-day survival usually make

it difficult for entrepreneurs/owners/managers to commit themselves to planning beyond the short term (Churchill and Lewis, 1983) and to evaluating the communication results. Consequently, proper planning of communication does not occur, but frequently, the entrepreneur (or a figure delegated by the same) interacts with a communication agency (usually a structure with merely executive duties) to devise the below-the-line tools to support sales activities.

Occasional activity. Typical approaches in micro-businesses, because of cultural shortcomings and above all addressed to containing costs (Stokes, 1995), envisages on the spot communication initiatives for specific needs and/or in terms of emulation of leading competitors. The activities, clearly, are not the outcome of planning and are for the most part managed by the entrepreneurs with communication agencies or, even more frequently, with well-equipped printers. Communication approaches of this type can be a symptom of weakness in one or more of the following areas: marketing strategy, corporate culture and formal corporate communication plans.

In addition, as regards as to the proposed classification, it is assumed that proper adoption of communication approach among firms is the basis of the exchange of knowledge.

Introducing the concept of firm as vital system and network node allows to support the key activities relevant to survival that are based on strategies and tactics aimed at the creation and administration of relationships. All these activities are essentially knowledge-based and leaned toward a steady information management. This aspect is of fundamental importance since it expresses the natural reconceptualization of communication and its function / role within organizations, especially those operating in b-to-b. In short, the more strategic the relations for the firm survival, the more communication covers the role of value widespread in firm organization, representing not only a variable of the marketing mix, but rather the presupposition for proper marketing management.

A field research about the firms operating in the District of Solofra has been required in order to analyse the current state of communication activities.

Solofra is one of the four Italian districts of production of skins and leather, on a par with Santa Croce, Fucecchio and Ponte Egola in Tuscany, Turbigo, Castano Primo and Robecchetto in Lombardia, Arzignano, Val Chiampo, Zermeghedo and Montebello Vicentino in the Veneto area. In particular, it is different from the other areas in the fact that Solofra is specialized in the tanning ovine and goat skins, as well as the production of gloves and soft napa leather for clothing. Furthermore, in the last decade there has been diversification in the production of treated skins for accessories.

The tanning district of Solofra is a productive network associated to the local context, in which the process of production is realized on the basis of division of labour and of the consequent relations between firms on both vertical and horizontal type (Camuffo and Grandinetti, 2006). In reality, such a concept of "industrial district" presents different limits of applicability, as acknowledged in the literature (Curran and Blackburn, 1994).

The firms involved in the analysis have been selected from the registers of the Camera di Commercio (Chamber of Commerce) of Avellino from among the SMEs with over 10 employees of the tanning district of Solofra, with the exclusion of firms operating in b-to-c (confections in leather, with or without their own brand). The choice of excluding from the analysis micro-firms (with under 10 employees) is due to the fact that, in most cases, the firms involved do not have any possibility of undertaking formalized marketing and communication plans for lack of funds and specific expertise (Carson, 1985; Matthews and Scott, 1995).

This initial data base has been integrated with a list of firms (provided by UNIC - Unione Nazionale Industria Conciaria) participating in the 2008 edition of Linea Pelle (Bologna, 28-30 October), the most important trade fair of the tanning industry in Italy. The inclusion of this list of businesses has enabled the identification of some micro-firms which presenting elements of "communicative vitality", it was considered opportune to examine.

The two data bases have provided a total of 44 firms which have all been contacted by phone to make appointments for the direct administering of the questionnaire.

The questionnaire administered is made up of 21 questions, constructed on the basis of the review

of the literature consulted and in relation to the research design. The conceptual dimensions refer to information on the characteristics of the firms (stage of the production chain of the tanning industry, turnover, longevity of the firm, etc.), on the organization and the management of communication activities (e.g. existence or otherwise of a function/office dedicated, budget invested annually, recourse or otherwise to consultancy of communication, etc.) on the efficacy perceived of the various initiatives carried out and on the objectives of communication pursued. A significant part of the questionnaire is dedicated to the targets of communication activities effectively implemented aimed at identifying the main stakeholders involved in corporate communication and, in particular, at determining their contribution in terms of information/knowledge that are relevant for the different value chain processes.

The questionnaire is structured principally by means of multiple choice questions (dichotomic or polytomic), as well as Cantril scale batteries, in order to eliminate eventual ambiguity and to facilitate the responses. The analysis was carried out during the months of June-July 2008 administered face-to-face, followed by a brief interview (each meeting lasted about 45 minutes). On completion a total of 16 questionnaires was considered valid, which corresponds to a rate of response of about 36%, which is satisfactory taking into account the period of administering and the rate of response which is usually quite low in the analysis on SMEs (Moss et al., 2003).

Results and discussion

The firms involved in the analysis constitute as expected, a quite homogeneous group in relation to the activity carried out within the productive chain. The firms deal, in nearly all cases, with the provision of treated skins/leather for clothing, footwear and/or accessories starting from raw materials or prevalently, from the product that has undergone an initial process of working (wet blue, piclat and crust) . The businesses investigated are long standing and have been present on the market (except in one case) for over ten years and, in seven cases, for over 25 years. From the point of view of the number of staff an average of 26 employees per firm, is recorded; the relative majority of the firms (7 out of 16) have declared a turnover of between 2,5 and 5 million euros.

As regards the organisation of the communication function, only 3 firms out of 16 declared having a unit expressly dedicated to communication; in all three cases, the offices employ two people to deal with marketing too. This information is in line with findings from previous research (Moss, et al., 2003; Einwiller and Winistoerfer, 2007) which attest the scarce presence of specific functions and distinctive competences dedicated to communication in SMEs.

An interesting result concerns the budget invested for communication which is collocated on quite high values (see tab.1): over fifty per cent of the firms interviewed declared allotting more than 30000 € per annum for communication and marketing. Furthermore, the presence of higher values than those expected can be interpreted, as emerged from interviews with the entrepreneurs involved, as investments for the participation at trade fairs of the sector (trade shows, exhibitions) which incur quite considerable expenditure both for setting up the stands and for travel expenses (many sector events or business fairs take place in Countries outside Europe).

With reference to managing communication activities, about one third of the firms declared they availed themselves of communication consultants. No evident association emerged between the dimensions of the firm in terms of turnover and/ or the number of staff employed. In effect, the consultants commissioned were in three cases "communication agencies" and "web agencies", but in all six cases even the "printers" are mentioned indicating that their role is more than marginal in the firm's communication activities.

Tab.1 - Amount of annual budget allocated to marketing communication

Budget	Number of firms
Less than 2000 €	1
From 2000 to 5000 €	2
From 5000 to 10000€	2
From 10000 to 20000 €	1
From 20000 to 30000 €	1
Over 30000 €	8
NR	1
Total	16

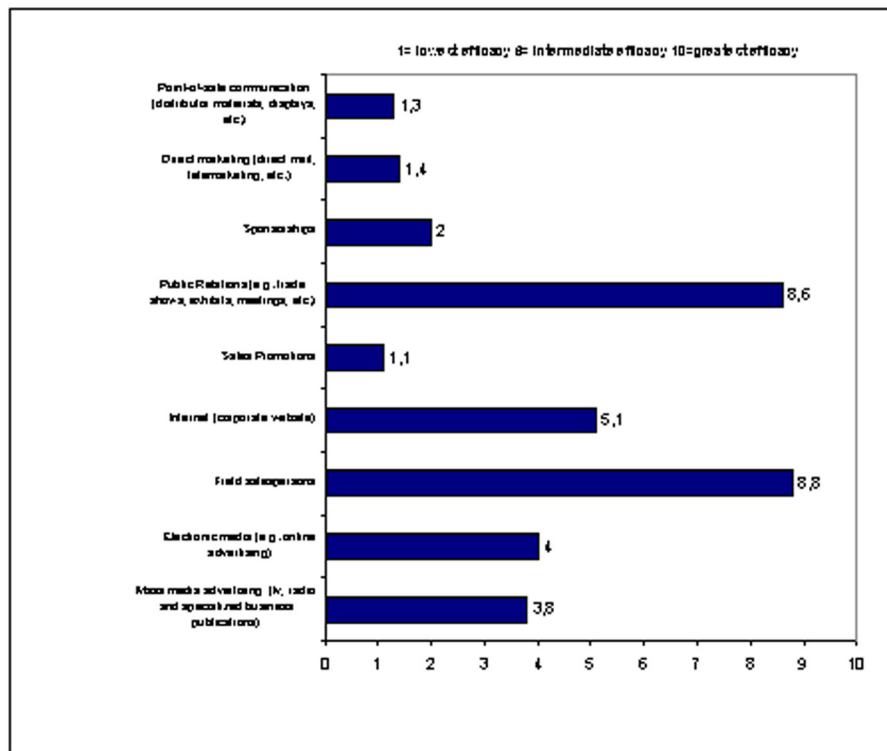
Reasons for not making recourse to communication consultants can accordingly, be summed up mainly in the following two statements: "I use

communication consultants as "I already have specific competence in my firm" and "I don't really need to use them/I don't consider communication consultants a useful investment". Even in this case the trend seems to be that of relegating communication to the level of residual activity which is possible to manage personally without the contribution of professional expertise outside the firm.

As concerns the efficacy of communication actions in terms of contribution for achieving better results for the firm, it clearly emerges that greater efficacy results from personal selling (average 8.8) and from public relations (business fairs, events, etc.) with

an average value of 8.6 (see fig.1). Even in similar research on SMEs (Fam, 2001; Ruiz et al., 2005; Einwiller and Winistoerfer, 2007) greater emphasis is noted as concerns personal communication and minimum use of mass media. The result is that personal selling takes priority in the activities of communication of SMEs (Spickett-Jones and Eng, 2006) in that it is more suitable for developing market relations which are fundamental for the development of the firm in b-to-b markets (Morris et al., 2001). Similar considerations apply to trade fairs, the role of which in the context of industrial marketing has long been well-known (Banting and Blenkhorn, 1974).

