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Collaboration and Cooperation to Create Efficient Economies

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6th Academy of Business and Emerging Markets (ABEM 2022) Conference

Editors

Dr. Luis Camacho, SUNY Empire State College, USA
Dr. Satyendra Singh, University of Winnipeg, Canada
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www.abem.ca
info@abem.ca

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Library and Archives Canada
550 Boul del la Cite
Gatineau, QC K1A 0N4
Canada
Tel: (819) 994-6895

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Editorial Message

Welcome to Santo Domingo, the capital of the Dominican Republic!

It is a great pleasure to welcome you to our 2022 Academy of Business and Emerging Markets (ABEM) Conference to be held at the Universidad APEC (UNAPEC) in Santo Domingo, the Dominican Republic. This is our first conference after two years of the pandemic; therefore, we have a lot of topics to cover and enhance our friendship and academic collaboration. While we believe that our community has been working intensively during these past two years on substantial research and collaboration projects, what speaks about how robust our academic community is, is the reassurance to see everyone face-to-face again.

There is no better place to return to ABEM normality than the Dominican Republic. A great country in the middle of the Caribbean that offers excellent natural scenarios and panoramas, such as beaches, mountains, and rivers, and an opportunity to discover the perfect combination of nature, big cities, cultural diversity, and the extraordinary kindness behavior of Dominicans.

It is our pleasure to edit the proceedings of the Conference on the theme—Collaboration and Cooperation to Create Efficient Economies, which has allowed a significant group of scholars from different countries to improve the global perspectives, discussions, and strategies that support the new panorama after the pandemic for emerging markets and developing countries. ABEM 2022 Conference will continue to impulse the debate around its three main tracks: Business, Government, and Community.

This year, we received 31 submissions from 17 countries, making it true to its mission. We have representations from almost all continents. Each submission was peer-reviewed in a double-blind review process by at least two professors who were experts in the area of the submissions. Finally, 21 submissions from 11 countries were selected for presentations.

The proceedings contains 19 abstracts and two papers that were presented at the Conference. We are grateful to UNAPEC for hosting the conference and thank our sponsors, reviewers, authors, keynote speakers, organizers, student assistants, contributors, and conference participants. Without their assistance, we would not have been able to edit this proceedings. As always, we will deposit a copy of the proceedings for archiving to Library and Archive, Ottawa, Government of Canada.

Let's celebrate our friendship and collegiality. I am sure we will have an outstanding academic and social time in the Dominican Republic at the rhythm of merengue!

Sincerely,

Dr. Luis Camacho
Editor, 6th ABEM 2022 Conference proceedings
Assistant Professor, Marketing & International Business
SUNY Empire State College, New York USA

Dr. Satyendra Singh
Editor, 6th ABEM 2022 Conference proceedings
Professor, Marketing & International Business
University of Winnipeg CANADA
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Knowledge generation, translation and transfer across emerging markets

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List of Authors

Adam, Jamila. Durban University of Technology, South Africa
Adler, Moshe. SUNY Empire State College, USA
Agon, Hansel. University of Auckland, New Zealand
Amoo, Akinlawon. Durban University of Technology, South Africa
Banks, Moisés. Universidad APEC (UNAPEC), Dominican Republic
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River, Emin. Universidad APEC (UNAPEC), Dominican Republic
Rodríguez, Alvin. Universidad APEC (UNAPEC), Dominican Republic
Salazar-Concha, Cristian. Universidad Austral de Chile, Chile
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Sarma, Meera. University of Liverpool, UK
Sarmiento, Jaime. Universidad Pontificia Bolivariana, Colombia
Saxunova, Darina, Comenius University Bratislava, Slovakia
Semena, Lebogang. University of Johannesburg, South Africa
Senaratne, Chaminda. Northumbria University, UK
Spies, Hester. North-West University, South Africa
Suarez Quintero, Alejandra. Universidad Pontificia Bolivariana, Colombia
Whann, Christopher. SUNY Empire State College, Santo Domingo
Winn, Sandra. SUNY Empire State College, USA
TABLE OF CONTENTS

ABSTRACTS

The relationship between formal level of education and xenocentrism:
Understanding the effect on online consumer behavior..............................................................1
Luis J. Camacho, SUNY Empire State College, USA
Patricio Ramirez-Correá, Universidad Católica del Norte, Chile
Cristian Salazar-Concha, Universidad Austral de Chile, Chile

The journey of innovation: opening the black box of the innovation processes in hacker groups........1
Meera Sarma, University of Liverpool, UK
Chaminda Senaratne, Northumbria University, UK
Thomas Matheus, Northumbria University, UK

EXIM bank and its competitive advantage as a method of payment in foreign trade: a case study..........2
Mehmet Burak Ceran, Selcuk University, Turkiye

Understanding the Johannesburg Stock Exchange, Altx, South Africa Inefficiencies:
Lessons from the Alternative Investment Market (Aim) In London................................................2
Lebogang Semenya, University of Johannesburg, South Africa
Shepherd Dhliwayom, University of Johannesburg, South Africa

Developing Global Leadership Competencies through Virtual Exchange ........................................3
Lorette Pellettiere Calix, SUNY Empire State College, USA
Moisés Banks, Universidad APEC, Santo Domingo
Luis Camacho, SUNY Empire State College, USA
Elsa Moquete, Universidad APEC, Santo Domingo
Christopher Whann, SUNY Empire State College, Santo Domingo
Sandra Winn, SUNY Empire State College, USA

How the BRI Scholarship as an effort in internationalization of higher education
benefits China in decades ahead? ........................................................................................................3
Simone Cutts, Department of National Defense, Canada

Strategies for developing intercultural competences in international business curriculum:
a comparative case study of Puerto Rico and Colombia university business schools......................4
Luis Manuel Baquero Rosas, Pontificia Universidad Católica de Puerto Rico
Marcela Orduz Quijano, Universidad de Santo Tomás, Colombia

Santander’s Intra-regional Trade with the Pacific Alliance in 2020 and 2021........................................4
Julio Ramírez Montañéz, Universidad Pontificia Bolivariana, Colombia
Jaime Enrique Sarmiento, Universidad Pontificia Bolivariana, Colombia
Alejandra Suarez Quintero, Universidad Pontificia Bolivariana, Colombia
COVID-19 driven innovations in the city of Auckland: exploring innovation and inter-organisational collaboration in times of crisis ........................................ 5
José Brache, Nova Southeastern University, USA
Hansel Agon, University of Auckland, New Zealand
Patricio Barciela, University of Auckland, New Zealand

Influences of economic and legal factors on the understanding of Corporate Citizenship ........................................ 5
Cristian Salazar-Concha, Universidad Austral de Chile
Luis J. Camacho, SUNY Empire State College, USA

Total quality management practices in service delivery to land claimants ........................................ 6
Alpheaus Litheko, North West University, South Africa

Forest maps as business services ........................................ 6
Jari Salo, University of Helsinki, Finland

Anaerobic co-digestion of sargassum and food waste from Punta Cana for biogas and fertilizer production ........ 6
Yessica Castro, Universidad APEC, República Dominicana
Alvin Rodríguez, Universidad APEC, República Dominicana
Emin River, Universidad APEC, República Dominicana

Mergers and Acquisitions Synergies Framework ........................................ 7
F. Greg Burton, Brigham Young University, USA
Amanda Bonney, Brigham Young University, USA
Claire Jefferson, Brigham Young University, USA

Investigating the relationship between leadership behavior and work engagement in South Africa: a path-goal approach ........................................ 7
Akinlawon Amoo, Durban University of Technology, South Africa
Jamila Adam, Durban University of Technology, South Africa

Economic reality versus perception in the global competitive index: case of Dominican Republic ........................................ 7
Moisés Banks, Universidad APEC (UNAPEC), Dominican Republic

Risk management system in the public finance management as an effective instrument to ensure tax enforcement ........................................ 8
Manuel Oster, Cominus University Bratislava, Slovakia
Darina Saxunova, Cominus University Bratislava, Slovakia

Eritrea: an emerging powerhouse in African mining ........................................ 8
Daniel Ogbaharya, Union Institute and University, USA

Technology transfers and wages in China and the US ........................................ 9
Moshe Alder, SUNY Empire State College, USA
Investigating the role of scent marketing on consumer emotions in the high-end fashion industry........10
Roland Goldberg, North-West University, South Africa

Examining detachment in customer - wealth manager relationship: An SEM Model........................19
Hester Spies, North-West University, South Africa

Author Index........................................................................................................................................................................30
ABSTRACTS

The relationship between formal level of education and xenocentrism: Understanding the effect on online consumer behavior

Luis J. Camacho, SUNY Empire State College, USA luis.camacho@esc.edu
Patricio Ramírez-Correa, Universidad Católica del Norte, Chile patricio.ramirez@ucn.cl
Cristian Salazar-Concha, Universidad Austral de Chile, Chile cristiansalazar@uach.cl

Xenocentric consumer behavior is vital to comprehending social behavior and explaining its ramifications. The study evaluates the direct effects of consumer xenocentrism (XENO) on imported products' purchase intention and product attitude. The moderating influence of formal education on xenocentric consumer behavior, considering groups with high and low formal education levels, is also analyzed. Findings revalidated the XSACLE as a scale for measuring XENO in emerging countries and its effect on consumer behavior. Also, results indicate that xenocentric effects are significantly related to formal education. The data reveal that XENO is strongly associated with product attitude and the connection between xenocentrism and the propensity to acquire imported items. To accomplish the goal of this research, which is based on a behavior model built-in social identity theory, we examined consumer data using a structural equation modeling approach. The study model was analyzed using structural equation modeling and multigroup analysis based on data acquired from online consumers. An essential application of these results is that education in emerging nations and developing economies should boost local production valorization and promote marketing methods that encourage the sustainable consumption of items created in their countries.

The journey of innovation: opening the black box of the innovation processes in hacker groups

Meera Sarma, University of Liverpool, UK meera.sarma@liverpool.ac.uk
Chaminda Senaratne, Northumbria University, UK chaminda.senaratne@northumbria.ac.uk
Thomas Matheus, Northumbria University, UK thomas.matheus@northumbria.ac.uk

Hacker communities involved in free and open source activities possess special structural and processual characteristics that are conducive to innovative product development on-line. We suggest that this form of innovative, knowledge-generating, knowledge sharing virtual community may benefit from being seen within the framework of virtual process research using Virtual Ethnography (VE). In order to analyse the virtual ethnographic observations, innovative software research tools, such as the ‘IRC Conversation Map’, had to be devised. The development of the IRC Conversation Map, enabled real-time data collection from the virtual environment, from which analytical generalisations could be abstracted. The research design for the virtual ethnography is like a longitudinal case study, using methods of analysis such as structural and keyword search analysis. The investigation explored the structural and temporal dynamics of the community, through the examination of interactions between members, as they unfolded in virtual space. In this way, we show how the themes that constitute the innovation process emerge from everyday routines that members of the hacker community perform. This paper contributes to the methodology of process research by exploring strategies that allow qualitative researchers to examine virtual organized activities through a process lens.
EXIM bank and its competitive advantage as a method of payment in foreign trade: a case study

Mehmet Burak Ceran, Selcuk University, Turkiye mbceran@selcuk.edu.tr

There are many payment methods used in foreign trade. These methods are developed by the government, banks and financial institutions. Basically, the purpose of these methods is to carry out foreign trade in a reliable way and thus to increase foreign trade and especially exports. One of these developed methods is the Eximbank method, which has recently been used frequently by companies in practical foreign trade. In order to increase the welfare level of the country, to increase the per capita income and to be among the developed countries, both public institutions and organizations and private organizations provide direct and indirect support to exports. The primary purpose of these supports is; increasing exports and expanding the economy. In this context; Eximbank (Export Credits and Receivables Insurance Programs), Private/Foreign Capital Export Credit Insurance Companies (Euler Hermes, Coface, Atradius etc.), Factoring and Forfaiting Companies, commercial banks that provide export credits, and financial institutions that support exports in Turkey can be listed. In addition to the "Export Credit" programs that provide financing to the export sector at affordable costs, Türk Eximbank’s "International Credit and Guarantee" programs, which were put into effect to improve the economic and political relations between Turkey and the addressee countries, and the "Credit Insurance" that provides assurance to the export sector against political and commercial risks. implements the programs. (eximbank.gov.tr) At this point, it is possible that eximbank provides a competitive advantage to foreign trade companies and can be expressed as a competitive strategy developed for this purpose. Today, product price and quality alone do not affect customer decisions at the point of purchasing the product in global markets. In addition to these, logistics costs and payment methods are other important factors that affect customer decisions. In our study, Eximbank payment method, which can be considered as a competitive strategy, will be discussed in detail and compared with other payment methods.

Understanding the Johannesburg Stock Exchange, Altx, South Africa Inefficiencies: Lessons from the Alternative Investment Market (Aim) in London

Lebogang Semenya, University of Johannesburg, South Africa Isemenya@uj.ac.za
Shepherd Dhliwayo, University of Johannesburg, South Africa sdhliwayo@uj.ac.za

The study identifies inefficiencies that may be present in the AltX, inhibiting firms from listing on the exchange. The identification of inefficiencies was done through a comparison with AIM (considered the most successful alternative exchange in the world) as well as through interviews with South African AltX listed firms and unlisted SMEs. It was found that once listed, the compliance regulations were onerous, the cost of listing and compliance was high and there is a lack of marketing on the part of AltX. The improvement of these inefficiencies is important in that it may lead to better access of growth capital for SMEs in equity markets. This study makes recommendations that will enable the AltX to improve identified inefficiencies, thereby attract new listings.
Developing global leadership competencies through virtual exchange

Lorette Pellettiere Calix, SUNY Empire State College, USA lorette.calix@esc.edu
Moisés Banks, Universidad APEC, Santo Domingo mbanks@adm.unapec.edu.do
Luis Camacho, SUNY Empire State College, USA luis.camacho@esc.edu
Elsa Moquete, Universidad APEC, Santo Domingo emoquete@adm.unapec.edu.do
Christopher Whann, SUNY Empire State College, Santo Domingo christopher.whann@esc.edu
Sandra Winn, SUNY Empire State College, USA sandra.winn@esc.edu

In this increasingly globally networked world, it is extremely important for students to develop the global competencies they will need in their workplaces. Higher education institutions have often looked to study abroad programs to help their students develop these competencies, but less than 2% of students are able to participate in traditional study abroad experiences. People of color, first generation college students and students from lower socio-economic categories are extremely underrepresented in these numbers. Virtual international exchange creates an opportunity for more students to have international learning experiences and develop the global competencies they need. With the support of the US Embassy in Santo Domingo, SUNY Empire State College in Saratoga Springs, NY and Universidad APEC in Santo Domingo, Dominican Republic undertook a project to promote virtual exchange activities for students at the two institutions. The primary goal was to develop the global competencies of students in the Dominican Republic and the United States through interaction using virtual exchange activities. These included asynchronous discussion forums, synchronous virtual meetings, presentations by experts from both countries, shared learning materials, and a team project with students from both countries working together. In the project’s first phase, 307 students and 32 faculty and staff benefited; 238 students and 12 faculty in the second. As part of the project, the students participated in three structured instances to help analyze the results and impact of the virtual exchange activities: a pre- and post- exchange thermometer gauging how students felt about people from the other country before and after the exchange activities; a post-exchange quantitative survey; and a qualitative analysis of the student final reflection essays. In all three instances, the number of responses was less than what would be required for statistical validity, but the results give us indicators of the impact of the virtual exchange activities.

How the BRI Scholarship as an effort in internationalization of higher education benefits China in decades ahead?

Simone Cutts, Department of National Defense, Canada simone.cutts@forces.gc.ca

Chinese Government’s strategic view on establishing community of destiny and sharing mutual benefit with the BRIC through internationalization of higher education has been around even before the existing scholarships being repackaged and implemented as BRI scholarship in 2016. The Chinese leadership’s anticipating outcome from this relationship strengthening effort is far-viewed with multi-dimensional indirect benefits although many argued the effort is overly-costly and outcome being uncertain. China now being the third most chosen destination country for international students study aboard, continues to have foreign student enrolment on both degree and non-degree programs increase yearly. In 2018, the ratio of scholarship sponsored student was 12.81 percent which include over 63,000 granted scholarships from among 1000 plus institutions. In the recent years, student from Asia, Africa and Europe benefited from over 90 percent of the BRI Scholarship. The number of scholarships and bilateral government agreements with foreign countries continues to increase. This study is to investigate what are the Chinese leadership hopes for in return decades ahead? By understanding the strategic plan on internationalization of higher education, one could have better understanding and appreciation on the Chinese government’s far-viewed mindset.
Strategies for developing intercultural competences in international business curriculum: a comparative case study of Puerto Rico and Colombia university business schools

Luis Manuel Baquero Rosas, Pontificia Universidad Católica de Puerto Rico labaquero@pucpr.edu
Marcela Orduz Quijano, Universidad de Santo Tomás, Colombia marcelaorduz@ustadistancia.edu.co

This research sought to explore the perceptions, experiences, and strategies of the faculty responsible for developing intercultural competencies through the curriculum in international business programs (IBP). The objective was to discuss the curricula of IBP schools in Colombia and Puerto Rico to develop intercultural competencies amid globalization. Methodologically, the qualitative paradigm was developed, with a comparative case approach using twelve virtual interviews by digital media. The faculty members' narratives enact two perspectives on the development of intercultural competencies. On the one hand, some academic perceive intercultural competencies as part of transversal learning within the IBP curriculum. Therefore, they do not see the development of specific courses for the intercultural theme within the curricula. Intercultural competence is obtained in various courses from history, languages, history, and social sciences. The second pedagogical approach sees interculturality as a subject that requires specific courses to study cultures, both local and global. Realizing it in a coordinated and planned manner provides students with the necessary knowledge to manage effectively in diverse cultures within the global economy. Finally, learning strategies used by faculty include simulation techniques, case analysis, trade fairs, inviting business leaders, and little encouragement of academic travel and university exchange at foreign universities.

Santander’s intra-regional trade with the Pacific Alliance in 2020 and 2021

Julio Ramírez Montañez, Universidad Pontificia Bolivariana, Colombia Julio.ramirez@upb.edu.co
Jaime Enrique Sarmiento, Universidad Pontificia Bolivariana, Colombia Jaime.sarmientos@upb.edu.co
Alejandra Suarez Quintero, Universidad Pontificia Bolivariana, Colombia Alejandra.suarez@upb.edu.co

This article aimed to present the most important aspects of intra-regional trade of the goods with the greatest dynamics in exports and imports of the department of santander in the period 2020-2021 with the member countries of the pacific alliance. Among the main findings, it can be highlighted that the main export products from santander to the pacific alliance are gasoline-type carbide reactors for reactors and turbines. Mexico is the leading trading partner in the department’s import and export dynamics. The largest share of exports corresponds to the metal-mechanic sector. The main product imported from the countries of the pacific alliance is copper electrical conductors for a voltage of less than 1000v. Mexico is the leading supplier of goods and services from the pacific alliance. Santander’s exports to the pacific alliance concerning the department’s total exports were 14.9% in 2020 and 11% in 2021. The share of imports was 10% in 2020 and 10.2% in 2021. The intraregional dynamics favor imports, with a more significant number of tariff items with high commercial dynamism in meat preparations, copper and its manufacturers, and electrical machinery and apparatus imports.
COVID-19 driven innovations in the city of Auckland:
exploring innovation and inter-organisational collaboration in times of crisis
José Brache, Nova Southeastern University, USA Brache1@yahoo.com
Hansel Agon, University of Auckland, New Zealand h.agon@auckland.ac.nz
Patricio Barciela, p.barciela@auckland.ac.nz

The study of the intricate link between inter-organisational collaboration and innovation at the city level under distinct crisis scenarios demands further exploration. The covid-19 context provides a uniquely interesting environment to study the creation, introduction and implementation of innovations that result from inter-organisational collaborations at the national and city levels. This chapter conducts a review of secondary data from government and private websites, social media, digital and printed newspapers, as well as Auckland City Library content to provide an accurate account of the innovations introduced in the city of Auckland during the first and second wave of the covid-19 pandemic in New Zealand. Findings indicate the surfacing of decentralised covid-19 driven inter-organisational collaborations that result in innovations that target specific challenges generated by the pandemic. Implications for managers and public policy makers are discussed.