Fig.1 - Efficacy of the different communication actions (average value)



The perceived utility of new technologies (e-advertising and corporate websites) presents values below the sufficiency level (respectively 4 and 5.1); this information is confirmed by the fact that nearly fifty per cent of the firms interviewed do not have their own web site and they rarely use the internet for their marketing activities (over one third of the responses). In reality, as emerges from several studies (Quelch and Klein, 1996; Vescovi,

2000) an appropriate knowledge of the electronic means of communication available could result in significant advantages for the SMEs in improving relations with the market and could reveal new opportunities for development.

The confirmation of the approach towards communication as prevalently as "support to sales" is evinced also from the responses obtained

in relation to the question on the three principal aims of communication initiatives (see tab. 2). The most quoted items refer in order, to “visibility and notoriety of products offered” (16 responses), “improving corporate image” (14 responses) and “customer loyalty” (9 responses) and evidence an approach extremely product-centred and set on building market relations above all in the short term.

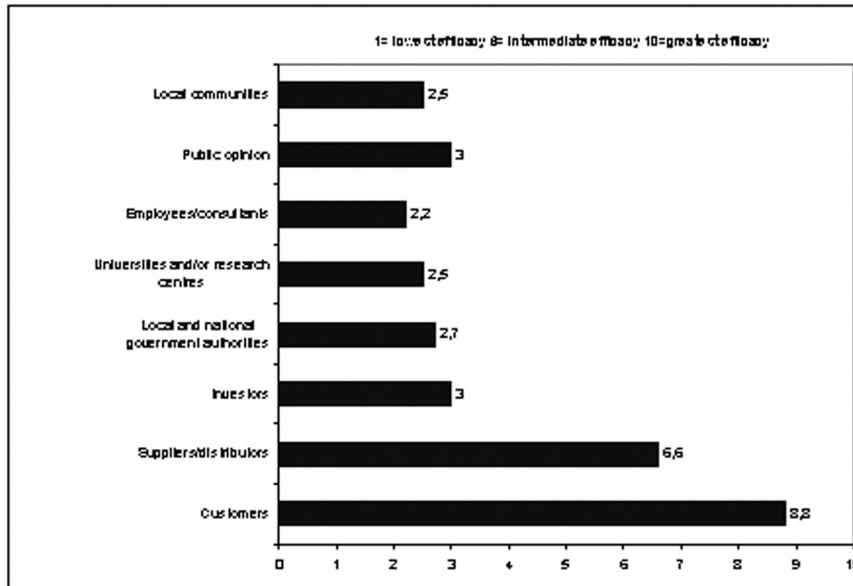
As regards the main targets for communication activities, firms seem to address their attention almost exclusively to the market (customers) and in just over fifty per cent of the cases, to commercial intermediaries (distributors). This result is reinforced by the fact that communication initiatives are not considered important to meet and

create relations with other stakeholders (vedi fig. 2), unless with the customers themselves (average 8.8) and with the suppliers/distributors (the value noted is just above the level of sufficiency). Similar results are obtained in the check question relative to the contribution in terms of useful knowledge/information given by the different stakeholders of the firm. As concerns these cognitive dimensions, the question was in which context and what exactly were the specific contributions supplied by the main interlocutors of the firm. For the customers, knowledge exchanged falls in the context of market information and concern, for circa fifty per cent of the respondent firms, the extending of their range of offer and markets served. For the suppliers/distributors the useful information that results from relations is to improve productive processes.

Tab.2 - The principal aims of communication initiatives (3 answers possible)

Visibility and notoriety of products	16
Improvement of corporate image (as short-term effect)	14
Customer loyalty	9
Exchange of know how with partners of the chain (suppliers/distributors) and/or with centres of research, universities, etc.	3
Reputation building	2
Legitimation and social consensus (to be known and accepted by local community)	2
Other (creation of district brand)	1
NR	1
Total (answers)	48

Fig. 2 - Importance of communication for developing relationships with different stakeholders



The last question refer to which area/domain and what were the specific contributions provided by the two main groups of stakeholders (see tab.3).

Tab.3 – Domain of information/knowledge exchange with customers

with customers

Technologies and production operations	3
Marketing/sales issues	11
None	2
Total	16

with suppliers/distributors

Procurement / Logistics	1
Technologies and production operations	10
Marketing/sales issues	1
None	4
Total	16

With regard to customers, the “shared knowledge” is part of market information and covers the growth of the product range and markets served. In relation to suppliers/distributors, relevant information resulted from dyadic relationship and serves to improve the production process.

At last, an index was developed to gather the different indicators/variables finalized to identifying the three levels of ‘communication orientation’ (see tab. 4).

On the basis of the classification scheme outlined above, it emerges that only one firm considers communication a specific value of its corporate culture; on the contrary, the majority shows an interest in communication considered merely as a support for sales. This attitude even though in some cases, envisaging recourse to consultants outside the firm, has the scope of obtaining short term returns in terms of sale and a focus addressed exclusively to customers relations. The third group identified (L3) is made up of just over a third of the firms interviewed which consider the communication as an occasional activity. In this group, investments in communication are reduced and the initiatives taken are of a sporadic nature and without any strategic value.

The results of the study conducted on the district of Solofra show a prevalence of trends in terms of communication in industrial SMEs of a sales support or sometime activity kind rather than the application of a communication philosophy/culture. As emerged from conversations with the entrepreneurs, the district of Solofra seems to be provided with no governance and a faint propensity for relations, as well as being characterized by made intra-district competition. The outcome is that strategies of cooperation are not developed: for instance, it is worthy of note that only one firm mentioned among its communication priorities the creation of an eco-compatible brand of the district, a project which is well underway and on the point of being launched.

The firms in the district of Solofra seem to operate without sharing a common culture, thus belonging to the same district, more than being merely a distinguishing factor of territorial identity, could become a factor of risk in the presence of conjuncture crisis. Furthermore, the absence of interest in marketing and communication could contribute to rendering their performances even more unstable.

Tab.4 - Different levels of ‘communication orientation’

Levels of ‘communication orientation’		Indicators considered	Number of firms
L1	Value of corporate culture	Presence of a specific unit/function dedicated to communication, budget invested annually (>30000€), recourse to consultancy of communication, long-term/wide communication objectives, variety of stakeholders engaged in communication actions	1
L2	Support for sales	Possible recourse to communication consultants, budget invested annually (>10000 €), communication objectives related exclusively to sales, focus on customer relations	9
L3	Occasional activity	No recourse to communication consultants, budget invested annually (< 10000 €), low use of different tools of communication, scarce consideration of communication initiatives	6

Summary and conclusion

The present paper is an explorative field survey on the state of the art of awareness of the role of communication in industrial SMEs. Given the limitations of the research (regional boundedness, limited number of firms analysed, indicators considered, etc.) from the point of view of future research agendas, besides verifying the existence of the different levels of communication orientation with wide range empirical research, it would be

interesting to ascertain the links of each level with relative firm performance. For instance, to examine whether positive effects are noted in performance as occurs for market/marketing orientation (Kohli and Jaworski, 1990; Narver and Slater, 1990; Diamontopolous and Hart, 1993; Balakrishnan 1996; Pelham and Wilson, 1996; Pitt et al., 1996; Avlonitis and Gounaris, 1997).

The scarce attention to stakeholder dialogue and involvement in the district of Solofra is also

confirmed from the low response rate. This behaviour seems to show a lack of a proper communication orientation in which the creation of social capital - according to the meaning of the expression by Coleman (1988) and Putnam (2004) - is not considered relevant.

The study also shows that the use of communication tools (leaflets, events, etc), addressed to develop interpersonal relations, is typical of b-to-b contexts. In fact, the shortage of a clear communication orientation is partly "justifiable", due to the need of developing one-to-one relationships with primary customers. Actually, communication seems to "over-represent" firm's results (in terms of quality, reputation, credibility, etc.) and finalized to image development and (short-term) visibility. These findings may help to make the firms more aware of their communication (in)activities and to show the way forward to satisfying stakeholders needs.

This could be analysed from two perspectives.

From an endogenous point of view it is necessary to describe all communication initiatives carried out and consequently to systematise them. They will be based on firm-specific features and no longer on generic b-to-b values/competences. The benefits of achieving an adequate communication policy planned on the basis of identified firm-specific competences could be of dual value for SMEs. In the first place, relational efforts could extend not only towards clients and suppliers but also to the other firms belonging and operating in other districts, possessing different knowhow. In the second place, communication based on evoking distinctive competences, above all in b-to-b markets may involve a more adequate perceptive positioning compared to competitors and/or districts on both national and international markets.

From an exogenous perspective it is necessary to characterize relevant stakeholders in order to individualize their specific needs and to be in tune with them. This last effort should strengthen corporate relationship network in order to identify the strategic ones (strong and/or weak ties) and to reach the competitive survival.

The district analysis shows a shortage in communication between firms and a nonexistent vocation to create and to exchange some resources oriented both to the competences creation and trust.

In particular, it seems to be a structural restriction that explains the district incapability to face the economic crises.

Whereas, instead, the communication is working by means of a dyadic relation between tannery and technologies and chemical goods supplier; the same condition is verified when there are the direct customers (shoes/clothes manufacturers) or the brokers (leather dealers).

On account of this study supports that the process of technological innovation users and suppliers are mainly the principal sources of the innovation and of sustainable competitive advantage (Von Hippel, 1988).

In this study, knowledge-cognitive interaction evolves in vertical way. Therefore, this interaction evolves within the production chain between expert technological suppliers and firms to develop new productive processes. In this condition the learning by using becomes a knowledge communication tool between firms and suppliers/customers.

If it is important to point out that the know-how transfer process, in this study, is based on informal communication, thanks not planned, biunivocal and interpersonal continuous relations, then it is as many important, for the firm that works in the dynamic and competitive contexts, to plan the communication activities direct to create and manage the enduring relations.