Influences of economic and legal factors on the understanding of Corporate Citizenship
Cristian Salazar-Concha, Universidad Austral de Chile, Chile cristiansalazar@uach.cl
Luis J. Camacho, SUNY Empire State College, USA luis.camacho@esc.edu

Corporate Citizenship (CC) has recently emerged as an important term for comprehending the impact of social concerns on the performance of firms. Based on the four-factor model of CC, this study developed a structural equation model to examine the primary factors and interactions that influence economically motivated administrators to observe legal citizenship as an essential element to demonstrate an outstanding social responsibility stance in front of their stakeholders. The purpose of this research was to examine the beneficial direct and indirect effects of economic citizenship on legal citizenship using a model in which ethical and discretionary citizenship serve as mediators. Students’ information was collected and evaluated using confirmatory factor analysis and multiple regression. According to the community’s perception, economically responsible firms comply with the law, supported by the findings. Furthermore, it demonstrates that stable economic businesses are more likely to undertake aggressively ethical and discretionary acts that benefit the larger society. Finally, this research examines the impact of economic citizenship on legal citizenship via the mediation of ethical and discretionary citizenship. The findings indicate that economic citizenship has direct and indirect beneficial effects on legal citizenship. Additionally, this research reveals that stakeholders’ perceptions and social recognition of firms increase if discretionary and ethical citizenship motivate transparent business operations consistent with the organization’s legal components. From a theoretical standpoint, this study indicates that mechanisms established by economic results might support firms’ mandatory voluntary social duties and legal obligations. Therefore, companies should also develop learning activities to enhance their managers’ and workers’ economic, legal, ethical, and discretionary citizenship knowledge to emphasize the significance of this issue for its success.
Total quality management practices in service delivery to land claimants
Alpheaus Litheko, North West University. South Africa 16513207@nwu.ac.za

Total quality management (TQM) can serve as a management tool for an organisation that seeks to improve its service delivery to clients. TQM philosophy prioritizes client satisfaction through the improvement of the organisation performance and co-ordination of various processes in all its operational undertakings. The purpose of this paper is to examine whether TQM can be employed as a management tool to improve service delivery to land claimants since client satisfaction is a goal for every organization, in particular a public sector organization that renders service to its community. Therefore the organization can improve service rendered to land claimants through the integration of TQM principles into the operational systems. The findings revealed dissatisfaction with the level of service rendered by the organisation, as a result of ineffective communication on the process that should be followed to submit claims. The implication of the findings indicate for the successful implementation of TQM in an organisation, requires management as well as employees to have the appropriate knowledge and skills to usher in organisational change and improve service delivery to land claimants.

Forest maps as business services
Jari Salo, University of Helsinki, Finland Jari.saro@helsinki.fi

Current research focuses on the scantly researched international forest mapping business services (FMBS). FM producing technologies are increasingly studied but seldom the business use or exporting of those are studied. Today, FMs are produced by lidar technology, drones and/or mobile phones. Combination of these technologies provide detailed FMs where location, height and species can be identified among other information. FMs are usually bought by government, municipals, cities, companies and even individual forest owners and they can react to growth of forest by selling it or then calculate estimations when to sell the forest. Our research aims to chart the international business services potential of FMs business by interviewing five expert interviews in Finland. Finland is chosen as 75% of Finland is covered by forest and advanced FM technology is developed and used in Finland. As a result, the study shows different views and paths for internationalization of forest map business.

Anaerobic co-digestion of sargassum and food waste from Punta Cana for biogas and fertilizer production
Yessica Castro, Universidad APEC, República Dominicana ycastro@unapec.edu.do
Alvin Rodríguez, Universidad APEC, República Dominicana arodriguez@unapec.edu.do
Emin River, Universidad APEC, República Dominicana erivera@unapec.edu.do

The presence of sargassum on the Caribbean coasts affects the environment and one of the region’s main economic activities: tourism. The collection of sargassum and its use for the generation valuable products is important to mitigate the costs associated to the control of this weed. The anaerobic co-digestion of sargassum with relevant organic waste for the production of biogas, and fertilizers, is an alternative for the integrated management of these materials in the tourism industry. The objective of this work was to evaluate the effect of different percentages of sargassum on the quality of biogas, the rate of methane production, and the biofertilizer characteristics during its anaerobic co-digestion with food waste. Biodigesters of 1200 L were fed with 0.7 kg/day of food waste and sargassum at concentrations ranging from 45% to 100% for 30 days. The results showed a direct relationship between the food waste percentage and the methane production.
Mergers and acquisitions synergies framework
F. Greg Burton, Brigham Young University, USA fgb@byu.edu
Amanda Bonney, Brigham Young University, USA
Claire Jefferson, Brigham Young University, USA

Companies pursue mergers and acquisitions (M&A) in hopes of realizing synergies from the successful combination of two or more business organizations. Failed mergers and acquisitions are costly to business in emerging markets and local economies, damaging reputations, growth employment opportunities for the local population. Many failed mergers result because management neglected to consider the cultural implications of the merger. Culture should be a primary consideration in mergers and acquisitions in order to foster economic and market success. This paper presents a Mergers & Acquisition Framework for managing the cultural aspects of mergers and acquisitions and introduces the Mapping Mergers & Acquisitions Polar Grid Template.

Investigating the relationship between leadership behavior and work engagement in South Africa: a path-goal approach
Akinlawon Amoo, Durban University of Technology, South Africa 21752004@dut4life.ac.za
Jamila Adam, Durban University of Technology, South Africa adamjk@dut.ac.za

The aim of this study was to investigate the relationship between the leadership behavior of technical trainers and the work engagement of trainees in a Johannesburg training institute. Although many studies have investigated this relationship, few have done so using the “Path-Goal” leadership model within an apprenticeship and artisan training institute. A cross-sectional quantitative research design was carried out with participants completing the leadership behavior instrument (with two subscales of “participative leadership behavior” and “supportive leadership behavior”) and the 9-item Utrecht Work Engagement Survey. Results of the structural equation modelling revealed that “participative leadership behavior” is a statistically significant predictor of vigor, while “supportive leadership behavior” is a statistically significant predictor of vigor and dedication. The two leadership behavior scales had no statistically significant effect on the absorption subscale of work engagement. The findings emphasize the role played by both participative and supportive leadership behavior of trainers in the promotion of work engagement. Future studies should consider incorporating more than one training academy in the study and improving on the theoretical model by identifying other variables that influence work engagement.

Economic reality versus perception in the global competitive index: case of Dominican Republic
Moisés Banks, Universidad APEC (UNAPEC), Dominican Republic mbanks@adm.unapec.edu.do

The apparent decline of the dominican republic in the global competitiveness index report 2017-2018, published by the world economic forum, in comparison with the previous report, aroused the interest in investigating the link between economic growth of a country and its rating in the referred index. to determine relationship, the information contained in this report was examined, as well as data from entities of great international prestige. in addition, the concept of competitiveness was reviewed from the academic point of view, data on economic indicators were weighted, as well as a statistical analysis was made. the results contradict the statements about the existence of a direct positive relationship between economic growth and the place occupied by the country in the ranking. in addition, the negative impact of the evaluations based on answers to questions of the survey applied to senior executives of companies in the evaluated countries is evident.
Risk management system in the public finance management as an effective instrument to ensure tax enforcement

Manuel Oster, Comenius University Bratislava, Slovakia oster1@uniba.sk
Darina Saxunova, Comenius University Bratislava, Slovakia darina.saxunova@fm.uniba.sk

The most strategic initiative in the area of the Public Finance management is the Ministry of Finance of the Slovak Republic and the United Nations Development Programme (UNDP) - Public Finance for Development project. The objective of the study is to understand what contributes to effective public finance management and good governance in the partner countries in the context of providing technical assistance and capacity development in the field of public finance management. Public finance management is a challenge. In this study, we focus on the challenge in German environment where the tax measurement must meet the legislative norms required by the constitution, and thus meet the criteria of uniformity and legality of taxation. However, the public finance management deals with a growing number of tax cases, which are becoming increasingly complex, sometimes even perplexed and extensive due to numerous amendments in tax legislation; however, they must be managed by a steadily declining number of employees. The financial administration applied a computer-aided risk management system. The methodology applied in this research is a case study approach. The results of this study are pros and cons of the implementation of this risk management system that were identified following the critical examination and analysis of this risk management system and its way of functioning.

Eritrea: an emerging powerhouse in African mining?