Moreover, the lack of creating strong ties, or better redundant links (Burt, 1992), with other players puts the firm into the risk of being less competitive for: (1) lack of information; (2) shortage in creativity; (3) new opportunities difficult to be identified and exploited.

Lastly, the cost of keeping strong (redundant) ties is certainly higher than that one linked to creating several weak (not redundant) ties. In our approach, this means that not only the sharing of knowledge but also the improvement of reputational competences, are necessary to gain a social role and to connect networks (by means of weak and strong ties), in which a firm operates.

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CONSUMERS REACTIONS TO TESCO'S MARKET ENTRY IN TAIWAN A COMPARISON WITH THE UK EXPERIENCE

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Abstract

This paper aims to research consumer response to retail branding models in Taiwan by means of exploratory qualitative research comparing Tesco's retail branding in the UK and Taiwan in order to find out the level of consumer acceptance of Tesco in Taiwan as a new market entrant.

From the consumers' viewpoint, Taiwanese Tesco's retail corporate images, store positioning and retail branding process are not understood or clearly differentiated and identified by local consumers. This was a big problem for grocery shoppers and should therefore be considered as one of the key factors in Tesco's withdrawal from Taiwan. It demonstrates the consumer acceptance issues even a strong retail brand faces transferring its brand to a new market with consumers unfamiliar with its retail brand proposition.

Keywords: International Retail branding models, Retail corporate brand, Comparative retail, Consumer perception, Tesco Taiwan

Introduction

Tesco came into the Taiwanese retail market in 2000 carrying the title of the top retailer in the UK and one of the top 10 global retailers. Tesco has had a great and successful experience in building retail branding, so its market entry was believed to be a huge threat to existing rivals, e.g. Carrefour, RT-Mart and Costco. However, after five years, Tesco Taiwan failed its original intended aim to open 22 stores and had opened only 6 stores resulting in September 2005, with Tesco exiting the market. The exit involved a contract with Carrefour to swap all its Taiwan sites for stores in the Czech

Republic and Slovakia owned by Carrefour, the deal was concluded in June 2006. (Tran, 2005; Chen, 2006)

The academic literature is full of positive stories about retailer internationalization, but actually, in reality many retailers struggle internationally (Burt, Dawson and Sparks, 2003). Ten research propositions linked to retail failures were identified in this study and grouped into four major categories ranging from choice of target market assessment of type of competition, organizational failure and management failure. No specific mention is made of the consumer perspective related to retail branding. Moreover, an understanding of consumer needs and desires is essential to manage retail brands successfully (Birtwistle, Clark and Freathy, 1999). In addition major retailers such as Tesco plc depend heavily on economies of scale and the achievement of significant market presence and share (Howard, 2004 in Reynolds and Cuthbertson, 2004).

According to Howard sustained international success requires skills in location analysis and site acquisition, brand building and relationships with local and national governments and managing any alliances or partnerships in remote markets plus top management support. This view is supported by Dawson and Mukoyama (2006) who identify five key success factors amongst European retailers – innovation in formats and processes, control of branding, adaptation to new markets, economies of scale, speed of response. The authors sum up by saying that a key question is the extent to which these key factors can be transferred beyond Europe.

It is clear from press comment on Tesco's market withdrawal five years after it entered the Taiwanese

grocery market that critical size and therefore significant market presence and share were regarded as unattainable (Guardian, 2005) The issues of consumer acceptance of retail branding including brand building activity and adaptation to new markets were not however covered in published comments and this therefore is the focus of this study.

The aim of this study is exploratory based around retail branding issues from the consumer perspective. The focus therefore is to explore Taiwanese consumer perceptions of Tesco's retail branding covering all species of retail brands from corporate to own label ranges and compare their difference in the UK and Taiwan.

Retail Branding Models

Many different definitions of retailer brands (own-label brands, private labels, or own brands) can be found. Brassington and Pettitt (2003 p.1106) defined "retailer brands" as "branding applied to goods that are produced by a manufacturer on behalf of a retailer or wholesaler who owns the rights to the brand." McGoldrick (2002) also named a number of different "species" of retailer brands:

- Retailer name brands: using the retailer's own name, such as Sainsbury's standard store brands
- Store sub-brands: carrying both the retailer's name and that of the sub-brand, such as Tesco's Finest range
- Generic brands: a plain-label variant upon the own brand concept, such as Tesco Economy brand and Euro shopper's product range
- Exclusive brands: distributed exclusively by the retailer but packaged under various different names, as in the case of Tendril detergents in Audi
- Exclusive products: not truly own brands but products exclusive to a retail chain:

for example, Del Monte supplies exclusive products to Micros in Switzerland

Kapferer (2004) argued several types of distributor's brands:

- Low price lines, to stop customers from defecting to the hard-discounters (50 per cent cheaper than producer brands).
- The "store brand" (generally 15-20 per cent cheaper than producer brands).
- Lastly, the private labels, each of which has its own separate name and packaging. With their (unlimited) numbers, they provide a practical solution to the distributor's need for flexibility and segmentation.

Burt and Sparks (2002) based primarily on Laaksonen and Reynolds's four generations model (1994) to develop a five-typology of product brand development (Table 1) which suggests that retail branding has developed through a number of generations from generics to own brands and through to added value retail branding (Burt, 2000; Veloutsou, Gioulistanis and Moutinho, 2004).

Similarly, Wileman and Jary (1997) suggest five stages in the development of retail brands (Figure 1)- generics, cheap, re-engineered cheap, par quality, and leadership- which roughly match the maturity of the brand concept (Burt, 2000).

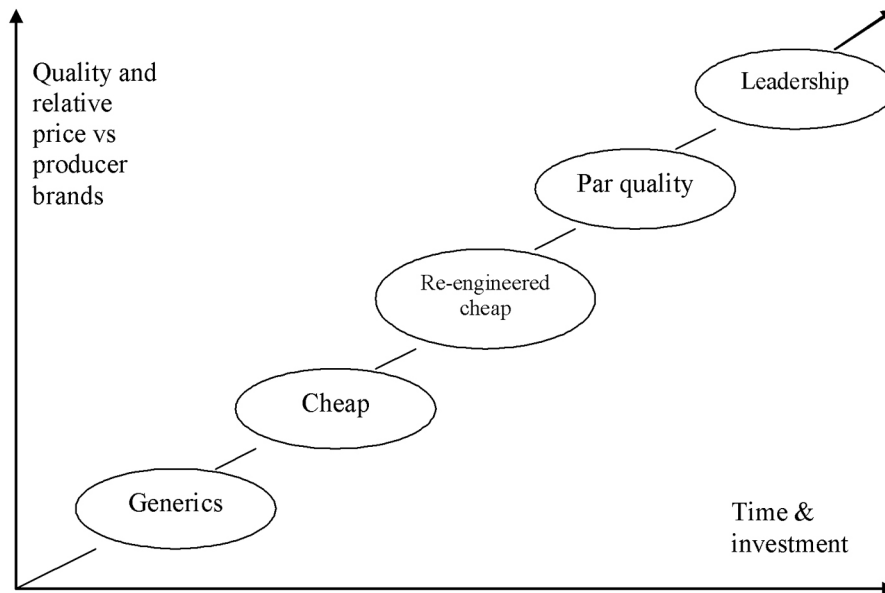
The result is that the stages concept in these schemes does not only present the development and evolution of own brands, but also indicates a hierarchy model of retailer brands. Consequently, from the low price generic brands to higher quality sub-brands, own brands segment different targeting consumers from price-sensitive to quality-sensitive. Namely, under the same retailer's name, own-label brands have different layers comprising generics, core own-brands and sub-brands and form a retailer brand hierarchy in order to target and satisfy different consumer segments and hence differing consumer needs.

Table 1: A typology of retail brands

	1 st Gen	2 nd Gen	3 rd Gen	4 th Gen	5 th Gen
Branding form	Generic; No name; Unbranded	Own label; Unsupported own brand	Supported own brand	Extended retailer brand, i.e. segmented retail brands	Corporate brand
Strategy	Generic	Low price copy	Me-too copy of major brands	Value-added	Corporate positioning
Objective	Increase margins; Provide choice in pricing	Increase margins; Reduce manufacture power by setting the entry price; Provide better-value product	Enhance category margins; Expand product assortment; Build retailer's image among consumers	Increase and retain the customer base; Enhance category margins; Improve image further; Differentiation	Produce strong positive identity and practice; First choice for consumers; Satisfy stakeholders
Product	Basic and functional products; Commodities	Staple or basic lines with a large volume	Big category products; Major sale items	Image-forming product groups; Large number of products with small volume	The corporation and its tangible and intangible attributes
Technology	Simple production process and basic technology	Technology lagging behind market leaders	Close to the brand leader	Innovative technology and processes	Stakeholder relationship management
Quality/Image	Lower quality and inferior image	Medium quality but still perceived as lower than leading manufacture brands	Comparable with the brand leaders	Same or better than brand leader; Innovative and different products from brand leaders	Quality and consistency through the organisation
Price position	20% or more below the brand leader	10-20% below	5-10% below	Equal or higher than known brand	Focus on delivering value
Consumers' motivation to buy	Price is the main criterion for buying	Price is still important	Both price and quality, i.e. value for money	Better and unique products	Trust
Supplier	National, not specialized	National, partly specializing to own label manufacturing	National, mostly specializing for own brand manufacturing	International, manufacturing mostly own brands	Innovative partnerships

Source: Burt and Sparks (2002)

Note: Burt and Sparks cited this table from Laaksonen and Reynolds (1994) and Dawson (2001) for generations 1 to 4

Figure 1: Stages of store brand development

Source: Wileman and Jary (1997, p.135)

Additionally, the retail brand does not just indicate “the own brand”. In broad definition, retail brands mean everything within retailers, as Wileman and Jary (1997) mentioned that retail brands mean the store or fascia brand, not just private label products. Some previous discussions also argued the concept of the retail as a brand with both tangible and intangible dimensions (Ailawadi and Keller, 2004; Davies, 1998; Davies, 1992; Davies and Ward, 2005; Knee, 2002). One director of Tesco said that “the shop itself, its location, its atmosphere, the service it offers and the range of goods and prices can become the Brand” (Murphy, 1990, p.65).

John Dawson distinguished that retail brand includes three levels (Wang, 2004) as below, which is a type of retail brand architecture, and also integrated previous related studies as a summary of the retail brand model including tangible and intangible elements is created in Table 2.

- Brand of company, i.e. retail corporate brand (e.g. Burt and Sparks, 2002)
- Brand of stores, i.e. retail store brand (e.g. Porter and Claycomb, 1997; Richardson, 1997)

- Brand of items, i.e. own-brands (e.g. Gordon, 1994; Kapferer, 1997; Prendergast and Marr, 1997; Kim and Parker, 1999; Sinha and Batra, 1999; Burt, 2000; Yelkur, 2000; Garretson, Fisher and Burton, 2002; McGoldrick, 2002; Davies and Brito, 2004)

Davies (1992) also indicated that retail brands exist in two forms: the more obvious merchandise brands, commonly known as own-brand; and the less obvious process brand that represents the experience that retailers provide. The process brand, as a service, is purchased with the shoppers’ time rather than with their money and also it has value to the retailer as it generates customer flow, customer loyalty and higher expenditure. Therefore, the shop itself, its location, its atmosphere, the service it offers and the range of goods and prices can become the Brand (Murphy, 1990).

To sum up, combining the previous retail branding models, Ho, Vignali and Temperley (2006) created a summarized comparative table for a hierarchy of retail branding in Table 3. This hierarchy table more focuses on retail own label products and it is not only to present the evolution of own brands but also to classify the typology of own brands.

Table 2: The retail brand architecture model

Retail brand architecture	Tangible elements	Intangible elements
Brand of retail company	Corporate name, Corporate logo	Corporate identity, Corporate images
Brand of retail store	Branded store formats	Process brand, Services, Customer relationships, Store images
Brand of item	Own-brands	Product images

Sources: Wang (2004), Davies (1992) and Ho (2007)

Table 3: A hierarchy of retail brands

Own-brand hierarchy	Characters of hierarchy model	Five Gens model	Five stages model	Dawson's three levels
Generic	Generics	1. Generics	1. Generics	---
Value	Sub-brands (low price/ quality)	2. Own label	2. Cheap	1. Brand of items
Standard	Core own-brand	3. Supported own brand	3. Re-engineered cheap	1. Brand of items
Exclusive	Sub-brands (high quality)	4. Extended retailer brand	4. Par quality	1. Brand of items
Retail store/ company	Store/ Corporate brands	5. Corporate brand	5. Leadership	2. Brand of store 3. Brand of company

Sources: Ho, Vignali and Temperley (2006)

Meanwhile, academic literatures on the topic of retail branding illustrate the evolution of retail brands (Burt and Sparks, 2002; Laaksonen and Reynolds, 1994; Leahy, 1994; Wileman and Jary, 1997). The evolution of retailer own brands can be traced back to 1870s, according to de Chernatony and McDonald, multiple retailers emerged around that period and developed their own range of brands for which they controlled the production and packaging. The early versions of distributor brands (usually referred to as own labels or private labels) tended to be basic grocery items (1998, p.31). "The late 1960s was when own brands started to be widely noted as a threat to manufacturers' brands, especially in packaged grocery markets" (McGoldrick, 2002, p.337). The development of retailer brands in Europe is much more than in US and any other countries, especially in the UK.

Retail branding in the UK and Taiwan

The concept of the retail brand has been mature in the UK, but it is at an early stage in Taiwan. Currently the own brand share is underdeveloped with only 2.1 percent market shares however the growth rate is 30 percent (Wang and Lu, 2005). The Taiwanese Retail Analysis Report 2005, confirms that the development of own-brands is one of the main trends in the future and with a focus on the well-quality with budget value (Liao, 2005). Furthermore, Chen (2005) supported that it is becoming a necessary trend to develop own brands for Taiwanese retailers.

Figure 2 illustrates that global own brand share is 17 percent and average retailer concentration is 60 percent. The UK is at the position of over both average levels where is the well-developed own brand market. In the grey zone, e.g. New Zealand

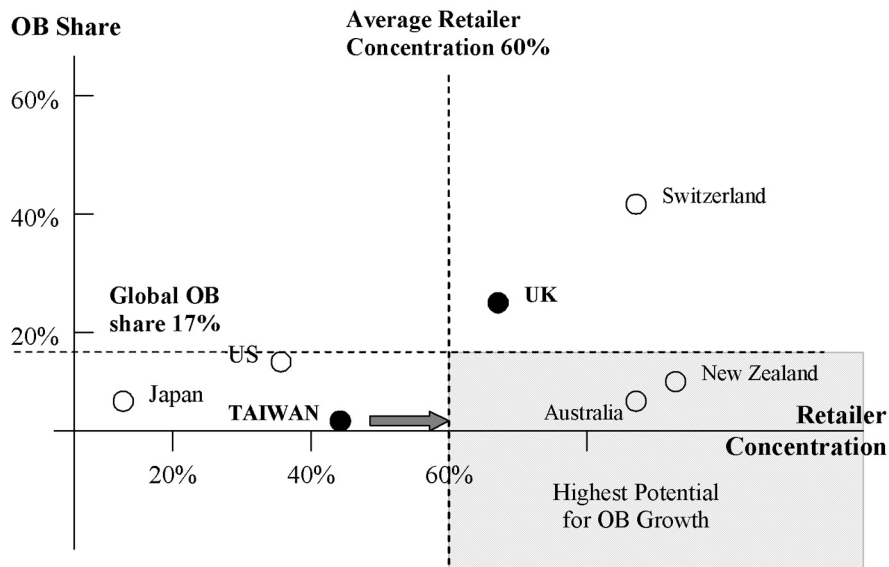
and Australia, it is the highest potential market for own brand growth. Though currently Taiwan is in the under-developed marketplace, it is moving toward the grey zone through increasing retailer concentration.

Fortune magazine characterized retail own brands as “Brand Killers” and indeed own brands are even more powerful than the P&G brand in some categories in the Western market (Ho, 2003). However, in Taiwan retailer brands are still very young so most retailers only develop their own brands as “price killers” rather than “brand killers”.

“Cheapest price” is the most popular image for own brands that retailers create for attracting and communicating with consumers. Thus, the main purpose of retail own brands is as a price war tactic ; whilst in the UK own brands have been used to build differentiation with competitors who include both manufacturers’ brands and other retailers’ brands. thus becoming a real “brand killer”.

Based on previous research we can compare and contrast the two markets characteristics below (Table 4):

Figure 2: Own brand (OB) shares and retailer concentration



Source: Wang and Lu (2005)

Table 4: The comparison of UK and Taiwan’s market

UK	Taiwan
<ol style="list-style-type: none"> 1. From Figure 2, both global own brand shares and retailer concentration are over global average ratios. The retail market and industry have been mature and complete as well as retail own brands have got strong power in the market. 2. Own brands have been developed and promoted for a long time, and have full ranges of products which provide a range of choice for consumers. “Low price” is not the only positioning for retail own brands. 3. For consumers, they have been educated by retailers marketing communications and become familiar with own-brands, so not only do they accept retailer brands easily, but also they trust the product quality, whether it is the Value line or Exclusive line. 4. The own brand hierarchy is obvious and target segments are clearly differentiated. 	<ol style="list-style-type: none"> 1. From Figure 2, both global own brand shares and retailer concentration are under global average ratios. The lower percentage of retail concentration means there are many alternatively substitutes for hypermarkets and the retail power can not central to be stronger. Therefore, the “price war” is the current strategy in this intensive and competitive retail market. Retail own brands are used to focus on the “cheapest price” image. 2. The development history of own-brands in Taiwan is still young, so product ranges are much less than the UK, but it is increasing year by year. 3. Consumers get the new concept of retailer brands and are continuing to be educated. From many statistic data, more and more Taiwanese people accept own-brands, but just for specific categories with lower price, i.e. commodities and low brand loyalty products, such as toilet paper and package water. People still hard to accept Exclusive line at moment. 4. The own brand hierarchy is not very clear and complete. Almost all marketing communication strategies put emphasis on the Value Line and the “value” image.

Source: Ho, Vignali and Temperley (2006)

Tesco plc and Tesco Taiwan a comparison

Tesco plc is the UK largest grocery retailer, top 3 in the world. Since the mid-90s, Tesco has expanded overseas markets in 12 international countries outside the UK excluding those failure markets (Tesco plc, 2008a). Taiwan was its third Asian market in 2000 after Thailand (1998) and South Korea (1999). (Tesco plc, 2006) Table 5 shows its global market and number of stores.

With years of experience overseas, Tesco evolved a strategy for international markets based on the following six elements (Tesco plc, 2008b):

1. Be flexible- each market is unique and requires a different approach.
2. Act local- local customers, local cultures, local supply chains and local regulations require a tailored offer delivered by local staff.
3. Focus on maintaining great service, great choice and great value.
4. Use multi-formats from convenience to hypermarkets.
5. Develop capability- it’s not about scale, it’s about skill- have capability through people, processes and systems.
6. Build brands.