Daniel Ogbaharya, Union Institute and University, USA dghebre13@gmail.com

Eritrea possesses one of the fastest growing mining sectors in Africa. Eritrea’s mining approach represents a robust deployment of public-private and public-public partnerships anchored on proportional distribution of ownership rights between the State of Eritrea through its mining entity, the Eritrean National Mining Corporation (ENAMCO), and numerous international mining companies. This paper provides an overview of the Eritrean mining sector with a view to highlighting some of the key lessons for mining in Africa (and emerging markets elsewhere in the Global South) that can be drawn from Eritrea’s nascent and evolving experience with mining. The paper discusses mining exploration, mining law, the operation and governance of mining sites, equitable benefit sharing with communities in the vicinity of mining projects, environmental and social programs accompanying the exploration, production, and termination of open-pit mining sites. The main thesis of the paper is that Eritrea’s approach to mining represents a successful case of a carefully managed state-led model in which the state has played a significant role in jumpstarting and governing various mining partnerships and have done so in an incremental, pragmatic, autonomous but cautiously interdependent fashion.
Technology transfers and wages in China and the US
Moshe Adler, SUNY Empire State College, USA moshe.adler@esc.edu

The diversion of jobs from American workers to Chinese workers is a real issue. The paper explains that the problem exists because China is technology poor. It needs American corporations to come to China because when they do, they bring their technology with them. To lure them, China keeps its wages low. Giving China cheap access to technology would change the equation. Chinese wages would rise, and the gap between the wages of US and Chinese workers would shrink. The result? Chinese workers will produce for Chinese consumers, and US workers will produce for US consumers. How would the access to technology work in practice? The paper discusses compulsory licensing as a possible mechanism for an orderly transfer of technology from technology rich to technology poor countries.
PAPERS

Investigating the role of scent marketing on consumer emotions in the high-end fashion industry

Roland Goldberg, North-West University, South Africa roland.goldberg@nwu.ac.za

This qualitative exploratory study investigates the role of scent marketing on consumer emotions in the South African high-end fashion industry. By using the Morse and Field approach to analyzing qualitative data, I was able to determine the importance of scent marketing in a retail setting, the preferred scent of consumers in high-end fashion stores, and the influence of scent marketing on consumer emotions. In conclusion, scent marketing plays a crucial role in retail. Consumers prefer earthy scents (i.e. cedar wood, sandalwood and leather) in high-end fashion stores, and scent has both a positive and negative influence on emotions. Retailers can use scent marketing to attract consumers, increase browsing time, improve customer experience, elicit positive emotions, and increase sales. The study contributes to the theoretical and empirical literature on retail atmospherics and scent marketing by indicating how scent affects consumer emotions and how it contributes to the success of high-end fashion retailers.

Keywords: Emotion, high-end fashion industry, scent marketing

Introduction

Luxury fashion brands are spending a considerable amount of resources on marketing in order to remain competitive (GlobalBizzNetwork 2019). Consumers are overwhelmed with the daily exposure to marketing messages and are starting to ignore advertisements (B&T magazine 2019). It is increasingly difficult for companies to reach consumers with traditional advertising methods as consumers are non-responsive to mundane marketing messages (Vinnikova 2016). Scent marketing has an effect on consumer behavior and strengthens brand identity, aids brand recall, enhances awareness, elicits positive emotions, increases footfall, increase browsing time, and improves customer perception, satisfaction, purchase and repurchase intention (Douce & Janssens 2011, Hulten et al. 2009, Imamovic 2016, Joustra 2016, Randhawa & Saluja 2017). Despite the various benefits of scent marketing, high-end fashion retailers in South Africa are not yet prepared to implement scent marketing and do not grasp the impact thereof on consumer behavior (Bryant 2017). A vast number of competitors are entering South Africa’s fashion industry, with the consequence of international brands losing market share to locally-produced fashion brands that are manufacturing the same product at cheaper prices (GlobalBizzNetwork 2019). This provides sufficient impetus for high-end fashion stores to seek innovative strategies to remain competitive. The existing literature fails to directly recognize the benefits of scent marketing in the South African high-end fashion industry. The aim of this study was to determine the importance of scent marketing in a retail setting, to identify the preferred scent of consumers when shopping in a high-end fashion store, and how scent affects consumer emotions while shopping. The results of this study contributes to understanding the influence of scent on emotions and the response it elicits in terms of behaviour and buying decisions, and thereby contributes to the Stimulus Organism Response (SOR) theory. In addition, the results of this study enables high-end fashion retailers to realise the benefits of scent marketing and how it can be used to improve their competitiveness and to differentiate themselves from the competition in a volatile market.
Literature Review

Scent marketing can be defined as a long-term strategy that is based on drawing attention to a specific store, brand or product by appealing to a consumer’s sense of smell, where the unique scent becomes an identifying factor of the store, brand or product. The concept of scent marketing originated in 1993 when researchers discovered that scent can increase sales and loyalty to a company (Girard 2017). Scent marketing has the ability to affect consumers’ judgements, perceptions and behaviours and can be used to create memories, enhance an environment, facilitate consumer experiences, affect consumer perceptions, and influence the shopping process (Abazi & Sohani 2016). Scent is one of the most influential retail atmospheric elements due to its ability to connect directly to the brain and influence consumers’ behavior (Thomas 2015). It relies on the neuropsychological processing of the olfactory stimuli in the human brain (Muller et al. 2011). As such, retailers use scent marketing for a variety of different reasons including attracting consumers to a store, brand recall, making consumers feel comfortable and relaxed in a store, providing a positive in-store experience, and eliciting positive emotions from consumers whilst shopping (Levy et al. 2012, Vinnikova 2016). Studies indicate that 75 percent of consumer emotions are elicited by scent (Bradford & Desrochers 2009, Moodmedia 2019).

Scent exerts an influence on a consumer’s emotional state that, in turn, affects a consumer’s behavioral response. The emotional state of a consumer refers to a consumer’s emotional reaction towards the environmental stimuli in a retail store. This process is explained by the SOR theory, which explains how a stimulus (i.e. scent) has an influence on an organism (i.e. consumers’ emotions) which then elicits a specific response (i.e. purchase intention) (Abazi & Sohani 2016). The emotional state of a consumer is divided into three concepts, namely pleasure, arousal, and dominance. Pleasure is described as feelings of happiness, satisfaction, and content. The pleasure derived from a coherent scent will influence consumers’ moods and persuade them to browse for longer (Nibbe & Orth 2017). Arousal refers to a consumer feeling excited, energized or stimulated in a specific environment. Lastly, dominance describes the state in which a consumer feels in control of a situation (Douce & Jannsens 2011). Scent is considered to have the most profound effect on consumers’ emotions due to its connection to the olfactory bulb which is linked to the limbic system that in turn produces an immediate emotional response in humans (Bradford & Desrochers 2009). Consumers are often irrational when making decisions; they do not necessarily only buy goods for its functionality or purpose, but they are also seeking to engage in and be immersed in an emotional and sensorial experience when shopping (Vinnikova 2016). By using scent marketing, a retailer can manipulate a consumer’s mind in such a way as to elicit a positive emotional experience with a product, brand or the store itself (Errajaa et al. 2017). Scent marketing could thus indirectly lead to an increase in consumer footfall and sales (Joustra 2016).

Fashion represents a form of self-expression that is emotionally charged (Airikka 2014). Therefore, it would be beneficial for fashion retailers to use scent marketing to form emotional bonds with consumers. Emotional branding is a vital approach when communicating with fashion-conscious consumers (Kim & Sullivan 2019). A unique scent can increase brand loyalty since consumers associate the scent with a particular brand. Scent marketing can thus be used to differentiate the brand from competitors by forming nostalgic memories with the brand, and in effect, this could aid brand recognition and recall and can increase browsing time when the scent is recognized (Douce & Janssens 2011). Retailers attempt to elicit positive emotions from consumers by using scent marketing, which in turn may lead to increased purchase intention (Lichtle & Plichon 2014). In the highly competitive high-end fashion industry, where numerous brands provide similar products of superior quality, consumers may prefer a brand that appeals to their emotions and offer a unique brand and in-store experience. Therefore, high-end fashion stores should conduct further research on how scent marketing can be used to their benefit (Minksy et al. 2018).
Methodology

This study implemented a qualitative research approach with an exploratory design. A neo-positivist inductive paradigm was adopted, owing to the fact that the reality of the research may be patterned, local and subject to change over a period of time. This paradigm allows for the construction of an understanding that is evidenced, trustworthy and authentic (Ling & Ling 2017). The study was conducted in the Gauteng province of South Africa. Over 15,000 millionaires reside in Gauteng and it houses some of the most high-end fashion stores on the African continent (Stoughton 2021), therefore making it ideal for the purpose of this study. The population of the study comprised of consumers, aged 18 years and older, who purchased a fashion item from a high-end fashion store in the past 18 months. Non-probability judgement and snowball sampling was used to select participants. Data was gathered by means of conducting three focus group sessions culminating in a total sample size of 26 participants when the point of data saturation was reached. The point of saturation was validated by means of one validation session. The objectives of the study was explained and consent to partake in the study was provided by all participants prior to commencing with the focus group sessions.

A moderator’s guide was devised with sections comprising questions relative to the objectives of this study. The focus group sessions were audio recorded, after which the recordings were transcribed by a professional transcription agency. Data was analysed by using the four steps of the Morse and Field (1996) approach to analyzing qualitative data that include comprehending, synthesizing, theorizing and re-contextualising the data accordingly. The Atlas.ti software was used to code the data, and also assisted in the identification of relevant categories and the development of suitable themes. Trustworthiness was confirmed by considering the criteria proposed by Guba (1981) which is to ensure credibility, transferability, dependability and confirmability.

Findings

This section presents the results of this study. Firstly, the findings pertaining to the importance of scent marketing in a retail setting will be provided. Secondaly, the preferred scent of consumers when shopping in a high-end fashion store will be presented. Lastly, the findings concerning the role of scent marketing on consumer emotions will be provided.

The Importance of Scent Marketing in a Retail Setting

Results of the study indicate that scent marketing can be considered as an important strategy that can be used by high-end fashion stores in their marketing endeavours. The results indicate that consumers are attracted to a store with a noticeable and pleasant scent. In addition, consumers opt to spend longer periods of time browsing in a store with an agreeable scent, and this makes them feel relaxed, comfortable, and stimulated in the store. Consumers seek a unique experience when shopping at a high-end fashion store, and scent marketing provides such an experience. A pleasant scent, especially in a high-end fashion store, make consumers feel special and important. Results further indicate that consumers are able to identify a store or brand by its scent, especially if the store or brand has developed their own signature scent. The majority of participants prefer a scented store to a non-scented store.