Table 5: Tesco's global market and stores

	UK	Europe	Asia	USA
Markets (stores)	England (1878) Scotland (116) Wales (80) N Ireland (41)	Poland (301) Hungary (123) Rep. of Ireland (100) Czech Rep. (96) Turkey (66) Slovakia (60)	Thailand (476) S Korea (137) Japan (125) China (56) Malaysia (20)	S California (28) Arizona (14) Nevada (11)

Source: Tesco plc (2008a)

Therefore, Mr Orchard-Smith, C.E.O. Tesco Taiwan, believed that customer services and own-brands are Tesco Taiwan's two major competitive advantages which absolutely differentiate Tesco from other hypermarket players (Gao, 2002). It also explained why Tesco decided to invest in Taiwan market with positive visions, even though Taiwanese macroeconomic environment was not good enough during that time, and in hypermarket industry three strong international rivals, i.e. Carrefour, Auchan and Casino (Geant), have been occupied the main market, (Ciou, 2001).

After coming to Taiwan in 2000, Tesco aimed to grow 6 stores in 2002 and achieve 22 stores by 2005 (Ciou, 2001). Mr Orchard-Smith pointed out that Taiwan is an exciting market and full of challenge. Taiwanese market can be seen as a launching pad for Tesco to get into the Chinese market. (Zeng, 2003) Thus, Taiwan was an important market for Tesco plc.

However, after five years on 30th September 2005, Tesco announced that it pulled out of Taiwan where it struggled against larger rivals. Tesco agreed to swap its all assets in Taiwan for stores in the Czech Republic and Slovakia owned by Carrefour (Tran, 2005). Commenting on this deal, Andrew Higginson, Tesco's Group Finance and Strategy Director stated, "This is a positive strategic move for Tesco which will allow us to focus on doing an even better job for customers in Central Europe and our other Asian markets" (IGD, 2005). Market analysts thought that Tesco failed to reach its aims in Taiwan because of two reasons: entry into Taiwan market too late and managing brand differentiation unsuccessfully (Jheng, 2005). Tesco is proud of its retail brand building (i.e. including corporate brand, store brands and own brands) and this is actually its advantage, but this time it was not successful here

and the brand power was not enough to influence Taiwanese consumers (Du, 2005). There has not been any academic work undertaken in support of the brand building comment by market analysts and this research attempts to fill this gap.

Research methodology

The primary research, was therefore to complete the objective below

To explore Taiwanese consumer perceptions of Tesco's retail branding and compare its difference in the UK and Taiwan

In order to explore and compare the feeling and perception of retail branding in two different markets from the consumer's perspective, qualitative research was conducted to help the conceptual development using semi-structured interviews a "wide-ranging category of interview in which the interviewer commences with a set of interview themes but is prepared to vary the order in which questions are asked and to ask new questions in the context of the research situation" (Saunders, Lewis and Thornhill, 2003, p.489). Length of time was around 40 to 50 minutes per respondent and 22 Taiwanese interviewees were contacted to carry out this research and were selected using the following criteria:

- have living experience in the UK at least one year
- have shopping experiences at hypermarkets both in the UK and Taiwan in recent years
- all respondents are from three major districts of Taiwan (Northern, Central and Southern Taiwan) in order to validate this research

Having living experience at least one year in the UK means these Taiwanese people understand basic shopping behaviour and the market environment in the UK. The sample was not easy to access so snowball sampling was used which "is commonly used when it is difficult to identify members of the desired population" (Saunders, Lewis and Thornhill, 2003, p.176). At the beginning, researchers contacted one to two Taiwanese friends who stayed in the UK for at least one year as the initial respondents and then through his or her relationships to find identify the next respondents.

On finishing the interviews, an important issue for consideration was translating questions from Chinese into English. Usunier (1998); Saunders, Lewis and Thornhill (2003) suggested a number of techniques for translating: direct translation, back translation, parallel translation and mixed techniques. The direct translation approach was easy to implement and relatively inexpensive, so this was used. Meanwhile, in order to avoid misunderstanding or mistranslating, the technique of "member check" is used, which means the agreement of the participants for the interpretation results. (Golafshani, 2003)

The analysis of qualitative data was conducted by content analysis which has been defined as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding. It can be a useful technique for allowing researchers to discover and describe the focus of individual. Moreover, content analysis is also an extremely useful tool for adding depth and breadth to the research, and rigour to method. It can reveal key themes and concepts contained in data, and this can lead to the opening of important avenues for research,

or the identification of key variables for research (Weber, 1990; Page and Meyer, 2000).

Finding analysis

Objective 1: To apply retail branding models in Tesco's retail branding and compare its difference in the UK and Taiwan

According to John Dawson's 3 levels model and the hierarchy of retail brands, the comparative analysis of Tesco UK and Tesco Taiwan is in Table 6:

Tesco UK has full and complete range of retail branding. Its brand of company is the corporate brand, Tesco plc, and brand of stores includes 5 different store formats and each one is explained as below (Tesco plc, 2008c):

- Express (up to 3,000 sq ft)- convenience store
- Metro (approx. 7,000-15,000 sq ft)- city centre supermarket
- Superstore (approx. 20,000- 50,000 sq ft)- Large supermarket
- Extra (approx. 60,000 sq ft and above)- hypermarket
- Homeplus (approx. 35,000- 50,000 sq ft)- non food, including clothes

Brand of items which is own brands comprise three different lines: Exclusive, Standard and Value. These also can be applied in other own brand models, such as Five Generations model and Five stages model (Table 7).

Table 6: Tesco’s retail branding in the UK and Taiwan

Retail Branding Models		Tesco UK	Tesco Taiwan
Three levels	Hierarchy		
Brand of company	Retail company/store	Tesco plc	Tesco
Brand of stores (store formats)		Express	Hypermarket (standard and city format hypermarket)
		Metro	
		Superstore	
		Extra	
Brand of items (own brands)	Homeplus		
	Exclusive	Tesco Finest	---
	Standard	Tesco	---
	Value	Tesco Value	Tesco Value

Source: from this research

Table 7: applying Tesco UK’s own brands in own brand models

Tesco UK	Five stages model	Five Generations model	Characters of hierarchy model
Tesco Value	Cheap	Own label	Sub-brands (low price/ quality)
Tesco	Re-engineered cheap	Supported own brand	Core own-brand
Tesco Finest	Par quality	Extended retailer brand	Sub-brands (high quality)

Source: from this research

In contrast, regarding Tesco Taiwan, its brand of company was “Tesco□□□”, and the Chinese brand name means “very easily shop/buy”. Brand of store only had hypermarket brand but there were 2 different store formats (Ho, 2004):

- Standard format hypermarket (approx. 53,355.4 sq ft and above)
- City format hypermarket (approx. 46,241.4 sq ft and above)

Brand of item only had Value line, which is the lowest price and quality product.

Therefore, Tesco UK and Tesco Taiwan were quite different and not completely comparable in terms of both store format and retail brand architecture.

Objective 2: To explore Taiwanese consumer perceptions of Tesco’s retail branding and compare its difference in the UK and Taiwan

After conducting interviews, consumer perceptions of Tesco’s retail branding are discussed as follows:

1. Perceptions of retail own brands

In the UK

Interviewees were all familiar with UK’s retail own brands and have clear understanding of them. First of all, their perceptions of own brands was “low price” and “budget”. People thought that in the UK own brands have an image of “low price” without the “expensive” image. Even though there are different levels of prices, they are still cheaper than producer brands.

Meanwhile, people felt that UK’s own brands with different labels have “clear hierarchy”. These different levels with high/standard/low prices and qualities provide consumers more different options. Moreover, although these own brand

products have different labels, consumers still can recognise that these are all from the same retail brand, namely like a family brand

In addition, consumers thought UK's own brands are "well-managed" in brand marketing and product packaging. For example, Tesco Finest and Tesco Value, shoppers can clearly and easily to distinguish different levels of own-brands from their package. Also their advertising, positioning and price/quality strategies are very clear, which is easy to realise and choose what consumer need. The development of own brands in the UK is mature.

In Taiwan

However, consumer perceptions of own brands in Taiwan were rather different in the UK. In Taiwan some consumers even did not know there were own brands as there was almost no any advertising and promotion for own brands. So their perception was "nothing". This presented that marketing communications with consumers were not enough and also the development and operation of retail brands were less-managed.

Consumers who knew own brands in Taiwan had negative perceptions. Own brand hierarchy was not clear and completed in Taiwan and consumers always saw retail brands as "cheap" with "poor quality". Most of Taiwanese consumers still thought "low price means problem quality", so they did not have the courage to try own brands, especially for food products in Taiwan. On the other hand, some people saw "cheap" as an advantage of own brands, especially for specific events (party/BBQ) or festivals (Chinese New Year), large amount of products with budget prices are the best choice.

Additionally, the relationships between retailers and own brands were poor, so even though a retailer had positive store image or reputation in consumers' minds, consumers were still use to buy branded (manufacturers) products rather than choosing its own brands at moment. Hence, strengthening communication and education with consumers and building a clear and health brand image and positioning are important in Taiwan.

2. Perceptions of retail store/corporate brands

Tesco's corporate brand image and positioning in Taiwan was not clear for consumers. Some Taiwanese consumers felt it has UK style but some did not think so. Neither localisation nor the same

feeling as Tesco UK made consumers feel very uncomfortable and disappointed. The corporate brand image of "half Taiwan and half UK" gave consumers unclear and fuzzy perceptions.

"Tesco gives me a very good store and corporate brand image; I think it might be related to my UK's experience. Tesco Taiwan is not too localization, personal thinking, that is why it is not very successful in Taiwan, not like Carrefour, RT-Mart and FE Geant these three stores which look like big stockrooms and feel like traditional markets inside." (Respondent 1)

"I feel Tesco Taiwan is friendly to me as my UK's experience and I can buy some UK's products in Taiwan through Tesco. In my image, Tesco Taiwan more focus that they are 'imported retail brand' and also foreign foods, e.g. cornflake and macaroni, are always put in a showiness place. I don't know whether they understand the Taiwanese market and consumers, these foreign products are not suitable for Taiwanese habits. However, on the other hand, it's good for Tesco, as they have differentiation from other rivals; they have the 'imported products' image." (Respondent 5)

Comparing with Tesco store brand in the UK and Taiwan, Tesco UK gives consumer a professional image in food retailer which market positioning is very clear whilst Tesco Taiwan cannot deliver any specific image to consumers apart from "sell everything" which is similar to other existing rivals and without a clear market segment. Moreover, Tesco UK has supermarket style with comfortable atmosphere, every respondent feels very good without other comment. However, Tesco Taiwan had warehouse style with different standard of shopping atmosphere, so some people felt bad but someone felt nice.