The Preferred Scent in High-End Fashion Stores

Results of the study indicate that consumers prefer certain scents above others depending on their demographics, personality, mood and memories that they associate with various types of scent. It was found that young men (aged 18 to 29) prefer sweet scents and they do not like fruity scents like that of granadilla, citrus and cucumber. Older men (aged 40 to 69) prefer floral scents to that of sweet scents like...
vanilla. The results indicate that most women, across all age groups, prefer more or less the same type of scent, including that of leather, rose, vanilla, melon, as well as both floral and fruity scents. However, it was also found that consumers have a preference for certain scents depending on the type of retail store; for example their scent preference differs in a pharmacy to that of a high-end fashion retailer. The results show that consumers prefer “hygienic scents” in pharmacies and health shops, including that of chlorine and citrus scents like lemon. Consumers prefer a “luxury scent” in a high-end fashion store which they defined as a sophisticated, complex, elegant, subtle, natural and appealing type of scent. Consumers preferred scents for a high-end fashion store is presented in Table 1, listed from those that were mentioned the most to those that were mentioned the least.

Table 1. The Preferred Scent in High-End Fashion Stores

<table>
<thead>
<tr>
<th>Category</th>
<th>Scent</th>
<th>Scent</th>
<th>Scent</th>
<th>Scent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Earthy Scent</td>
<td>Cedar Wood</td>
<td>Sandalwood</td>
<td>Leather</td>
<td>Patchouli</td>
</tr>
<tr>
<td>2. Floral Scent</td>
<td>Jasmine</td>
<td>Rose</td>
<td>Lavender</td>
<td>Neroli</td>
</tr>
<tr>
<td>3. Fruity Scent</td>
<td>Melon</td>
<td>Citrus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Fresh Scent</td>
<td>White Linen</td>
<td>Sea Breeze</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Authors own depiction.

The Role of Scent Marketing on Consumer Emotions

Results of the study indicate the scent marketing can have both a positive and a negative effect on consumers’ emotions. Firstly, consumers who experience a pleasant scent are happier and feel calmer and more relaxed in a high-end fashion store. This tends to lead to extended browsing time in the store. Some consumers feel that the right type of scent can trigger a “buying mood”, increasing purchase intention. In addition, some consumers feel that an agreeable scent can eliminate cognitive dissonance once they have made a purchase. Consumers stated that they feel special and cared for when they enter a high-end fashion store with a pleasant scent, as they feel that the store is making a concerted effort to improve their in-store experience. Thus, consumers feel that they can form an emotional bond with the high-end fashion brand or store, especially when the store or brand’s signature scent elicits positive emotions. The results of the study found that certain scents elicit positive emotions whilst some scents may elicit negative emotions. Some consumers stated that they have felt irritated and uncomfortable in a store with an overwhelming scent. Consumers have also experienced headaches and allergic reactions. Some scents could remind consumers of a bad memory. When a scent elicits a negative emotion, consumers sometimes feel unwelcome in a store and leave, with a bad connotation being formed with the brand or store. Table 2 depicts the scents found in this study that elicit positive and negative emotions respectively.

Table 2. Scents that Elicit Positive and Negative Emotions

<table>
<thead>
<tr>
<th>Positive Emotion</th>
<th>Negative Emotion</th>
<th>Negative Emotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandalwood</td>
<td>Vanilla</td>
<td></td>
</tr>
<tr>
<td>Cedar Wood</td>
<td>Tea Tree</td>
<td></td>
</tr>
<tr>
<td>Leather</td>
<td>Musk</td>
<td></td>
</tr>
<tr>
<td>White Linen</td>
<td>Banana</td>
<td></td>
</tr>
<tr>
<td>Sea Breeze</td>
<td>Rubber</td>
<td></td>
</tr>
<tr>
<td>Rose</td>
<td>Damp</td>
<td></td>
</tr>
<tr>
<td>Geranium</td>
<td>Nail Varnish</td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>Coriander</td>
<td></td>
</tr>
<tr>
<td>Chocolate</td>
<td>Incense</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors own depiction.
Discussion

The primary aim of this study was to investigate the role of scent marketing on consumer emotions in the high-end fashion industry by determining the importance of scent marketing in a retail environment, identifying the preferred scents of consumers when shopping at a high-end fashion store, and lastly, by determining how scent marketing affects consumers’ emotions.

The results of the study indicate that scent marketing is an important strategy to use in the high-end fashion retail industry for a number of different reasons. Firstly, consumers are attracted to a store with a pleasant scent, increasing consumer footfall. These results are congruent with the argument posed by De Farias et al. (2015) who found that store atmospherics, like scent, has the ability to attract consumers to a store by appealing to their senses. In addition, results found that scent marketing creates a unique experience for consumers, as they feel special and catered for when they smell a pleasant scent in the store. This is of particular importance to brick-and-mortar stores, as consumers who opt to venture out to a brick-and-mortar store instead of completing their shopping online are seeking new and exciting experiences. Consumers around the world are favouring experience-orientated shopping over transaction-orientated shopping, and therefore, scent marketing can cater to this need (Backstrom & Johansson 2017). The findings of this study are therefore supported by Abazi and Sohani (2016) who affirm that scent marketing has the ability to enhance consumers’ in-store experience. Consumers who are surrounded by a pleasant scent also tend to remain in the store for longer periods of time as scent improves their perception of the store and its products and often times, as mentioned by some of the participants in this study, puts them in a shopping mood, which ultimately increases purchase intention (Lichtle & Plichon 2014). Therefore, the results of this study could contribute to the SOR theory by indicating the influence of scent (stimulus) on consumers’ emotions (organism) could lead to increased purchase intention (response) (Abazi & Sohani 2016). The findings of the study also indicate the vital role of scent marketing in brand identity and recall. Consumers are able to link a particular scent to a specific store or brand, and this aids in the consumer identifying or recalling that specific brand in the future when they smell the unique scent. These results support the arguments made by Levy et al. (2012) and Vinnikova (2016) who confirm scent marketing’s ability to aid in brand recognition and recall, especially when the particular scent elicits positive emotions from the consumer. One of the more important findings of this study is that consumers deem scent marketing as a suitable strategy to improve a store or brand’s competitive position. By creating a unique scent that is memorable, consumers will be able to have improved levels of brand recognition and recall as opposed to a store or brand that has no scent linked to it. Findings indicate that consumers prefer a store or brand with a scent as to those that have no scent or a scent that elicits negative emotions. According to Thomas (2015), scent is considered to be one of the most important atmospherics elements in a retail store. However, the findings of this study are in stark contrast to that of Thomas (2015). Results of this study indicate that human factors are considered to be the most important atmospheric element in a high-end fashion store, including that of employee characteristics, employee uniforms, and the service and attitude offered to consumers. This was followed by the importance of how the merchandise is displayed (mannequins, shelving, wall and ceiling decorations and posters or signs). The proper use of lighting in the store was also an important consideration, as well as the in-store temperature being just right. Despite the various benefits of scent marketing, scent was not one of the most important atmospheric elements that shared preference among consumers when shopping at a high-end fashion store. Scent marketing therefore has a greater influence on the subconsciousness of the consumer. This is confirmed in studies that indicate the subconscious communication of information by using scent (Morrin et al. 2011). The arousal of certain emotions is an example of how scent marketing can be used to elicit a specific response from consumers in a high-end fashion store.

The results of this study further indicate that consumers share preferences of particular scents when
shopping at high-end fashion stores. Most consumers prefer earthy scents like cedar wood, sandalwood, leather and patchouli. It’s of utmost importance that high-end fashion stores make use of the most appealing scent, as results further indicated that even though scent marketing can be used to attract consumers to a store, it may also cause consumers to avoid entering a store or limit their browsing times. These findings support those of a study conducted by Van Niekerk and Goldberg (2021) focussing on the influence of scent marketing on consumers’ approach and avoidance behaviour.

Lastly, the study aimed to investigate how scent affects consumers’ emotions when shopping at a high-end fashion store. It was found that consumers are more comfortable and happier when shopping in a store with a pleasant scent. As a result, browsing time and purchase intention are increased. The ability of scent to elicit positive emotions from consumers is supported by a study conducted by Lichtle and Plichon (2014). When consumers experience positive emotions, the likelihood of forming an emotional bond with the brand or store increases. This is especially the case with high-end fashion brands and stores as a consumers’ decision-making process when buying fashion items are largely affected by emotions. This view is echoed by Airikka (2014) who postulates that fashion purchases is emotionally charged. Using scent marketing to spur emotional bonds with consumers would therefore be advantageous to high-end fashion stores who are seeking to become more competitive and to differentiate themselves in the market. This notion is supported by Kim and Sullivan (2019) who affirm that forming an emotional bond with consumers is particularly important when targeting and communicating effectively with fashion-conscious consumers. The formation of an emotional bond with a high-end fashion brand or store would, however, only be viable if the scent elicited a positive emotion from consumers. An adverse effect could occur if scent marketing is implemented incorrectly. Results of the study indicate that some consumers experience negative emotions when they enter a high-end fashion store with overwhelming scents. This causes discomfort to occur, leading to shorter browsing times or the consumers avoiding the store altogether. Once a consumer experiences negative emotions elicited by a particular scent in a specific store, then a negative connotation could be formed by the consumer with that store or brand. Van Niekerk and Goldberg (2021) emphasise the importance of high-end fashion stores making use of the most appealing scents to elicit positive emotions from consumers, and to avoid scents that elicit negative emotions from consumers, as these would have dire consequences on the consumers’ perspective of the store, their experience within the store, and the connotation that will be formed with the brand or store. Lastly, this study identified specific scents that elicit both positive and negative emotions from consumers. It is important for high-end fashion stores to conduct research on the preferred scent of their target audience in order to ensure that their scent marketing endeavours only make use of those scents that elicit positive emotions and to avoid those scents that elicit negative emotions from consumers.

Conclusion and Implications

This study confirms the importance of scent marketing in the high-end fashion industry. With the effective development and implementation of a scent marketing strategy, high-end fashion stores can attract consumers, increase browsing times, increase purchase intention, improve brand recognition, aid brand recall, decrease consumers’ cognitive dissonance, provide unique in-store experiences, elicit positive emotions, and allow consumers to form an emotional bond with the fashion brand or store. The benefits of using scent marketing could assist a high-end fashion brand or store to differentiate themselves from the competition. As a result, the brand or store’s competitive position could be strengthened in a volatile market. With the struggling fashion industry in South Africa, the economic turmoil caused by the COVID-19 pandemic, and the increased competition posed by online shopping, high-end fashion stores must strengthen their competitive position in the market by offering consumers a unique experience.

Due to the fierce competition posed by online shopping platforms, brick-and-mortar stores across all sectors must adopt innovative strategies to remain competitive. Consumers who frequent brick-and-
mortar stores are seeking new and unique experiences that will attract them to these storefronts, as opposed to merely completing a transaction where a product or service is purchased. Scent marketing provides high-end fashion retailers to create a unique experience for consumers. It would be beneficial for a fashion brand or retailer to develop their own unique scent, one that consumers can link to the specific brand or store. The development of this unique scent should, however, consider those scents that elicit positive emotions from consumers and avoid those that elicit negative emotions. High-end fashion stores should consider those scents that consumers define as “luxurious” which predominantly include earthy scents like wood and leather. Consumers will then be able to recognise and recall the specific brand or store when confronted with the unique scent. Even though high-end fashion stores should ensure that their stores are scented optimally, seeing that consumers prefer a scented store over and above an unscented store, attention should also be awarded to other atmospheric elements. Consumers consider employee characteristics (i.e., uniforms), merchandise displays, in-store lighting, and temperature to be important atmospheric elements that could influence their experience and satisfaction when shopping at a high-end fashion store. By considering the results of this study, it is advised that high-end fashion stores devise and implement an effective scent marketing strategy to differentiate themselves and to strengthen their competitive position in the market.

The results of this study will allow the high-end fashion industry in South Africa to realise the importance of scent marketing and the benefits it holds. A large majority of the high-end fashion stores are ill-informed about scent marketing and the specific scents that consumers favour as opposed to those that they would rather like to avoid when shopping at a high-end fashion store. In addition, scent marketing’s contribution to emotional branding is reiterated by the results of this study. This is the first study of its kind in the South African high-end fashion industry. Many of the South African high-end fashion retailers do not know what scent marketing is, how to implement it or its advantages. Therefore, this study provides a base of departure for further studies focussed on scent marketing in the world of fashion and how it can be implemented most effectively in order to improve in-store experience, increase consumer footfall, and ultimately to raise profitability levels.

**Limitations and Directions for Future Research**

Although the study was cautiously planned and successfully conducted, a number of limitations are identified. Firstly, the literature pertaining to scent marketing is limited, especially within the high-end fashion industry in South Africa. Secondly, the results of the study are based on the data gathered from consumers residing in the Gauteng province of South Africa, and therefore, the findings of this study might be different when data is gathered from other provinces in South Africa or from other countries around the world. The author recognises the fact that scent is prohibited in public spaces in some countries around the world unless it is being sold, and thus scent marketing will deem ineffective in such countries.

Future research studies on the topic could consider gathering data from consumers in other provinces in South Africa or from other countries around the world in order to conduct a comparative study. This study only considered the role of scent marketing in the high-end fashion industry, and as such, future studies could investigate the importance of scent marketing and the influence thereof on consumer behaviour in various other retail sectors.
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Author

Dr. Roland Goldberg (OrcID 0000-0002-2438-194X) is a senior lecturer in marketing in the faculty of Economic and Management Sciences at the North-West University in Potchefstroom, South Africa. Dr. Goldberg teaches consumers behavior and sales management at undergraduate and post-graduate levels and conducts research in the areas of place marketing, retail and consumer behavior. Dr. Goldberg can be contacted at roland.goldberg@nwu.ac.za
Examining detachment in customer – wealth manager relationships: An SEM Model

Hester Spies, North-West University, South Africa hester.spies@nwu.ac.za

Unless wealth managers have a good understanding of why customers are moving away from an employee relationship, the preventative course of action can’t be formulated. The concept customer detachment which could explain why customers move away from wealth manager relationships has received no scholarly attention. This study, therefore, sets out to form a better understanding of customer detachment by determining the interrelationships amongst respondents’ detachment, relationship disaffection, customer disillusionment and commitment deterioration in the South African Wealth Management industry. A quantitative descriptive research design was used to collect data through online computer administered questionnaires from a sample of 526 wealth management customers. The results established that respondents’ detachment was significantly influenced by relationship disaffection and disillusionment, and commitment deterioration was statistically significantly influenced by detachment and relationship disaffection, but not disillusionment. This study offers theoretical and practical contributions by advancing the existing knowledge of customer detachment in customer-wealth manager relationships.

Keywords: commitment deterioration, detachment, disillusionment, relationship disaffection, wealth management

Introduction

The importance of customer attachment in customer-organizational relationships is evident as various studies confirm that attached customers exhibit a fear of losing their relationship with the organization, resist switching organizations and demonstrate higher levels of loyalty, contributing to the development and success of customer relationships (Spies & Mackay 2020). Whilst the importance of customer attachment in customer-organizational relationships can’t be questioned or contested, research neglect to consider that not all bonds created between customers and organizations are meant to last and could gradually weaken over time, leading to customer detachment (Mai & Conti 2008). Customers that become detached distance themselves from the relationship with their attachment figure which eventually could lead to the termination of the relationship (Moon & Yang 2015). A thorough literature review reveal that although attachment theorist Bowlby made some reference to the detachment concept, only a few researchers have attempted to expand on the concept (Perrin-Martinenq 2004). Most of the detachment studies stem from the field of psychology, with only a few references within the marketing field. The few customer detachment studies conducted in the field of marketing focused almost predominantly on a customer’s detachment from a brand, without considering the detachment between a customer and employee (Mai & Conti 2008, Perrin-Martinenq 2004).

Perrin-Martinenq (2004) adds that most detachment studies are entirely exploratory in nature and little is known about the empirical understanding of the formation of detachment in customer-employee relationships and the possible factors that contribute towards the development thereof. To address this deficit, this study aims to theoretically and empirically not only investigate the role of detachment in customer – wealth manager relationships, but also how relevant factors could influence it. The identified factors that could influence customer detachment will be based on theory, seeing as very little empirical studies were carried out to determine these relationships.
Literature suggests that relationship disaffection and customer disillusionment could explain why customers become detached. Evanschitzky et al. (2020) and Moon and Yang (2015) explain that when customers experience disappointments, dissatisfaction, and unresolved conflicts they lose their sense of affection for the relationship or form a de-idealised perception of the relationship with the brand and the ability to meet his/her needs. Once a customer loses their affection for the relationship or become disillusioned, the bond created between the customer and organization will start to deteriorate which eventually leads to detachment. Should the organization decide to leave the customer’s concerns unaddressed, customer detachment could potentially lead to commitment deterioration which could result in the termination of the relationship (Perrin-Martinen 2004; Vidal et al. 2016). Determining customer detachment therefore becomes a necessity for any organization aiming to establish successful customer relationships, seeing as the costs involved to keep existing customers are smaller compared to the costs of acquiring new ones.

Based on attachment theory which argues that detachment is necessarily preceded by attachment this sets out to form a better understanding of customer detachment by determining the interrelationships amongst respondents’ detachment, relationship disaffection, customer disillusionment and commitment deterioration in the South African Wealth Management industry. Forming an understanding of detachment and how it relates to the above-mentioned constructs will not only enhance marketers’ understanding of detachment in customer-wealth manager relationships, but it will also empirically contribute to the growing body of research on the customer detachment theory. Moreover, although the importance and contribution of studying customer detachment in building relationships is visible, according to the researchers’ knowledge no research has examined customers’ detachment in the South African wealth management industry. Gaining insight into customers’ detachment could, therefore, guide wealth managers in emerging markets such as South Africa in their efforts to build successful customer relationships.

**Literature Review and Hypotheses**

**Attachment Theory**
Attachment theorist Bowlby and his student Ainsworth were among the first researchers who referred to attachment as relational bonds that are generally formed between an infant and a primary caregiver based on their interactions (Ainsworth et al. 1978, Bowlby 1958). It is the interactions displayed between the infant and caregiver that affects the infant’s (i.e. attached individual’s) behavioral tendencies later in life (Buonincontri et al. 2017). An individual’s sense of attachment is activated through their interactions with a primary caregiver (i.e. attachment figure) who displays responsive and protective qualities, which in turn influences their mental representation of current and future relationship partners (Bowlby 1958). Should an individual’s attachment figure lack these responsive or protective qualities, they become increasingly inclined to detach (Sable 1997).

**Customer Detachment**
Stemming from the field of psychology, detachment refers to the process in which an individual distance himself/herself from an attachment figure due to the gradual weakening of the bond that exists between them (Mai & Canti 2008, Moon & Yang 2015). From a marketing perspective, the detachment process is generally triggered by negative events or outcomes such as service failures that severely disappoint the customer causing him or her to begin doubting their previously held perceptions of the brand (the attachment figure) (Evanschitzky et al. 2020, Vidal et al. 2016). Once the process is in motion, the bond created between the customer and the brand will begin to deteriorate. Should the organization decide to leave the customer’s concerns unaddressed, he or she will begin to distance themselves from the
relationship by reducing the extent to which they purchase the organization’s offerings and interact with them. These customers will start to think less about the brand, motivating them to terminate the relationship altogether (Moon & Yang 2015, Perrin-Martinenq 2004).