"Comparing both Tesco in the UK and Taiwan, they provide different feeling to me. Tesco Taiwan is like warehouse type (similar to Carrefour) but Tesco UK is supermarket style." (Respondent 12)

Finally, after discussing these perceptions of own brands in the UK and Taiwan, a main different factor between these two countries is "trust". Simply speaking, people trust the quality of own brand products in the UK so they would like to buy them, but in Taiwan they do not. Trust comes from cultural background and business environment, shopping habits and using experiences, and retail corporate brand images.

Table 8: Comparative summary in Tesco UK and Taiwan

	Tesco UK	Tesco Taiwan
Own brand	<ul style="list-style-type: none"> • “low price”, “budget” • “clear hierarchy” • “well-managed” • “trust” and “reliable” 	<ul style="list-style-type: none"> • “nothing” • “cheap” • “poor quality” • “distrust”
Store brand	<ul style="list-style-type: none"> • Supermarket style with comfortable atmosphere 	<ul style="list-style-type: none"> • warehouse style with different standard of shopping atmosphere
	<ul style="list-style-type: none"> • Focus on food selling • A professional food retailer 	<ul style="list-style-type: none"> • Without any specific image, very similar to Carrefour and RT-Mart • Selling everything without any sense of professional on “something”
Corporate Brand images	<ul style="list-style-type: none"> • Clear and pure UK style 	<ul style="list-style-type: none"> • Half Taiwan and half UK image • Unclear and fuzzy perceptions
Brand reliance and trust	<ul style="list-style-type: none"> • Reliable • Trust its quality and accept its products 	<ul style="list-style-type: none"> • Reliance comes from UK experiences • Cannot trust its food products which are made in Taiwan
Relationships	<ul style="list-style-type: none"> • strong, systematic and organised 	<ul style="list-style-type: none"> • poor, weak and almost nothing

“Tesco brand is good, especially in the UK. I really want to trust Tesco Taiwan because of my UK’s experience, but I’ve known its own-brand products are made in Taiwan, I don’t believe the quality which is the same as in the UK. So, to sum up, I trust Tesco corporate brand but don’t trust its own-brands made by Taiwan’s original manufacturers.” (Respondent 3)

After analysing the outcome of this study, a comparative review of Tesco UK and Taiwan which is summarised from respondents’ perceptions is listed in Table 8.

Conclusions

The results of this study highlight the skills needed in the area of brand building where Tesco as a grocery retailer in Taiwan was relatively unknown amongst consumers despite selling recognizable grocery products.

Tesco Taiwan’s brand image and positioning was unclear and not specific in comparison with its established positioning in the UK market. The key consumer issue is that of lack of trust due to the fact that insufficient retail brand building had taken place both in the Taiwanese market in general and specifically with Tesco given its minor presence in the market combined with in consumer terms a relatively short time in terms of market presence. The result in overall terms was that from a consumer perspective Tesco Taiwan was seen as very similar to other hypermarket players and lacking any distinctive differentiation from its stronger and longer established competitors.

In addition, from the retailer’s perspective there were other published reasons which explain why Tesco failed in Taiwan such as better opportunities in other markets e.g. Europe, combined with inability to obtain economies of scale all key issues for a major retailer operating in international markets.

Therefore, in conclusion, Tesco retail branding models could be applied in the Taiwanese market but it highlights the need for more work in brand building to educate consumers to the benefits of retail brands which may be well established elsewhere but still need work with consumers in new undeveloped markets from the retail branding perspective.

Research Limitations and Implications

In terms of research limitations in this study the primary research was carried out in 2005/2006, so some general consumer perceptions of retail branding (i.e. non specific perceptions around Tesco Taiwan) will certainly have changed since then. Taiwanese consumers are likely to have more understanding in retail branding and are likely to accept retail own brand products more readily due to the presence of other key players such as Carrefour with significant market presence. This would represent a useful development of this exploratory study.

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MEASURING AUDIENCE ENGAGEMENT WITH CORPORATE BRANDS, THROUGH THEIR MOBILE PHONE

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Abstract

While the term New Media has not been disputed and now part of the global marketing framework - the technology and current application particular to this investigation has many speculative and empirical hypotheses formulating current determinants. The basis of this paper, to test the means to which 'Bluetooth' embedded technology associated with other media devices can drive content to a consumer market via a live event. This push and pull application will only have full functionality with third generation mobile devices. It is this technology that has transformed the method of interaction for marketers to communicate and actively engage with consumers. With extensive literature available on m-commerce, this paper will investigate research theory that demystifies the relationship between consumer and mobile technological advancements.

Introduction

The purpose of this paper to investigate the technological development of m-commerce; charting the growth over the past 15 years, thus establishing a relationship with the consumer as a viable marketing avenue for consumer interaction leading to brand penetration.

In the early 90s applications embedded into mobile phones were 2 dimensional and appealed to a distinct consumer group who saw ring tones, games. SMS interaction and payment models as an attractive feature. Mobile operators invested a considerable amount of time and money in software development and handset advancement throughout the mid to late 90s, which saw a sharp

increase in consumer purchasing of mobile phones also known as smart phones.

Jaap Haartsen and Sven Mattisson developed the Bluetooth application while working for Ericsson in 1994.

In 1997 the UK had four mobile operators; Orange, Vodafone, Cellnet and One 2 One. They all had a licence for 2nd generation mobiles.

With the advancement and role out of wireless application protocol (WAP) brought to the market 1999 – 2000 by "Unwired Planet", a combination of the leading telecommunication companies. A technological advancement that allows a mobile user to operate in the same virtual environment as wireless laptop user, uploading and transferring data, became far more attractive to the consumer and especially the business user. The beginning of the new millennium saw a rapid expansion in the sale of mobile devices and a new generation of phones with applications to enhance the consumer's way of life. On the 27th April 2000 the British government concluded the sale of the third generation mobile phone licence for £22 billion. This watershed moment was the start of a technological mobile revolution within the UK market, the mobile hand set now had a viable technological potential to compete with computers. Apart from becoming a viable communication interface smart phones are also marketed and exploited by the user as a must have consumer item.

With the recent advances in software development, commonly known as 'Apps' or applications pioneered by BlackBerry with the "phone as computer". This revolutionized and fully exploited by iPhone with 90% of the Apps market share. This technology allows a user or multiple users to connect through

wireless application, mobile internet, to a satellite and draw down updates of a specific nature. It must also be stated that each mobile operator (or mobile platform) has Apps designed specifically for their devices. The functionality to which this paper centers around is 'Bluetooth', an embedded multi function application which can send and receive data, now a standard feature within third generation mobile phones. This technology is also included in headsets and earpieces, digital cameras and computers. With the software known as App it is now possible to send that format as a multi media file via Bluetooth function onto a phone. Next to Bluetooth technology also two recently designed mobile applications will be researched that make use of direct link to mobile internet to update information data sources. One could do so by using RSS feeds to update news.

Bluetooth and SMS technologies make it possible to send messages to individual mobile phones through which consumers can be called for action. This can be to respond on a survey, using a forward link to online information, receiving coupons or other multimedia files or be directed to an m-shop through which a mobile transaction (payment) can be reached.

From current literature on direct marketing we learn that through Bluetooth marketing one can create a strong personalized conversation (time, place & need for information or communication). Other advantages are the visual transfer of messages and opportunities for strong interactivity.

Other direct marketing characteristics that can be related to Bluetooth marketing: a forced confrontation level, a limited information exchange, a limited online processing of messages after reactions, low costs per customer.

To counteract that low cost and high impact we also run the risk of higher irritation levels which could be similar to cold calling. Current research and case studies will demonstrate that demographics have a significantly different response to smart phone imbedded applications.

When Bluetooth marketing is applied one needs to consider a multi channel approach, the mobile campaign needs to be supported by an online website or offline follow ups (preferably in the direct physical environment).

With mobile applications you can facilitate a platform related to an event offering information,

let visitors communicate and interact with each other in order to create value and relevance to the context of that event. This not only leads to a more valued consumer experience but also to stronger brand and consumer loyalty, retention ...

Consumers are attracted to mobile apps because it is clear who the provider is (an event organiser), what's in it for them (relevance, context, social interaction), other visitors use it too (consumers tend to show and share it with friends and thus be part of a community), if it contains invitations to contribute to get something. Event driven marketing can bring strong results, especially when consumers own actions invite more interaction.

Research from the German Brand Science Institute (BSI) showed that mobile users show and share their new apps with friends and families. They reach 14 new persons on average. Also these applications lead to strong brand recognition than applications and widgets in social networks.

Mobile applications require an active action to opt-in (download it from an App Store), user can grant access to be localized and receive updates. Thus marketing and communication becomes a consumer directed process.

Danish researchers Sundbo en Hagedorn-Rasmussen define three stages in the development of new experience productions and innovative systems. The backstage (focuses on all (e-)business and (e-) commerce processes, the stage (where the created experience is being offered and communicated from the perspective of the producer) and the frontstage where the consumer is going through an experience with others but also actively influencing the and participating in creating that experience. In terms of the use of digital media for events one could focus on events websites and social media services that are used by the festival organiser. The frontstage relates to the consumer interaction with the created festival but also to expressing ones feeling and experiences to and with others. At the frontstage it is all about socialising, sharing and communication that can be enabled with the use of mobile and social media.

Current literature

The general term m-commerce will be consistently referred to throughout this paper as mentioned

by Gunasekaran and Ngai (2005) Balasubraman, Peterson and Jarvenpaa (2008). This term denotes the type of hand held communication device known as a mobile phone/smart phone.