**Commitment Deterioration**
The negative effect of commitment deterioration in customer – organizational relationships is visible as customer’s commitment towards the organization start to deteriorate, they start to show behaviour of negligence and switching behaviour (Vidal et al. 2016). According to Evanschitzky et al. (2020) and Vidal et al. (2016) the deterioration of affective and calculative commitment arises when a negative event or trigger are set in motion by the organization which causes the customer to question his/her desire to continue the relationship. Perrin-Martinenq (2004) and Vidal et al. (2016) add that the customer’s evaluation of and potentially negative reaction to the trigger, can be seen as a form of detachment which in turn signals the onset of commitment deterioration, effecting the quality of the customer-organizational relationship. Therefore, this study proposes the following alternative hypothesis:

**H1.** Customer detachment will have a significant effect on commitment deterioration

**Relationship Disaffection**
Within the field of psychology, relationship disaffection can be referred to as a gradual loss of emotional attachments that may result in a decline of caring, emotional estrangement and an increasing sense of apathy and indifference towards a partner (Abassi et al. 2019). Evanschitzky et al. (2020) explain that disaffection in the relationship between two people does not occur instantly, but rather over a period of time. These authors regard relationship disaffection as a process where disappointments, dissatisfaction and unresolved conflicts culminate in an individual which causes him/her to lose their sense of affection for the relationship. The relationship disaffection that the customer experiences motivates him/her to distance themselves emotionally and cognitively from the source of his/her previous affections. It should, however, be noted that disaffection does not inherently lead an affected individual to terminate a relationship, but rather distance themselves from the offending organization in terms of reduced affection, association and even patronage (Abassi et al. 2019; Evanschitzky et al. 2020; Perrin-Martinenq 2004). Therefore, this study proposes the following alternative hypothesis:

**H2.** Relationship disaffection will have a significant effect on respondents’ detachment

**H3.** Relationship disaffection will have a significant effect on respondents’ commitment deterioration

**Customer Disillusionment**
Customer disillusionment can be defined as an individual being defeated in either or both expectation and hope (Maher et al. 2020). Supioni (2015) argues that a customer’s expectations form the foundation for their disillusionment. Each time an organization fails to meet a customer’s expectations, negative disconfirmation occurs which increases the customer’s dissatisfaction levels. Continued dissatisfaction over time, leads the customer to revaluate the relationship and consequently, form a de-idealized perception of the relationship formed with the organization or employees and their ability to meet his/her needs (Evanschitzky 2020). According to Moon and Yang (2015) and Supioni (2015), once a customer is disillusioned, the bond created between the customer and organization will start to deteriorate. The disillusioned customer will begin to distance themselves from the relationship with the organization or its employees which can significantly damage the level of trust built between the parties and reduce the extent to which they purchase the organization’s offerings and/or interact with them. Thus, taking the information discussed above into consideration, this study proposes the following alternative hypothesis:

**H4: Respondents’ disillusionment will have a significant effect on their detachment**
H5. Respondents’ disillusionment will have a significant effect on their commitment deterioration

Mediating Effect of Customer Detachment

In the discussion above various proposed relationships were discussed, shedding further light on the possibility of detachment to serve as a potential mediating variable between disaffection and commitment deterioration as well as between customer disillusionment and commitment deterioration. Hence, it is proposed that:

H6. Customer’s relationship disaffection has a significant positive and indirect effect on commitment deterioration, as mediated by customer detachment
H7. Customer’s disillusionment has a significant positive and indirect effect on commitment deterioration, as mediated by customer detachment

Figure 1. Conceptual Model

Source: Authors own depiction.

Methodology

Population, Research Design, Data Collection and Sampling Approach
A quantitative descriptive (cross-sectional) research design was carried out to collect data from South African residents who made use of wealth management services and who had distanced themselves from his/her relationship with their wealth manager due to becoming detached. Data was collected using computer administered questionnaires. Online questionnaires were posted on the largest residential online Facebook groups in all nine provinces in South Africa. Despite the inexpensiveness and effectivity of online questionnaires, the contact details of the members on each Facebook group were not available, making them inaccessible, which necessitated non-probability sampling methods in the form of convenience and snowball sampling.
Therefore, based on convenience, a hyperlink of the online questionnaire was posted in the newsfeed of each Facebook group. The post invited members to participate in the study. Once members completed the survey, they were presented with the option to recommend the survey to other eligible respondents within their respective networks. Snowball sampling was considered necessary as the High Net-Worth Individual (HNWI) population in South Africa comprise of approximately 38 400 individuals (NWWealth 2020), making it difficult to identify wealth management customers in South Africa. Upon completion of the data collection period, a total of 536 useable responses were obtained, exceeding the sample size of 500 as suggested by Hair et al. (2019) for model development.

**Questionnaire Development and Data Analysis**

A structured questionnaire comprising of multi-item scales, was used as the measurement instrument for this study. The questionnaire comprised of an introductory section that clarified the study’s purpose and screening questions that ensured that only respondents who had made use of and distanced themselves from their wealth manager due to becoming detached were able to participate in the study. The proposed variables of the study were measured with closed ended questions that included a five-point Likert-scale where 1 indicated that they “strongly disagreed” and 5 indicated they “strongly agreed”. Valid and reliable measurement scales were utilized to measure relationship disaffection and disillusionment (Kayser 1996; Pervan & Martin 2012), detachment (Mai & Conti 2008; Perrin-Martinenq 2004) and commitment deterioration (Dagger & O’Brien 2010).

The data was analysed utilising the statistical programmes IBM SPSS (version 27) and Mplus 8.3. IBM SPSS was utilized to calculate the descriptive statistics and Cronbach’s alpha coefficients. Mplus, on the other hand was used to apply latent variable modelling via structural equation modelling (SEM) to compare the relationships between respondents’ relationship disaffection, disillusionment, detachment and commitment deterioration. The Maximum Likelihood was applied for parameter estimation in the SEM, as this has been considered most suitable for multivariate normal data. Mplus also produces a zero-order correlation matrix, which allowed the correlations between the latent variables to be investigated. Effect sizes for the correlation values were considered to have a large practical effect with r ≥ 0.50 (Hair et al. 2019). With regard to the fit indices of the measurement model (confirmatory factor analysis [CFA]), the comparative fit index (CFI) with a cut-off value of above 0.90, the Tucker-Lewis index (TLI) with a cut-off value of above 0.90 and the root mean square error of approximation (RMSEA) with a cut-off value up to 0.10 were considered as indices to assess the fit of the measurement model to the data (Van de Schoot et al. 2012). Finally, the model’s indirect function was specified in accordance with the hypotheses to investigate the potential mediating variables in the research model through Mplus. Through bootstrapping resampling with requests for 5000 draws the mediation was tested and bias-corrected 95 percent confidence intervals in the output, focusing on the size of the indirect effects. This necessitated an investigation to assess whether the indirect effects would not cross zero at that level.

**Results**

**Sample Profile**

Most respondents who participated in this study had been making use of their wealth manager’s services for between 1 to 5 years (40.5%) with insurance (53.9%) being the most popular wealth management service provided. With regard to gender, slightly more females (51.5%) than males (46.5%) participated in this study. Finally, almost half of the participants were married (42.4%) and full-time employed (52.1%).
Measurement Model
The results obtained from the confirmatory factor analysis revealed that the specified model was an acceptable fit to the data: $X^2/df = 3.12$, CFI = .95, TLI = .94, RMSEA = .06. The factor loadings for the latent variables were also calculated and all the items loaded significantly on the corresponding latent factor, ranging from .55 to .98 (above the suggested threshold of 0.5) (Hair et al. 2019). The standard errors demonstrated accuracy in the estimation of the values as each of the standardised estimates were small. The results reflected in Table 1 illustrates the statistics for the correlation matrix for the latent variables, as well as the AVE and the Cronbach’s reliability estimates on the diagonal.

### Table 1. Correlation Matrix, AVE and Cronbach Alpha’s

<table>
<thead>
<tr>
<th>Variables</th>
<th>AVE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Relationship disaffection</td>
<td>.53</td>
<td>(92)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Dissillusionment</td>
<td>.59</td>
<td>.84</td>
<td>(.90)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Detachment</td>
<td>.69</td>
<td>.89</td>
<td>.86</td>
<td>(.87)</td>
<td>-</td>
</tr>
<tr>
<td>4. Commitment deterioration</td>
<td>.62</td>
<td>.79</td>
<td>.69</td>
<td>.83</td>
<td>(.91)</td>
</tr>
</tbody>
</table>

Note: Large effect size ($r \geq .50$), Notes: AVE, average variance extracted. Cronbach’s $\alpha$ coefficient values on the diagonal in parentheses for each construct.

From Table 1 it can be observed that the composite reliability (CR) values presented on the diagonal in parentheses ranged between .87-.92, thereby evidencing high factor reliability. Table 1 also illustrates that all correlations between the latent constructs were large ($r \geq .50$), and the AVE for any two individual constructs was greater than the squared correlation estimate between them, providing supportive evidence for separate constructs. The model thus demonstrates discriminant validity among the constructs assessed. Convergent validity can also be confirmed as all the AVE values were above the cut-off value of .50.

Structural Model
Following the correlation, AVE and reliability assessment, structural paths were added to the measurement model which is presented in Table 2 in terms of hypotheses (H), the path coefficients ($\beta$), the standard error (SE), the statistical significance at the 0.05 level ($p$-value), and the result. Table 2 also demonstrates the indirect effects in terms of hypotheses (H), relationship, estimate, confidence interval (95%) (Lower and upper) and the result.