In today's communication market, information is integrated for many users via a mobile device. The level to which this integration has an impact for users will be investigated through secondary literature. One of the most popular functions associated with mobile phones in the 2nd millennium is sending SMS. A modern third generation phone has the capability and functionality to not only communicate through the device itself but allow the user to acquire knowledge, experience entertainment and earn a living.

To acquire knowledge, entertain and earn is made possible by mobile applications. The advantages of mobile devices are "immediacy, simplicity, and context." When those are combined with usefulness, we're going to see a different type of software application which has transformed the way consumers use mobile phones.

The theoretical framework around this subject highlights a number of promising areas for discussion. User interaction across age, gender and social class along with technology and compatibility across mobile operators for push and pull applications. Privacy and permission marketing and behavioural boundaries will become the corner stone for a partially unregulated marketing environment.

One of the intrinsic countenance attributed m-commerce is the instability of the provider to maintain an unbroken connection to any application. This breakdown in service has the potential to seriously hinder sponsorship and brand penetration to the collective consumer group. Thus creating an intangible void, loss of trust with technology and marketing message.

To circumvent this potential inhibitor a number of platforms are incorporating a location sensitive GPS system (Balasubraman, Peterson and Jarvenpaa (2008). Next to that the third generation smart phones are equipped with camera, a compass and access to broadband mobile internet (3G networks). These attributes make it possible to serve out personalised information and multimedia applications based on the location of the consumer.

Mobile usage within the UK among a target audience has presented some interesting figures on consumer acceptance of mobile functionality. The taking and sending of photos were the two most popular non-core mobile services among UK users in 2008, according to data supplied by telecoms.com in collaboration with research specialist TNS. Data also show that 65% of UK mobile users have taken photographs with their handsets, and 22% have then sent files to other users. TNS results come from a large sample range 15,000 customers aged 12 and above during 2008.

It also shows a high percentage usage within the 12 – 18 age range of all services apart from internet browsing. The age range which has particular relevance to both case studies 19 – 24 which had a high usage through internet browsing. With the oldest group 55 years old and above, the lowest usage of all demographics. Of the ten services listed Bluetooth ranked third with 36% penetration in 2008. Taking pictures was top with 66% penetration. This shows a correlation with the data from the case studies linked to the target audience at each event.

Not much difference was seen between male and female users, with a marginal increase for female in taking photos and sending images. Male users were more inclined to use Bluetooth, play games and listen to music. Of all the manufactured devices Nokia scored as the handset of choice, the iPhone making an appearance in third place.

Research has consistently shown that targeting a young audience is far more productive in transmitting the marketing message. When that message is service rather than introducing a physical product it has a greater level of success (Dickinger, Scharl and Murphy 2004). Through a push and pull activity marketers can tempt consumers to purchase and where that information is personalized upon delivery it gives the user a level of legitimacy.

Privacy with this industry is racing ahead of the legislators, consumer concerns regarding infiltration without consent could hinder marketing initiatives. As explained by (Myles, Friday and Davies 2003) GPS position devices can enable an operator to recognize a user by this service embedded in smart phones. Within the European Union mobile providers and developers of mobile applications have to confirm to set privacy laws

within E.U. nations (national law) and the E.U. law itself.

Case study – Student Union Sports Social

Paul Walters has undertaken some early consumer integration studies in 2009 with a narrow target audience. The study was done once a week over a period of 6 weeks at a sports related student social held within the student union at Manchester Metropolitan University. The purpose of the study to test certain elements of the technology, ascertain audience response and acceptance of data transfer through mobile device.

More than 90% of the respondents within the venue each week had a third generation mobile device. Approximately 15 – 20 respondents, randomly selected were photographed via mobile device throughout the night. Each electronic photograph was instantly sent to Bluetooth receiver box direct to the plasma screens within the venue, rotation of photos on 5 plasma screens during a 1 hour period controlled by in house technician. The technology when linked to the main server has the option to control screen content remotely via internet link. At this point in the study no type of sponsor or marketing message was sent to consumers via Bluetooth device within the venue. All media traffic flow to the receiver was in one direction. This method was employed to ascertain the robust nature of the receiver box to handle large media files continuously. The bespoke software package on the laptop driving media content to the screens had no technological problems with the amount sent, size of file or duration of time.

The software and receiver box has a synchronized random hopping system known as spread-spectrum frequency hopping. This gives an interference free communication. The likelihood that a device will be using the same frequency at the same time is minute. Therefore several individual set ups can operate within the same environment without interfering with one another.

Early signs indicated, high alcohol fuelled events among a young audience can draw a low response rate with the process and thus in-effective for communicating the marketing message. Therefore, a short duration at the beginning of the event was deemed more effective when communicating with the respondents. Each week saw a new set

of respondents who actively engaged with the process.

Behavioural issues related to consumers and their acceptance of the technology is also attributed to age range. There was less of an issue with the ethical or legal ramifications supporting this level of intrusion for consumer between 18–21 at the time of the study. The legal parameter supporting this type of m-commerce is on the network operator to gain permission from the consumers before transmitting and retaining personal data.

Case Study: A Campingflight to Lowlands Paradise

A Campingflight To Lowlands Paradise: a three-day, progressive outdoor festival that focuses on alternative music, but offers much more than just that, with a complete program of stand-up comedy, film, visual arts, literature and (street) theatre. For three days in August, a city rises in the middle of Holland: a township with 55,000 inhabitants, several hundred performances, many bars and global restaurants, a market, hippie hangouts, campsites with showers, radio broadcast, a daily newspaper, and a unique currency. It's all there, divided over three areas and eight stages. Lowlands is one of the largest festivals in Holland. In 2009 and 2010 tickets were sold even before the final artist line up was announced.

Over the years MOJO developed a multichannel marketing strategy with a strong focus on the use of new media (website, online community, mobile application for iPhone users and recently a mobile website). The goal of MOJO Concerts is to create the Lowlands Experience. The use of new media needs to support to create and share the festival vibe by mainly focussing on providing updated festival information. Another reason for developing mobile applications with cutting edge features is that MOJO Concerts wants to show its innovation capacity in the festival industry. MOJO develops these applications based on a sponsor and partnership program.

Lowlands Mobile Guide

First developed in 2007 this mobile application combines three types of WAP application : it provides context text-based information (festival program, news and artist information). Users can

create their own festival program by selecting artist performances on a favourite list. An RSS news feed offers information on changes in the program. Updates are available every time the application is restarted, the costs are depending on the mobile provider.

Secondly it is a community-based application that enables users to interact through chat and instant messaging (in self enabled channels). Thirdly it is a serviced based application based on GPS location that offers an interactive festival map where visitors can find their friends and sent SMS messages. Users have the opportunity to stimulate friends to download the guide as well by sending an SMS message and to meet each other in a private Buddy Finder channel.

What's in it for consumers? Apart from facilitating a platform for social interaction between visitors the application also offers some 'goodies' from the sponsors. Converse was distributing rain ponchos or sun milk to festival users that could show them the mobile guide at the Converse Compound. Radio 3FM offered a link to their mobile website (mobiel.3fm.nl) through which visitors could listen to the radio channel, also offering updated festival news.

With the Buddy Finder users can create a channel by giving it a tag and a nickname. Users with the same tag are shown on their position on the festival map with their nickname and messages are displayed in a scroll bar. Within the channel they can exchange messages based on instant text messaging (SMS).

Consumer interaction and brand penetration as marketing goals

MOJO Concerts has no hard marketing goals described for the mobile application. The festival organiser is aware of all the possibilities to use consumer data for marketing purposes. At this moment that is not the main target of the Mobile Guide. The main goal is to provide visitors with festival and artist information, to offer a platform for consumers to interact with the festival and each other. By showing its innovativeness MOJO is strengthening the brands of Lowlands and MOJO with festival visitors.

The Lowlands Mobile Guide is developed with different partners and is financed through a

branded sponsorship with Converse and Radio 3FM. The overall marketing strategy of MOJO for Lowlands is that commercial outings are minimised during the festival. Banners, posters and other promotion tools are not allowed. MOJO doesn't intend to be a marketing platform for all their partners (also digitally). The consequence is that sponsors are not allowed to send SMS messages to mobile users. Next to that MOJO is operating very carefully towards SMS marketing, they only sent one text message to previous mobile guide users to announce a new updated version just before the festival starts. Sponsors were given the opportunity to sent messages in the festival news feed, but didn't use that communication channel last year.

In 2009 the Lowlands Mobile Guide was downloaded 15,530 times on 377 different mobile phones. The Top 5 of Mobile Phones were iPhone (37%), Nokia 6300 (3%), Nokia E71 (2%), Nokia N95 8Gb (2%) and Nokia N95 (2%).

The mobile application was distributed across different channels of which the 'SMS installations' were most popular. In practice it turned out that the SMS download channel experienced quite some installation failures. Due to technical difficulties (both on provider and receiver side) the number of 'non installed' applications went up to one quarter of all requested downloads. Other popular channels were the online application stores (both for iPhone and Android smart phones). These proved to be more technically stable, all requested downloads were successfully installed (see table 1). Creating online widgets in order to direct customers to the download file shows that this is not the right publishing form.

For Lowlands 2010 the organisation intends to build an iPhone native application only, because of the functional opportunities that an iPhone offers, the large share of this smart phone use amongst the audience and the technical stability of the platform itself. The intention is to make more use of the option to publish festival updates (based on a continuous RSS feed). The updates can consist of festival news, the festival vibe, program changes combined with news from the Daily Paradise (a daily printed newspaper for the visitors).