The results of the structural paths indicate that all the hypotheses were supported except hypothesis 5. Specifically, commitment deterioration was statistically significantly influenced by detachment ($\beta = .71$, SE = .14, $p < .00$; supporting H1) and relationship disaffection ($\beta = .56$, SE = .11, $p < .00$; supporting H3), but not disillusionment ($\beta = -.17$, SE = .11, $p > .05$; H5 unsupported). Furthermore, detachment was statistically significantly influenced by relationship disaffection ($\beta = .78$, SE = .10, $p < .001$; supporting H2) and disillusionment ($\beta = .39$, SE = .11, $p < .00$; supporting H4). The indirect effects were also calculated using bootstrapping resampling (5,000 replications). The results as specified in Table 2 reveal that the indirect effect for detachment in the relationship between relationship disaffection and commitment deterioration (estimate = .40, 95% CI [.22, .63] – did not cross zero; supporting H6) was supported. The results also provide support for detachment in the relationship between disillusionment and commitment deterioration (estimate = .28, 95% CI [0.11, 0.52] – did not cross zero; supporting H6). A summary of the significant relationships identified in the SEM is presented in Figure 2.
### Table 2. Structural Paths of the Latent Variables and Indirect Effects

<table>
<thead>
<tr>
<th></th>
<th>Path</th>
<th>$\beta$</th>
<th>SE</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H1$</td>
<td>Detachment $\rightarrow$ Commitment deterioration</td>
<td>.71</td>
<td>.14</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$H2$</td>
<td>Relationship disaffection $\rightarrow$ Detachment</td>
<td>.78</td>
<td>.10</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$H3$</td>
<td>Relationship disaffection $\rightarrow$ Commitment deterioration</td>
<td>.56</td>
<td>.11</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$H4$</td>
<td>Disillusionment $\rightarrow$ Detachment</td>
<td>.39</td>
<td>.11</td>
<td>.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$H5$</td>
<td>Disillusionment $\rightarrow$ Commitment deterioration</td>
<td>-.17</td>
<td>.11</td>
<td>.11</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

$B$=beta coefficient, $SE$=standard error, $p$-value: two-tailed statistical significance

**Indirect effects with confidence intervals at the 95% confidence interval**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Estimate</th>
<th>Confidence interval (95%)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lower</td>
<td>Upper</td>
</tr>
<tr>
<td>$H6$</td>
<td>Detachment mediates the relationship between disaffection and commitment deterioration</td>
<td>.40</td>
<td>.22</td>
</tr>
<tr>
<td></td>
<td>Detachment mediates the relationship between disillusionment and commitment deterioration</td>
<td>.28</td>
<td>.11</td>
</tr>
</tbody>
</table>

Source: Authors own depiction

### Figure 2. Summary of Significant Relationships

![Diagram showing significant relationships between variables](image-url)
Discussion

Theoretical Implications

Unless organizations have a good understanding of why customers move away from an organization or employee relationship, the preventative course of action can’t be formulated. Based on the attachment theory this study, therefore, sets out to form a better understanding of customer detachment by determining the interrelationships amongst respondents’ detachment, relationship disaffection, customer disillusionment and commitment deterioration in the South African Wealth Management industry. As far as the author can tell, this is the first study to empirically investigate the interrelationships amongst respondents’ detachment, relationship disaffection, customer disillusionment and commitment deterioration within a specific customer-employee relationship.

The current study contributes to the conversation on customer detachment in several ways. Firstly, the research findings confirm that relationship disaffection and customer disillusionment statistically significantly influence detachment. This result is consistent with the arguments of Evanschitzky et al. (2020) and Moon and Yang (2015), who argue that when customers experience disappointments, dissatisfaction, and unresolved conflicts they lose their sense of affection for the relationship or form a de-idealised perception of the relationship with the brand and the ability to meet his/her needs. Once a customer loses their affection for the relationship or become disillusioned, the bond created between the customer and organization will start to deteriorate which eventually leads to detachment. Regardless of the well-reasoned arguments supporting the relationship between relationship disaffection and detachment and customer disillusionment and detachment, the relationship between these two constructs have not been empirically tested before. This study, therefore, empirically contributes to the theory by confirming the relationship between relationship disaffection and detachment and customer disillusionment and detachment.

Secondly, the study also confirms the work of earlier scholars who confirmed that commitment deterioration is statistically significantly influenced by both detachment and relationship disaffection (Perrin-Martinenq 2004; Vidal et al. 2016). When the organization decides to leave customers’ concerns unaddressed, both customer detachment and relationship disaffection could potentially lead to commitment deterioration which could result in the termination of the relationship. Although the results supported the relationship between relationship disaffection and commitment deterioration, no significant relationship was found between customer disillusionment and commitment deterioration. This finding contradicts the findings by Moon and Yang (2015) and Supioni (2015) who argue that once a customer is disillusioned, the bond created between the customer and organization will start to deteriorate. The disillusioned customer will begin to distance themselves from the relationship with the organization or its employees which can significantly damage the level of trust build between the parties.

Thirdly, the results reveal that detachment had a significant indirect effect in the relationship between relationship disaffection and commitment deterioration and in the relationship between customer disillusionment and commitment deterioration. This result is unique in that previous studies have not examined these indirect relationships which could better explain the relationships between the above-mentioned constructs. It appears that while it is important for organizations to identify relationship disaffection and customer disillusionment among their customers when developing commitment strategies, they should consider that customer detachment plays a central role in establishing committed customers. These results are noteworthy, as extant research has not provided a comprehensive explanation of the role and relevance of relationship disaffection, customer disillusionment and detachment, while simultaneously being measured for their contribution to commitment deterioration. Therefore, the results of this study provide new insight into the interrelationships between relationship disaffection, customer disillusionment, detachment and commitment deterioration, which makes an original contribution to the body of knowledge in understanding customer detachment.
Fourthly, taking the results above into consideration a model is developed and empirically tested to explain customer’ detachment in customer-employee relationships after reviewing and integrating theories from multidisciplinary literature, expanding the attachment and detachment domain. Fifth, this research responds to scholars’ calls to empirically test customer detachment specifically in customer-employee relationships, as the available research are mostly exploratory in nature. Consequently, this research has expanded the empirical understanding of the formation of detachment in customer-employee relationships. Lastly, based on the attachment view, this research is the first to link disillusionment, relationship and disaffection customer detachment in a customer-employee relationship. In so doing, it does not only support the attachment theory, but also clarifies the factors that contributes towards a detached customer.

**Managerial Implications**

This study provides a comprehensive and multidimensional model to guide wealth managers in building, profitable, long-term relationships with customers by identifying detached customers. The results reveal that commitment deterioration was statistically significantly influenced by detachment and relationship disaffection, but not disillusionment. Furthermore, detachment was statistically significantly influenced by relationship disaffection and disillusionment. Therefore, from a managerial perspective, to prevent customers from terminating their relationship with their wealth manager it is suggested that wealth managers identify those customers who are disillusioned and disaffected towards their relationship with the wealth manager as it could lead to customer detachment. Once wealth managers identify these customers it is important that they aim to satisfy their needs and resolve conflicts to prevent any disappointments. Specifically, wealth managers should aim to satisfy their customers need by exceeding their expectations.

These customer expectations should however be carefully managed and wealth managers should guard against over-promising. Wealth managers can also contribute to their customers satisfaction by consistently acquiring feedback from customers to address their ever-changing problems and needs. Customers will be more willing to provide valuable feedback to management if they are provided with proper communication channels like phone numbers and e-mail addresses. Prompt services from the wealth manager is also encouraged, tailoring their customers' financial products and services to their specific needs.

It is also important for wealth managers to identify detached customers and improve the initial bond created between them to ensure that their commitment toward the wealth manager does not start to deteriorate. Being receptive and attentive to customers’ signals of distress and taking action to resolve the source of the distress is the key to achieving this goal. Within the wealth management industry customers will experience various doubts or concerns about the way their money is being managed as well as various trends that may arise in the market. Wealth managers, therefore, need to be perceptive in these situations and try to address their customers’ concerns. Being perceptive and addressing their needs, wealth managers will position themselves in their customers’ minds as a secure base from which they can safely explore various wealth management avenues. These actions will allow wealth managers to develop valuable relational bonds with their customers which over time will ensure a successful customer relationship.

**Limitations and Directions for Future Research**

Using non-probability convenience sampling, the research findings are based on the responses obtained from respondents from only one service setting (wealth management). The results can therefore not be generalised, and it is therefore suggested that future research use probability sampling that encompass
different service settings. Furthermore, although the model presented in this study contributed towards clarifying and explaining the role of customer detachment in customer-wealth manager relationships, other relevant variables not included in this research exist and need to be taken in consideration as it might offer additional insight into customer detachment. For example, future research could test constructs such alienation, negative emotions and distrust as possible antecedents or outcomes of customer detachment.

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Author

Dr. Hester Spies (OrcID 0000-0003-0710-2256) is a senior lecturer in the School of Management Sciences in the Economic and Management Sciences Faculty at the North-West University, South Africa. Dr. Spies lectures digital marketing at undergraduate and graduate levels and conducts research in the area of customers’ attachment and detachment. Dr Hester Spies can be contacted at hester.spies@nwu.ac.za
AUTHORS INDEX

Adam, Jamila 7
Adler, Moshe 9
Agon, Hansel 5
Amoo, Akinlawon 7
Banks, Moisés 3 7
Baquero, Luis 4
Barciela, Patricio 5
Bonney, Amanda 7
Brache, José 5
Burton, F. Greg 7
Pelletiere Calix, Lorette 3
Camacho, Luis 1 3 5
Castro, Yessica 6
Ceran, Mehmet Burak 2
Cutts, Simone 3
Dhliwayom, Shepherd 2
Goldberg, Ronald 10
Jefferson, Claire 7
Lithoko, Alpheaus 6
Matheus, Thomas 1
Ramírez Montañez, Julio 4
Moquete, Elsa 3
Ogbaharya, Daniel 8
Orduz Quijano, Marcela 4
Oster, Manuel 8
Ramírez-Corra, Patricio 1
River, Emin 6
Rodríguez, Alvin 6
Salazar-Concha, Cristian 1 5
Salo, Jari 6
Sarma, Meera 1
Sarmiento, Jaime 4
Saxunova, Darina 8
Semenya, Lebogang 2
Senaratne, Chaminda 1
Spies, Hester 19
Suarez Quintero, Alejandra 4
Whann, Christopher 3
Winn, Sandra 3
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