Table 1. Lowlands Mobile Guide downloads per distribution channel

Distribution channels	% of total	Downloaded	Requested	Decay
KEYWORD SMS	50%	7700	9863	22%
SEND2FRIEND	1%	104	138	24%
DIRECT FROM SITE	17%	2649	3558	26%
WIDGET	5%	815	1212	33%
APP STORE	37%	5683	5283	0%
ANDROID	2%	305	305	0%

Monitoring consumer experiences

The messages in the Buddy Finder channel are saved and accessible, but only monitored to feel the existing vibe at the festival. It is a good thermometer, nothing more. For consumer evaluations during the festival MOJO organises a 'Breakfast meeting' with a number of consumers at the festival itself. It is more important to get response on the ongoing festival and quick improvements that can be made. During all festival stages MOJO is monitoring online communities (like FokForum or PartyFlock) to get an insight in consumer's remarks about the festival. MOJO has experienced that festival visitors are more open on third party platforms than their Lowlands Community. MOJO's policy is to monitor the content of the exchanged messages. MOJO only intervenes when facts are wrongly communicated. For Marketing Manager Bente Bollmann it is always nice to see Lowlands visitors using the Mobile Guide to find artist information on a totally different pop festival.

Festival visitors are not 'spammed' by marketing outings in the Buddy Finder channels or through direct marketing actions. The Buddy Finder tools are used and experienced as a nice gadget. But the functionality can be improved. MOJO is confronted technical issues and difficulties with GPS localization (especially for the indoor facilities) and the speed of processing the sent messages. Overall this functionality needs time to be working with it. Consumers need to localize themselves and then sent a message. For the new iPhone application MOJO is considering to offer and/or integrate functionality from location based applications like Foursquare or Gowella. In those applications the user is localizing himself with the use of GPS, user generated content like text messages, photos and videos can be combined with a more specific localization. Another option is the work more closely together with the iPhone

applications of Hyves (a Dutch social network community like Facebook), as long as MOJO can find the right balance in using mobile functionality and commercial use or marketing purposes.

Permission & Privacy

MOJO experiences no difficulties with festival users in terms of permission and privacy. Each festival visitor is making a private decision whether or not to download the Lowlands Mobile Guide. With downloading and installing it from i.e. the App Store or through an SMS service delivery, the consumer gives permission to the mobile provider and the festival organiser. As a festival organisation MOJO has access to particular consumer data (name, phone number, number of updates and so on) but is not using this data for marketing purposes. Phone numbers are not used for event driven SMS or Bluetooth campaigns.

The privacy is protected by law (national mobile providers and 'anti-spam' policy) and the organisers policy, that is not sending commercial messages towards the users and not using consumer data for hard marketing purposes.

In our opinion MOJO is focussing more on a pull marketing strategy or consumer demanded approach, which means that the visitor can download updates (that can include sponsor messages) if and whenever it needs updated information. With that permission is guaranteed and with a regulated and edited news feed from the festival organisation it respects consumer privacy as well.

The future is bright. MOJO envisions a wide range of opportunities for smart phones native applications and offering improved functionality towards consumers when making good combinations. The overall goal is that the identity and image

of the festival should stay the same. That is why developers of future leisure related applications should have an open option to design and protect these applications for commercial usage by sponsors or partners. On the other side these applications bring new challenges and options for promoting and publishing leisure or tourism related information services to consumers.

Case 3: Van Gogh Augmented Reality

Imagine your web browser was a window on to the real world. Instead of seeing web pages inside that browser window, you see the environment around you; except with an added layer of data on top of it. Layar's Augmented Reality is a bit like that. Augmented reality (AR) is a term for a live direct or indirect view of a physical real-world environment whose elements are augmented by virtual computer generated imagery. It is also related to a more general concept called mediated reality in which a view of reality is modified. Consumers can install Layar on their mobile phone that adds an information layer to the camera imaging. Within this layer information about locations or objects can be sought. Layar is currently only available on the iPhone 3GS and Android phones with GPS, camera and compass.

Walking through the Dutch village Nuenen Vincent van Gogh fans can be introduced to the life and work of this world famous artist. With a mobile phone in hand visitors of Nuenen are able to view Vincent van Gogh's life by watching detailed information, photos, audio and videos files which are related to real buildings and places related to the great artist. Routes to the points of interest are shown on a Google Map, directions how to get there are given too. Customers can step into the route on each point, it is not necessary to walk a planned route. All this is done by building a Van Gogh browser (layer) in the mobile AR-application Layar.

The Van Gogh layer is developed by Vrijetijds huis Brabant, Ordina and 'Schatten van Brabant', the cultural program of the state of Noord-Brabant. With the Van Gogh layer they try to unlock important places in the life of the great artist for a new generation. Digital natives have the future, but now also have access to the past. The layer shows nine points of interest (on (GPS) locations) of how Van Gogh lived in Nuenen and created his world famous paintings (i.e. Aardappeleters).

Many buildings and décors from 1885 are still existing. This layer is one example of what will be developed in the near future. According to Frank van den Eijnden, director of Vrijetijds huis Brabant, we will see more applications developed for remembering the liberation of Noord-Brabant and the cultural and industrial heritage in Noord-Brabant.

This innovative demo is not related to specific marketing goals and the story in itself is not complete. More interesting is the question what the leisure and tourism sector can gain with these new opportunities. For the leisure industry mobile applications and services create new opportunities in product development and entrepreneurship. The challenge is to develop consumer oriented services that creates added value to their leisure experiences.

Another layer already developed is offering the agenda of 'Uit in Brabant', which provides an event calendar of leisure activities of all the cities and places in Noord-Brabant. Off course shown and displayed on the notion 'nearest to you' based on GPS location and the direction of the Layar sensor. The information offered is related to events per day in a 5 kilometre range and links are provided to find detailed information.

Layar is build on a two layer model. The first layer is geographically based on a point of interest and gives summarized information (title, short description, image and link). In the second layer one can present a mobile website that offers more information or adds multimedia files. Layar is developed for the Android platform, based on an open source software development program.

On the moment Layar is most suited to use in the Netherlands, one reason for this is the availability of and access to broadband (mobile) internet and the increasing market share of 3rd generation smart phones. The current telecommunications network is offering the needed capacity and supports GPS location services.

This example shows that one is able to create and deliver rich stories based on local content related to a specific location. Text, photo, video and audio files can be used to create a multimedia package. It must be noticed that not all multimedia formats are supported (think of difficulties in presenting Flash files on an iPhone). But also these problems will be challenged in the near future.

From the marketing and communication perspective mobile applications like Layar can function as an extra channel to deliver information services to customers. For customers it can become interesting if an extra layer of additional content is offered (like Wikitude or multimedia presentations), or if one could combine it with other mobile services or tools like SMS or Bluetooth marketing.

Permission & privacy

In the Layar example it is the customer who gives permission within the application to show a certain layer of information. Customers can download Layar as an application package and install it. Within Layar one can 'scan' the surrounding area through the camera and select a certain information layer from the library list. Customers can adjust settings on which related information is provided.

By installing the application customers must agree to the privacy conditions of Layar. Personal information and mobile numbers of users are available to Layar (as owner of the application) and mobile providers. Both parties have to comply with national and European privacy and spam laws.

Personal user details are not shared by Layar with content developers. Developers only receive statistics on number of downloads, updates and layer requests and number of users. It is possible for developers to add self created statistics (like Google Analytics). When one can add interactive elements in the second layer like contact forms or collecting mobile numbers for SMS alerts, developers could obtain that information.

Conclusion

We are at a point in the technological understanding for consumers where they no longer need a computer to undertake personal or financial transactions, all this can be done with a 3G mobile device (Gunasekaran and Ngai 2005).

Extensive research from an international perspective has shown that mobile technology has developed significantly within the last ten years. With that development has come a number of challenges for the user in understanding the technology and its capabilities. Mobile operators have attempted to introduce the service levels to consumers via a number of innovative marketing campaigns. However research has shown that a

larger number of users only use a limited number of applications embedded within their phone. Taking pictures and sending a text as the most highly used application and activity.

What is interesting and requires further research, is the age differential for integrating with consumers. The younger age range 18 – 24 are prolific users of the smart phones and have less resistance to an intrusive marketing messages. This sliding scale of acceptance drops off as the consumer within the research is older in years. This could have potential challenges for some events with an older audience profile. The level of privacy becomes an important issue for this target market and care must be taken to announce the content driven message.

The first case study presented within the paper looks at the technology and the software applications currently used to communicate with a target audience. The technology at present is robust and can delivery all types of media files to an intended audience. This has also shown to be agreeable to small and large number of participants. However timing for content delivery to mobile phones must be taken into consideration and where alcohol has a feature within the event.

The second and third case studies are examples of applications that serve the purpose to deliver location-sensitive data to end-users, based on preferences. The rapid development of different functions in mobile applications (like mobile payment or integrating AR-sensitive movies with on-screen action depending on your location) reveals that a lot is possible for consumers in the near future. The question arises how these new media tools can be integrated in consumer orientated strategies by the leisure industry.

As a marketing medium, third generation smart phones have broken some of the traditional rules of communicating to a target audience. With that has come legislation to protect the user from the intrusive marketers. From a sponsorship / brand positioning perspective, this technology has many long term advantages for brand recognition and positioning. Used in conjunction with user activity levels a greater degree of acceptance can increase exponentially.

On the other hand, new uses of the mobile phone, such as NFC coding for keys and mobile payment,

will increase the number of touch points and hence the opportunities to advertise on mobile channels.

Mobile advertisers will have to think of new ways to reach the users, as services become more direct and more personal. The bottom line is: ads will only get through to the user if they are able to add the right value at the right time.

We have to consider the user of a mobile device much more a fellow citizen whom we want to involve in a brand experience and consider her/his preferences, permission and privacy choices in order to cut through the clutter.

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Related websites

Case 2: A Campingflight to Lowlands Paradise – www.lowlands.nl | m.Lowlands.nl

Case 2: MOJO Concerts – www.mojo.nl

Case 3: Vrijetijdshuis Brabant - www.vrijetijdshuisbrabant.nl

Case 3: Layar Augmented Reality Browser - www.layar.com

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